APPROVED

Blackstone Valley Prep Mayoral Academy

Minutes

Board Meeting

Date and Time
Monday May 18, 2020 at 5:30 PM

Location
http://bit.ly/BVPBoard51820

Meeting url: http://bit.ly/BVPBoard51820
Materials available online at http://bit.ly/BVPBoardMaterials51820

Directors Present
D. McKee (remote), J. Almond (remote), J. Diossa (remote), J. Morton (remote), J. Mutter (remote), J. Silva (remote), J. Waters (remote), M. Gwynn (remote), M. Magee (remote), M. Zuluaga (remote), R. Vrees (remote), W. Murray (remote)

Directors Absent
None

Guests Present
A. Chatham, A. Smith, B. Dowd (remote), C. Colarusso (remote), C. Heng (remote), C. Losea (remote), J. Chiappetta (remote), J. Falk, J. Gillespie, J. Souza, L. Kizekai, M. DeMatteo (remote), M. Emet, S. Anderson, T. Afonso (remote), T. Tonino

I. Opening Items

A. Record Attendance and Guests

Other members of the public in attendance (as self-identified via Zoom):
Bill Dennan, Dan McGowan, Lee Wilson, Armando Ferreira, Karen Freedman

B. Call the Meeting to Order

J. Diossa called a meeting of the board of directors of Blackstone Valley Prep Mayoral Academy to order on Monday May 18, 2020 at 5:35 PM.

C. Vote to Approve Minutes 5/13/20

J. Morton made a motion to approve the minutes from BVP Board Meeting on 05-13-20.
W. Murray seconded the motion.
The board **VOTED** unanimously to approve the motion.

D. Public Comment

No public comment

II. Recurring Items

A. CEO Report

J. Chiappetta presented the highlights of the CEO Report as included in the Board Packet, including:

- College Signing Day will be a virtual event with a live-streaming video
- BVP HS Graduation will include a stage at the high school with one scholar crossing at a time over multiple days, with limited guests and full compliance with health guidelines
- The Board packet has initial data on distance learning.

M. Gwynn made a motion to accept the CEO Report as presented in the Board packet.
J. Morton seconded the motion.
The board **VOTED** unanimously to approve the motion.

B. Finance Director Report

C. Losea presented highlights of the CFO as presented in the Board packet.

- Ratios are currently meeting all requirements
- Through April, we were in good shape, but face uncertainty looking forward

J. Morton made a motion to accept the CFO Report as presented in the Board Packet.
J. Silva seconded the motion.
The board **VOTED** unanimously to approve the motion.

III. New Business Items

A.

Re-opening Task Forces

J. Chiappetta provided an overview of the work being done by approximately 60 staff members as members of reopening working groups; these groups are beginning to think through six possible scenarios for how BVP may operate in the fall. This work is prelimnary to any direction the State will provide, so that BVP is prepared to create plans as directed. BVP anticipates that in any of the scenarios, there will be families who will remain on distance learning.

B. Revised 2019-2020 Budget

C. Losea presented a draft revised 2019-20 budget, which was included in the Board Packet, including adjustments based on projected vs. actual revenue and expenses. Changes due to distance learning and related expenses have brought the budget below the 1% threshold.

J. Morton made a motion to approve the revised 2019-20 budget as presented.
J. Mutter seconded the motion.
The board **VOTED** unanimously to approve the motion.

IV. Previous Business Items

A. To Consider matters and take action with respect to Paycheck Protection Program loan

Mr. T. Afonso, Special Councel to the Board, discussed updated guidance related to the Paycheck Protection Program loan. In particular, he noted the details regarding a good faith certification, and that the deadline for a safe harbor return of the funds is May 18, the date of this meeting. He also noted that the SBA has not provided any new relevant guidance since the last discussion on May 13. The National Alliance of Charter Schools has not received any indication of new guidance relative to charter school eligiblity for this program.

M. Magee noted that his contacts at the US Dept. of Education anecdotally said that they have no reason to believe that charter schools are not eligible for the program. Many charter schools across the country have received these loans.

J. Chiappetta also noted that his contacts at the state level have indicated that additional funds are likely to be allocated in coming weeks and months that will aid education through municipalities, which BVP will not have access to.

T. Afonso also noted that the relevant facts for the application were as of April 4 in regards to review of the good faith notification, and at the time the BVP Board did make

findings of economic uncertainty and neccessity to apply for the PPP loan. Guidance in existance on April 4 indicated that BVP was eligible to apply for the loan. The safe harbor guidance was issued in reaction to several high-profile large corporations having received funding. Bank RI has not recieved any information indicating that BVP would not be eligible.

J. Silva's contact at the SBA through Bristol County Savings Bank also noted that she did not see why a charter school would not be eligible for this loan, as the SBA specifically lists who is not eligible.

J. Almond made a motion to return funds received through the Payment Protection Program today within the Safe Harbor period.
J. Mutter seconded the motion.
Following the motion and the second, discussion on the motion ensued:

M. Magee noted that he does not see a financial downside to keeping the funds, as long as we are in the position to immediately repay the loan if it is not forgiven. He also believes that Rhode Island faces significant financial uncertainty, as does BVP - it is still possible that BVP will have to face significant budget cuts and potentially lay off employees. Further, returning this money may just take money out of Rhode Island instead of allowing us to use the funds within the local economy and support local jobs. He noted that BVP will have to be disciplined in its use of the funds, and also raised a question of whether we can (within legal parameters) work with local districts in use of these funds and share if, in fact, they are forgiven.

J. Almond asserted that as BVP functions as a public school, in his view it does not meet the intent of the loan program. He acknowledged that there was haste to issue checks and put funds to work, but there is a reason that a safe harbor period was established, and that there are organizations that should not have received funds.

J. Waters emphasized her agreement with M. Magee, and does not believe BVP should return the funds. Experts should be making these decisions about eligibility, and BVP is currently eligible. She believes that BVP is currently in more financial uncertainty, not less than it was. The Board has a fiduciary responsiblity to BVP students and staff. She believes BVP should keep the funds unless it is officially deemed ineligible.

J. Mutter agreed with J. Almond, and noted that the uncertainty voted on in April is no longer applicable. He pointed to the presented Budget amendments that would have been the same in April as they are today. He does not believe BVP has the data to support keeping the loan.

M. Gwynn asked whether it is easier for BVP to pay the loan back today, or in the future if it is deemed necessary. C. Losea responded that paying it could be possible with careful planning, but noted that without the funds BVP may face having to make much more significant budget cuts, and risks having financial ratios that do not meet lender requirements.

J. Silva asked if we could segregate the funds in a different account until it is confirmed whether or not it will need to be returned. C. Losea noted that the funds are currently in a segregated account.

R. Vrees noted that she is in favor of keeping the funds, as there is no information or data to support the need to return them.

J. Waters suggested keeping the funds for now tabling this decision, until State and local budgets are released to give us the information we need about our fiscal situation. T. Afonso noted that the safe harbor ends today, so any later action will not be within the designated timeframe.

J. Almond asked T. Afonso whether there could be further penalties if BVP is later deemed ineligible for the loan program. T. Afonso refered back to question 46 of the SBA guidance, reading the same to the Board, and noted that BVP will be subject to a review process and have an opportunity to defend its good faith certification, and if it is not accepted the SBA could demand immediate repayment with no further administrative action.

B. Murray commented that he is in favor of keeping the loan and taking chances; down the road we could be in further uncertainty.

Following the discussion, a roll call vote was taken (noted below).
The motion did not carry.

Roll Call

D. McKee	Aye
M. Magee	No
J. Almond	Aye
J. Mutter	Aye
J. Waters	No
J. Morton	No
M. Gwynn	No
J. Silva	No
J. Diossa	No
M. Zuluaga	No
W. Murray	No
R. Vrees	No

Following the vote, Board Chair Diossa underscored that ultimately, these funds should be considered as a loan, and if the legislature makes the decision to hold the line on funding, the Board should reconvene and reconsider repayment of the funds.

V. Executive Session

A. Enter Executive Session

J. Morton made a motion to enter Executive Session persuant to RIGL § 42-46-5(a) relating to Real Estate.
W. Murray seconded the motion.
The board **VOTED** unanimously to approve the motion.

B. § 42-46-5(a) - Real Estate

C. Exit Executive Session

J. Morton made a motion to exit Executive Session.
R. Vrees seconded the motion.
The board **VOTED** unanimously to approve the motion.
W. Murray made a motion to seal the minutes of Executive Session.
R. Vrees seconded the motion.
The board **VOTED** unanimously to approve the motion.
No votes were taken during Executive Session

VI. Closing Items

A. Adjourn Meeting

M. Magee made a motion to adjourn.
M. Gwynn seconded the motion.
The board **VOTED** unanimously to approve the motion.
There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:16 PM.

Respectfully Submitted,
B. Dowd

Documents used during the meeting

- 05182020 CEO Report.pdf
- April 2020 YTD.pdf
- April 2020 Dashboard.pdf
- April 2020 Balance Sheet.pdf

- BOARD_ BVP Reopening Working Groups Intro 05122020.pdf
- Amended Budget 5182020.pdf
- April 2020 Dashboard w Amended Budget.pdf
- April 2020 YTD w Amended Budget.pdf