

Edge for Educational Excellence, Inc.
Special Board Meeting
June 9, 2016
3:30 PM
Putnam EDGE High School
951 Moseley Avenue, Palatka FL 32177

- I. The meeting was called to order at 3:35 pm by President Freeman
- II. Attendance: Present: Pat Freeman, Cheryl Batteiger , LeAnn Wilson and Terry Hadaway. Ms. Parsons was also present.
- III. The Consent agenda was presented for review. Ms. Wilson made the motion to accept the consent agenda, seconded by Ms. Batteiger. All voted "Yes".
- IV. Ms. Freeman stated that Ms. Parsons made a request for an Emergency Item for Discussion and Action related to the proposed four (4) day week schedule for the 2016-2017 school year. The motion to add this item was made by Ms. Batteiger and seconded by Ms. Wilson. All voted "Yes".

Ms. Parsons stated that 80% of the respondents to the online survey voted Yes for the change. The calendar mirrors the district, with students attending Tuesday-Friday, generally off on Mondays. (see attached proposed calendar). Teachers will use Mondays as workdays. Ms. Parsons wasn't sure if it mirrored the college calendar. She stated that the proposed changes meet the state requirements for amount of time for classes. With 6 class periods at 55 minutes each and a shorter lunch, we can provide the required time in 148 days instead of 180. This schedule will allow students to complete additional certifications and provide flexibility to students who are in internships or employed. Student transportation will not be affected since school will have the same start/end times.

When asked about needing district approval, Ms. Parsons stated approval is not needed since it meets state requirements. With no further discussion, Ms. Wilson motioned to approve the school calendar for 2016-2017 as presented. The motion was seconded by Ms. Batteiger. All voted "Yes".

Update/Discussion/Action Related to the Corrective Action Plan:

2 A. College Road Property – Terry Hadaway

- (1) Mr. Hadaway first stated this was not a restructuring of our loan. As of yesterday, he along with our attorney, Mr. Hedstrom, have not been able to reach agreement on payment of the deficiency desired by the bank for a Deed in Lieu of Foreclosure. The mortgage balance is \$855K and the appraisal came in at \$800K, leaving a deficiency of \$55,000. The bank proposed

that Edge pay \$35,000 over 36 months at zero interest. Mr. Hadaway stated that Edge cannot afford any payment and requested consideration of zero payment on the deficiency. Mr. Owler listened to our proposal and review of the budget. Mr. Hadaway commented that failure to meet agreement could force closure of the school and put Edge out of business. He wants the board to understand how serious this is. When asked about a response from the bank on his proposal, Mr. Hadaway stated that if he doesn't hear back within a reasonable period of time from Mr. Owler, he will call him. Will continue to negotiate, but no guarantee they will improve on their offer.

Ms. Batteiger commented that the bank should consider what Edge has already paid over the past 3 years. A foreclosure may affect our credit, but doesn't necessarily mean that closure of the school. Ms. Parsons stated that breakeven is at 120 students. Mr. Hadaway commented that we haven't been able to maintain that number and it's too close when unbudgeted expenses come in to play.

Action: Continue negotiations with the bank and provide update at our meeting next week.

(2) List Property for Sale:

Ms. Batteiger briefly reviewed the two proposals for listing the College Road property. Both offer national exposure but the commission is lower with Watson. She is recommending listing with Watson. Mr. Hadaway asked that this action be delayed, pending the outcome of negotiations with the bank. All agreed that listing should be delayed at this point.

Action: Delay listing until resolution with bank on Deed in Lieu of Foreclosure is determined.

(3) Mr. Hadaway advised that he is not prepared to discuss the exemption. A review of the mortgage documents states that the owner pays and that the bank credited Edge for the taxes for the first five months prior to purchase. The \$10,000 due is the obligation of Edge.

Action: Ms. Parsons will include the payment in the budget.

(4) Ms. Wilson presented the insurance proposals for the College Road property. Ms. Freeman stated that the Meade quote is about \$300 lower for the premium and has a much lower deductible. If there is a loss, Edge will have less to pay for repair/replacement. Mr. Hadaway made a motion to accept the proposal from Meade Insurance and implement as soon as possible. Ms. Wilson recused herself from the vote since she works for one of the agencies that presented a proposal. The motion was seconded by Ms. Batteiger. All voted "Yes".

A down payment of \$1,424.87 for property and liability is due to initiate coverage. When asked about any possible refund should the Deed in Lieu of... go through, Ms. Wilson stated that there may be a refund, depending on the date of cancellation. The down payment covers approximately three months of coverage.

Action: The insurance application will be sent to Ms. Freeman for signature and Ms. Parsons will arrange the payment for coverage to begin.

2 b. **New Tech Network** - Pat Freeman/Ms. Parsons

- (1) Ms. Parsons reported on recent discussions with Ms. Grady at NTN. To continue with ECHO, New Tech wants \$6880 up front. They also require payments of \$8,250 quarterly on the past due balance as a stipulation to have ECHO. That is a total of \$39,880, approximately \$5,000 more than anticipated in the budget.

Action: Will continue to negotiate with New Tech.

- (2) Ms. Parsons states that she and staff are reviewing other options to ECHO. One they like is from Schoolology which aligns well with Skyward.

Action: Will present more information and cost for system and training at next meeting.

2c. **Budget Development and Management** - Lisa Parsons

- (1) Reducing expenses: Ms. Parsons reported that employees have agreed to carry over Sick time this year rather than receive a payout.
- (2) Ms. Parsons shared the update on the 16-17 budget draft. Updated to reflect carryover of sick leave this year. Payment for NTN will be adjusted once negotiations are finalized and decision made on the management system.

Action: Ms. Parsons will update sick leave policy for this year and develop plan going forward for Board action next week.
Budget will be finalized once decisions regarding NTN payment and management system are made.
Ms. Parsons will follow-up with accounting services to ensure they can prepare financial reports for educational institutions.

- (3) Ms. Freeman reported on the Workshop related to fundraising activities and grant development held earlier today. Ms. Parsons stated that online donations can be done through paypal and that we can look look at GoFundMe and RedBasket.org . Mr Buresch will plan to attend the meeting next week.

Action: Board members and staff will follow up on assignments/requests from the Workshop.

2d. **Reconcile Title I Dollars for Federal Programs** - Lisa Parsons

Ms. Parsons reported that she has identified students who qualified in October but removed

in the spring count. Her results will place us in a different category. The report has been turned over to PCSD staff for review.

Action: Wait for response from PCSD staff regarding Edge findings.

2e. Add new Board Members with expertise in accounting/fiscal management

Ms. Freeman reviewed the proposed Policy and Procedure for the election of new new board members. Mr. Hadaway made a motion to accept the proposal as submitted, seconded by Ms. Wilson. All voted "Yes".

Action: With approval, the policy and procedure become effective immediately. Continue recruiting potential board members.

3. Next Meeting Date: June 16th, 2016.

4. Progress Reports to the Sponsor

Progress reports are being sent to Ms. Odom, Mr. Hood and Mr. Douglas timely.

With no further business, the meeting adjourned at 5:23 pm (Hadaway/Wilson) .

Respectfully submitted,

Pat Freeman, President