



## Minutes of the

### GOVERNING COUNCIL MEETING

Tuesday, January 17, 2017

5:00 pm

ABQ Charter Academy

405 Dr. Martin Luther King Jr Blvd NE

Albuquerque, NM 87102

**Council Members Present:** President John Rodarte, Vice President Dr. Evalynne Hunemuller, Secretary Rhonda Seidenwurm, Treasurer Jacob Kennedy (arrived at 5:13 pm)

**Council Members Not Present:** Member Emily Salazar

**Guests:** Erik Bose, ABQCA Executive Director; Curt Szarek, ABQCA Business Manager; Amy Roble, ABQCA Principal; Deb Moya, ABQCA Assistant Principal & Special Services Director

**Minutes:** Andrea Kepple, ABQCA Executive Assistant

#### CALL MEETING TO ORDER

The meeting was called to order at 4:57 pm by President John Rodarte.

#### OPENING ACTIVITIES

##### **A. Approval of January 17, 2017 Agenda**

John Rodarte asked for a motion to approve the agenda. Evalynne Hunemuller made a motion to approve the agenda. Rhonda Seidenwurm seconded the motion. There was no further discussion. The motion carried unanimously.

##### **B. Approval of December 13, 2016 Minutes**

John Rodarte asked for a motion to approve the minutes. Rhonda Seidenwurm made a motion to approve the minutes. Evalynne Hunemuller seconded the motion. There was no further discussion. The motion carried unanimously.

##### **C. Executive Director Position Contract**

Rhonda Seidenwurm stated that this topic should be combined with the Executive Director's evaluation and needs to be discussed in an executive (closed) session.

John Rodarte asked for a motion to move the discussion of the Executive Director position to next month's meeting. Rhonda Seidenwurm made such motion. Evalynne Hunemuller seconded the motion. There was no further discussion. The motion carried unanimously.

#### FINANCE COMMITTEE REPORT

##### **A. Business Manager Report – Curt Szarek**

The December 2016 Financial Statements and Check Register were distributed electronically to the Council prior to the meeting. As requested by the Council, not all documents were provided in hard copy in the Council's packets. Instead, Mr. Szarek provided a summary report (included with these minutes) and only hard copies of some financial documents to the members.

1. **Financial Statements for December 2016** (*sent electronically for review*)



- The draft Balance Sheet by Fund reflects that the school retains healthy cash balances for Operational (\$568K), Instructional Materials (\$41K), HB-33 (\$97K) and SB-9 Local (\$162K) despite \$50K of temporary Inter-Fund loans.
- Inter-Fund loans have returned to normal levels as a result of collections for \$69K of Title I (IASA) and \$6K of IDEA-B during December. The Business Office will continue the practice of spending flow-through funds as expeditiously as possible so the school does not have to wait on reimbursement at the end of the year. As a result of collection of December pro-rate share of semi-annual property taxes from Bernalillo and Sandoval counties, cash balances for HB-33 and SB-9 funds increased by \$36K and 18K, respectively.
- PSFA has already approved ABQCA's 2nd quarter FY17 Lease Assistance in the amount of \$39K, which will be reflected in the January 2017 financial report.
- Since this cash basis reporting is for a quarter end, all payroll liabilities except for NM Unemployment have been made and cleared the school's bank account.
- Recent press reports as of this writing indicate in order to offset continued budget deficits, the Governor is pushing for \$120M "sweep" of district and charter schools' cash reserves, implementing a 3.5% increase for state and educational employee contributions to their respective retirement funds, and extending state agency cuts that were passed during the October 2016 special session. One report used the words "slush funds" which cannot be farther from the truth as most school cash balances reflect only one or two months of expenditures at best.

Mr. Szarek stated that Mr. Bose will provide more information in his report.

**2. Highlights from the December 2016 Check Register:** *(sent electronically for review)*

At a glance - business as usual except for these one-time, non-recurring, or notable Expenditures:

- Technology/Equipment Related:  
12/09/16: #7816 to Abila for annual MIP Fund Accounting software support - \$1,941.00  
12/16/16: #7830 to zSpace for 3-year software bundle/licensing - \$15,050.00
- Facility Maintenance Expenditures:  
12/13/16: #7826 to NM ACES for November projects completed - \$2,633.43
- Other One-Time Expenditures of Note:  
12/13/16: #7825 to NM Public Education Dept. for FY17 Instructional Materials reduction- \$991.94  
12/15/16: #7829 to Funds for Learning for e-Rate consulting annual renewal- \$3,500.00
- Voided Checks:  
12/30/16: #7850 Replaced by warrant #7851

Mr. Szarek asked if there were any questions on any of the financial information as presented. Not hearing any, he stated that he is always available if questions or concerns come up any time after the meeting.

**3. BARS** *(sent electronically for review and included in Council packets)*

- BAR 1617-0006-I which accounts for the 1.5%, or \$60.61, Unit Value reduction passed during the October 2016 special session and is offset by our Growth Units based on our conservative FY17 Projected MEM. The net increase of \$99,953 is a result of the approximate decrease of the Unit Value reduction <\$40,466> offset by approximate increase of \$140,419 generated by actual MEM



of 288 compared to prior year of 261. Backup in the form of a notice from PED along with a spreadsheet calculation by entity accompanies the BAR.

- BAR 1617-0007-M is being presented to the Council for approval which simply reallocates available budget from within Function 1000 (Instruction) to clean up Object Codes which reflect negative variances as of December 31, 2016. The net result of the BAR is zero and since this is a Maintenance BAR, only Governing Council approval is required.
- BAR 1617-0008-I adjusts actual (audited) Operational Unrestricted Cash balance to what the estimated Cash Balance was expected to be during our FY17 budget submission. The increase of \$2,830 is being allocated to various Operational Fund Object Codes that show a negative variance as of the December 31, 2016 reporting.
- BAR 1617-0009-I adjusts actual (audited) Instructional Materials Restricted Cash balance to what the estimated Restricted Cash Balance was expected to be during our FY17 budget submission. The increase of \$3,393 is being allocated to the appropriate Instructional Materials expenditure Object Code.
- BAR 1617-0010-I adjusts actual (audited) HB-33 Unrestricted Cash balance to what the estimated Cash Balance was expected to be during our FY17 budget submission. The increase of \$17,443 is being allocated to boost available budget for Construction Services, should the need arise.
- BAR 1617-0011-I adjusts actual (audited) SB-9 Local Unrestricted Cash balance to what the estimated Cash Balance was expected to be during our FY17 budget submission. The increase of \$45,161 is being allocated as \$4,500 to the Maintenance & Repair (SB-9) Object Code and \$40,661 to the Construction Services Object Code.

John Rodarte asked for a motion to approve all of the BARs simultaneously. Rhonda Seidenwurm made such motion. Evalynne Hunemuller seconded the motion. There was no further discussion. The motion carried unanimously.

**B. FY16 Audit** (*this was not sent electronically, as the file is very large, but was included in Council packets*)

- The APS audit for the fiscal year ending June 30, 2016 was released by the State Auditor and approved by APS during a special board meeting held on December 16, 2016. It became a public document shortly after APS approved it and it has been posted on their website for download and review.
- We did not receive any findings.
- The one “potential finding” with regard to ACES was deemed not our responsibility.
- Mr. Szarek explained that in the last 12 years of audits, we have had 7 years without findings.

The Council expressed its sincere appreciation to Mr. Szarek for his knowledge and diligence in all things related to the school’s finances. Thank you, Mr. Szarek!!

**EXECUTIVE DIRECTOR REPORT – ERIK BOSE**

**A. A copy of the Executive Director’s Report was included in the Council Member packets.**

Highlights - Politics

- Legislative Session started today



- The Governor plans to balance the state budget within the next 7-10 days through an emergency clause. Three plans have been offered:
  - #1 – The Governor's: 100% (of about \$120M) comes off the back of educators
  - #2 – PED's Model: more moderate, recoups \$50M
  - #3 – The "Good Plan" is a combination of #1 and #2. No one seemed to go for it.
- The monies recouped from schools will be based on the July 2016 budget, not current funds/balances
  - ABQCA stands to lose about \$503,800.00
  - If that happens, we would need to cut our numbers and revise our charter requirements for next year
- Reduces the amount of money going toward educators' retirement shares. Currently, State contributes 13.9% and employees contribute 10.7%. They want to switch those percentages.
- NMPSIA is also going up

Mr. Bose stated that he doesn't think the recoup number will be as high at \$120M but that it won't be "pretty." He also said that this would bankrupt some schools.

Mr. Szarek stated that if we lose \$504K, creating a budget for the next school year will be a challenge.

**Mr. Bose will keep everyone aware of any updates.**

#### **B. Lease** (for renting office/parking spaces)

Mr. Bose stated that our parking situation is critical and that we will add 30 new students by the end of the month. He provided an update on current options for solving our parking situation:

1. Renting spaces from Jackson/Wink is no longer an option as they have opened a restaurant within their building.
2. The bank will not let us park in their lot.
3. Mr. Bose has not heard back from the property on Edith.
4. The APS parking spaces along Edith have now been designated as spaces for Longfellow Elementary only.
5. The cost for renting parking spaces at the Convention Center is \$1,200-\$1,400/month for 10 spaces and there is currently a waiting list. This solution also creates a walk of about 15 minutes for whoever would park there.
6. We do have the opportunity to rent a minimum of 10 parking spaces from the property next door at 401 Edith NE (the laser facility). Erik presented a letter of intent between the landlords of the building and ABQCA for review and approval.

a) However:

- The agreement also includes office spaces, which we may or may not need, depending on how our budget ends up after Legislation. Mr. Bose asked about renting only the parking spaces and did not receive a positive response.
  - Eventually, we would like to move the Business Office to another location and open up those 2 offices for additional staff. We are in need of hiring a Counselor but don't currently have the office space for the position.
  - Rhonda Seidenwurm stated that she does not support this decision at this time. Mr. Bose explained that this is a long-term goal. The Counselor position has not been advertised and parking is the immediate priority.
- Parking spaces would be for staff only
- Cost is \$2,153.33 per month
- The lease is for 5 years, with a renewal process at the end of each year.

b) Amy Roble added, as a side-note, that the pylons the proprietors installed to keep people from cutting through their parking lot to the school blocks the fire egress. There may come a time when we need to add an additional door to our building to allow fire personnel to enter during emergencies.



- c) Deb Moya expressed concern that we will lose students if we don't find additional parking soon.
  - Council asked what the status of our wait list was. It was explained that it currently consists of only students who had dropped and have to wait 6 months before re-enrolling.
- d) Rhonda Seidenwurm stated that **she would like Mr. Bose to talk to the landlords again about letting us rent just the parking spaces for now.** She said that she would be OK with a lease agreement that lets us out of it at any given year if we need to.
  - Mr. Bose said that he would have that part expanded in any agreement that we would sign.
  - The letter of intent that was presented was already reviewed by Patty (legal)
  - Rhonda Seidenwurm would also like **Mr. Bose to find out if we would need to pay utilities if we are able to use the parking spaces without using the office spaces.**
    - Mr. Szarek added that utilities are included in the rent amount. If we do start to use the office space, we would need to move Comcast services to that space.

John Rodarte asked for a motion to accept the presented letter of intent and move forward with a contract, once all questions discussed above are answered and any additional changes to our benefit have been added. Rhonda Seidenwurm made such motion. Evalynne Hunemuller seconded the motion. There was no further discussion. The motion carried unanimously.

#### **C. ABQCA 2017-18 Preventive Maintenance Plan**

Mr. Bose explained that the only change to the Plan for 2017-18 is that the tasks were updated from generic to actual for our building.

John Rodarte asked for a motion to approve the 2017-18 Preventive Maintenance Plan. Rhonda Seidenwurm made such motion. Evalynne Hunemuller seconded the motion. There was no further discussion. The motion carried unanimously.

#### **D. ABQ Charter Academy Invite to Charter School Capital & Facilities Survey Presentation**

Evalynne Hunemuller and Mr. Bose will attend the event on Thursday, January 19<sup>th</sup>.

Mr. Bose asked if the Council had any other questions on tonight's topics. They did not.

#### **PUBLIC COMMENT**

No public comments were made.

#### **ANNOUNCEMENTS**

1. The next GC meeting is scheduled for Tuesday, February 21, 2017 at 5:00 pm.
2. Amy Roble announced that Deb Moya won the New Mexico Assistant Principal of the year – for the second year in a row! Congrats, Ms. Moya!!
3. The Council asked if Emily Salazar had replied to a request to confirm her attendance for tonight's meeting. She did.

#### **MEETING ADJOURNED**

President John Rodarte asked for a motion to adjourn the meeting. Rhonda Seidenwurm made such motion. Jacob Kennedy seconded the motion. The motion carried unanimously. John Rodarte adjourned the meeting at 5:55 pm.