

BOT Meeting Thursday January 23, 2025 Minutes

Board Members in Attendance: Jim Sander, Robert Ansbro, Lucas Doe, Thomas Gorrell, Sean Blackwell

Administrators in attendance: Leena Thomas, Eddie Kubina

Guest: Paul Augello, David Haller

Not in Attendance: Ted Francavilla, Christopher Brignola

Meeting Called to Order by Jim Sander 6:37 pm

I. Approval of Minutes

Robert motioned to approve the minutes, Lucas seconds, all in favor

II. Education

We see growth and improvement in every class. The 50% and above is good in all grades, we still need some classes to do better with the 70% and above. We are working with everyone to make sure that they will get to where th

We are taking our third period assessments this week. We have seen a good amount of growth. 3rd grade has been showing consistent growth which suggests they will be performing well when the state exams are taken. Fourth grade has seen slower growth, but is still moving in the right direction. In fifth grade Christy has been making slightly better progress than Ivelisse. However, both are making progress. Sixth grade showed the most improvement from period two to three. While Topal is still at a low percentage above 70%, his 50% and above is around 90% and he has more than half his class above 60%. Adam W. had very good numbers so far. Seventh grade is doing well. In eighth grade Bruce Halstead also had very good growth for the third period. Samentha Parker is also doing a good job and continuing to see growth. Overall the numbers were not perfect, but they were encouraging. All of the staff seems to be moving in the right direction.

III. Building and Development

Paul and David have been in communication with each other about how much money is left in the bond. It was mostly interest money, which was a substantial amount. There is a procedure that Paul and the bank are working out to get the 640,000. Lucas wants to know what the issue is on getting the extra money. He wants to know about the details and how we got the overrun to amount to about \$700,000. We had 4 million in contingency, 2 million in construction contingency, we ended up with about 5.5 million and the biggest driver was security and IT

which was not in the initial design. IT and security was the biggest amount, 654,000 the IT and security cost 1.4 million. That is what put us over about 4 million. There was no initial budget for those expenses. There was about 700,000 for that in the budget. The design was at 2.1 million and the other costs were about 1.8 million, which were in line with the budget. Lucas is asking if the cost overrun was small in comparison to what normally occurs. If Paul did not get the \$600,000 in interest then we would be at what the bond would cover. We are actually \$28,000 on the good. So it was pretty much spot on. Lucas asks what the Con Ed rebate was. We put the Con Ed vault, we built it for them so we would not have to wait for them, so they gave us back \$79,000 for doing the work for them. The check went back to the school so it should be added to the construction costs. Paul did a tremendous job of putting the loan that we got into an interest account, so basically we got between \$600-\$700 thousand in interest and we went over the project about \$700 thousand dollars so we are just using the interest to pay for it and we do not have to use the school funds. Paul states we were allowed through the bond documents to only use certain accounts. With better interest rates we were able to lock in bonds at historically low rates and then because the project was delayed, it worked to our benefit and we got a higher return on the money as it sat there. We need to pay for the cost overrun from our own funds, but we will get money back from the interest. So we will be able to replenish the funds once we get interest. We need to use an arbitrage since we earned interest on a bond, we need a yearly arbitrage report done in order to have the money. BNY Mellon needs us to do an updated report. We should be getting it over the next few weeks and then it should be reimbursed to us. Jim adds in the meantime it is still accruing interest, so there is no real urgency to get the funds. It is our money and we are entitled to it, we just need to complete the necessary process. Lucas wants to know what the process is to get the money to David. Paul adds the money could go through the school right now, Sonia would send it to the trustee and then it would be wired. She has done that so far and the money goes right to the consultants. There is no necessary board action. There will be no challenges to returning the interest to the school. It will be applied to our debt payment. The next bond payment is 600,000 so instead of the payment being made from the school, it will just be taken from the interest account. Paul thanks David for the job he has done, everything has been done well. Robert wants to know if we could put some more pressure on them to get the remaining work done off the punch list. It is minor things that need to be done and they will not get any extra payment until everything is done.

Paul: The last report was the budget amendment, we look at where we are and try to forecast for the upcoming year. We need to look at overall class sizes, even though we are down a lot of students, the status is reported to bond holders, it was a concern since we were lent the money. If the bonds are downgraded, it does not mean anything, but it is important to show that we are a good investment. He is working on a revised budget, even though we are down a lot of students, it should not be a big issue. We should be at around 600 students, we are at a number lower than that, but it is not too much of a concern. We had a robust staffing model and we did not reach that amount either. If we look at the lower number of students it puts us down about 500,000. Through cost effective methods and not needing as much staff and saving on operation expenditures our number is about 700,000 which is about our original budget. We are operating efficiently. The revised budget is strong so investors will be happy with it. With the

high school the revised budget will be a bit more since a high school is more costly. It is not easy to set up. It takes a few years to really establish a name. Lucas wants to know where we set the budget and where we ended. The revised budget is on 344 students, the original was about 380. We are down about 40 students from where we originally were. When we built this model we had a lot more students, we were supposed to be at 600. In the 5 boroughs, the numbers are significantly down across the board. Especially in the Bronx, it is over saturated and everyone is fighting for the fewer students. We have an efficient model though, so we are doing well. Our interest income is budgeted at about 1 million. We have a 50 student cushion on the interest income. Most schools do not have that benefit. The major difference between the original budget and the revised budget, we had a tail on the Esser money. The program ended in June but we had a tail of money we were able to recoup. We picked up about \$250,000. We are only down about \$200,000 from our original budget. We picked up a lot from the staffing budget. That generated about \$400,000 savings. Textbooks, materials, classroom supplies, we were able to hold off on a lot of things. The number will probably go up with the high school though. Our net operating surplus went up \$700,000 due to our cost savings. We will get through the rest of the year in good standing. The new budget will be out in May or June. There have not been major rate cuts so that works to our advantage. Gov. Hochul gave her state budget, schools will get close to 4-5% increase. If we get 3.5 that would be more than the 2-3% that was forecasted.

The board will take a vote on the revised budget. Lucas wants to know if our debt has changed with the bond holders with us losing the students. The bond holders hold us accountable. We have about 1.1. If we are between 1 and 1.1 then we would have an issue. 1 would be break even so to speak. It is still sustainable though. If we go below 1 then our expenses are greater than revenue. We should be at 1.1. Our new calculation is 1.63. There is no credit either way. It will not cause us any hardship since our rate is fixed. The other calculation is cash on hand. We are required to be at 60 days, we are at 1365 cash on hand. Requirement is about 1 million and we are at 24 million. Even if our revised projections were not as good as they are, we would still be fine.

Lucas made a motion to adopt the revised budget for 2024-2025. Thomas seconds the motion. All in favor, none opposed. The motion has been approved unanimously. James gives his appreciation to Paul for the great job he has done and how he has helped the school for many years.

Lucas wants to know if there will be any impact from the Trump deportation policy. We received guidance on how to handle agents and anyone else asking for student information. We should ask for warrants, and say we need to consult our legal team and we can't do anything without measures in place. We should not interact with the agents. We have about 10 students who could potentially be impacted. Parents could potentially be afraid to send students to schools. It will have a negative impact on all schools.

IV. Update on Student Recruitment

We have new students due to our recruitment efforts. Since December we have enrolled about 8 students. Some of them are returning students who moved, but came back and re-enrolled. Some were unhappy with their school and others are new to the country. One of the students came from the school across the street, the father walked in during a high school fair and he wanted a better school for his son since he felt he was not learning enough and making progress. We are not looking to poach students, but we will not turn away parents who are looking for a change of scenery. The parent of this student told a relative for their child to also join our school. Norma adds, Lourell and Leena have had a great deal of success and they have put in a lot of effort, going to various day care centers and having tabling events, a tote bag is given out and we have had some of the staff members apply to have their children join our school. We are getting a good amount of applications. Jim had a good idea, we have done open houses that have not always gotten the audience we are trying to reach. Sometimes it is hard to get the parents in because they work. Jim suggested doing some sort of event for the children who have already applied to the school. We have about 160 students who have applied for the upcoming school year. If we can do an event to attract a good number of these parents then maybe the word will get out that we have a new building, high performance, and a good school culture. We need to have something more than a normal open house. Jim thinks we can offer dinner and possibly some entertainment. We can explore how to so we can get the word out. Maybe there will be more applicants. We need the key grades, kindergarten for sure, sixth grade, when students finish 5th and are looking for a middle school and certainly 9th graders.. Many k-8 schools do not want to allow us access to their students because they are fearful of losing their students to us. We were able to establish a connection with Classical Charter school because they are a high performing school and they are comfortable with sending their graduating students to us since they do not have a high school and they want their students to go to a good school. Leena and Laurell have done a great job with the daycares getting students for kindergarten. A lot of the charter schools are doing the same thing, so there is competition. One of the daycares is in the same location as storefront charter school. If we continue educating the parents and they understand the difference between our school and others, they will be more likely to choose us. We need to remind our parents to help us recruit. Since they speak with their neighbors. We can try to have a parent association meeting that helps with recruitment.

James wants to give his condolences and our thoughts have been with Norma and we have all given our thoughts on Ted. He wishes the best and he wants to pay tribute to Ted. He wants to name the gym in our new building after Ted. We want to formally dedicate the gym to Ted. We can name it the Ted Hurwitz Gymnasium. Or possibly the Ted Hurwitz Sports Center. We will need to have a plaque. Sean suggests the signage over the door so that it is clear. Ted felt the students should have a proper gym and he succeeded.

James makes the motion to make the Ted Hurwitz Sports Center and have signage for the entryway. Robert seconds the motion, all in favor, none opposed, motion passes unanimously. Sean will come up with the signage and the cost will come from the school budget. It falls under building signage.

James is making a proposal to name the school campus the Norma Figueroa Hurwitz campus, and have a plaque that would say, Academic Leadership Charter School and under that Norma Figuero Hurwitz campus. Robert seconds, the motion. Norma only needs to keep her name on the school as the founder. She does not need the building to be named after her. For now we will just keep the signage for the gymnasium and revisit the building campus.

Lucas wants to know how we can settle on the signage so it is nice and reflects the values of the school. Each board member can share their own idea on how to state it.

Norma felt that charters were not being run as well as they should be. She suggested to Ted that they should make a school and Ted thought the idea was crazy. However, luckily, she was able to use Ted's mind and they were able to handle the legal aspects and the budget. They were able to make the school come together. It was a challenging task and even though we are in our 16th year, if it wasn't for Leena, Jaime, and Eddie, it is unclear if the school would have done as well as it has. Now that we are looking at starting a high school we are going to have a lot of challenges, but we will meet them and they will need to carry the load. The thing with a charter school is that every year is a struggle, this first year will be a struggle, but the following year we will have our renewal, so the high school will be in focus. In terms of moving the school forward, Eddie and Leena will be putting in a great deal of effort in order to make the elementary school grow and the high school succeed. Norma and Ted helped make this school get to where it is. The school is Norma's vision and it is a great accomplishment. If the board does not mind, keeping Norma's name on as the founder is good. Nothing additional needs to happen. The positive nature of the board is appreciated. The board was not always as supportive. It is important to have a unified front. James was on some of those boards and it was difficult to move forward. Mike Ansboro helped to move things in a more positive direction. We were then able to bring on new members and we now have such a talented board that can offer something special. No one on the board has an agenda other than offering the best educational opportunities to the students that we serve.

V. Committee Reports

No new news to report.

Meeting Adjourned at 8:18 pm.