

APPROVED



Gestalt Community Schools

Minutes

Board Meeting - Power Center Academy Elementary School - HH

Date and Time

Thursday February 27, 2020 at 8:30 AM

Location

3540 South Mendenhall, Memphis, TN 38115

Directors Present

A. Evans Blackwell, D. Selberg, G. Raggs (remote), K. Satterthwaite (remote), K. Walker Burt, T. Williams (remote), T. Yancy, Y. Lewis (remote)

Directors Absent

S. Elswick

Guests Present

A. Butler, Alexander Roberson, B. Turner, L. McGee, N. Rogers

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

A. Evans Blackwell called a meeting of the board of directors of Gestalt Community Schools to order on Thursday Feb 27, 2020 at 8:36 AM.

C. Minutes

D. Approve Minutes

A. Evans Blackwell made a motion to approve the minutes from BoD Conference Call Meeting on 12-20-19.

D. Selberg seconded the motion.

The board **VOTED** unanimously to approve the motion.

II. Finance Report

A. Finance Updates

Summary of Financial Statements and Cash Flow Forecast

Focused is our financial headline. We are halfway through the third quarter of FY20. We are primarily focused on two areas: our cash position and budgeting for the upcoming school year.

The cash flow projection reflects a positive net cash flow of \$2.36M through the end of the third quarter and continued positive net cash flows of \$2.2M through the end of the fourth quarter.

The income statement reflects total revenue of \$18.04M which is roughly \$60K more than budgeted while total expenses are \$18.6M which is just under \$425K more than budgeted for this time period. The income statement reflects a loss of \$592K. This loss includes non-cash items such as depreciation and amortization. When we subtract those non-cash items, our current net income is just over \$503K.

This month we received an additional \$304K in BEP. Of the amount received, \$188K was a prior year adjustment while the remaining \$116K was the FY20 6th period true-up. With the true-up, our BEP payment is now based on enrollment of 2,340 scholars versus 2,290 scholars in previous months.

We are currently working on the FY21 budget. The Finance Committee has reviewed the budget enrollment projections and made adjustments. The adjustment brought our target budget enrollment down from 2,583 scholar to 2,453 scholar. A target date of April 22nd has been set to present the initial budget draft to the Finance Committee. This date will allow sufficient time for recommendations and adjustments by the committee before the final budget draft is presented to the Board for a vote on June 25th.

III. Enrollment & Policy Updates

A. Enrollment & Policy Update

Yetta presented the current enrollment data for the 2019-2020 school year for each location. Listed below is the starting enrollment, current enrollment and retention rates. All schools are 96% and above.

Schools	Starting Enrollment	Current Enrollment	Retention Rates
PCA Elementary HH	802	776	96%
PCA Middle HH	462	451	97%
PCA High	618	598	96%
PCA Elementary SE	184	185	99%
PCA Middle SE	291	282	96%

IV. Interim Assessment Results

A. Interim Assessment Results

Ms. Turner gave an update to the board on the progress of schools academic targets. Most schools are making progress towards their academic targets. The elementary school is receiving additional support from the network to support their continuing challenges. Ms. Turner reviewed the Data Analysis Protocol that leaders are using to improve instruction and provide targeted interventions for scholars.

V. Southeast Schools Facilities Progress

A. New Home for PCA - Southeast Campus

Two Facilities Options for 2020-21/2021-22 school years:

1. New Direction Christian Church- 6120 Winchester Rd.

- Budget Including portable teardown (MS Blvd), installation of 4 new portables(NDCC) and building lease costs: \$1,478,873
- Budget excluding lease costs(covered in Operating Budget) and installation of a 4th portable(plan for yr. 2): \$923,673

2. WEB DuBois: - 8146 E. Shelby Dr.

- Budget including portable tear down,installation of 1 modular, and lease costs= \$1,254,073
- Budget excluding installation of 1 modular(plan for year 2) and lease costs (covered in Operating expenses)= \$573,673

Parent Voice:

- 61% of parents (MS and ES combined) prefer to remain in Southwind.

Recommendation:

1. Negotiate and execute a 2 year lease at WEB DuBois
2. Install portable at year 2. Cap enrollment to fit within constraints of DuBois facility.
3. Work towards securing financing for the purchase of Winchester Commons

Outstanding Questions

1. Does 2020-21 budget allow for payment of mortgage on new property and relocation expenses?

- Preliminary answer is No, but the current budget for relocation to WEB Dubois is \$573000 and there is a budget allocation of \$500,000 for 2020-21. Need to work with Norriese to close the \$74K gap and plans around meeting obligations for new property if we decide to close on it.

2. Have we considered staying with MS Blvd?

Answer: Yes, but there are a couple of challenges:

- Traffic associated with the addition of another grade may be a challenge.
- Creating a schedule that would support the increase in student population and cafeteria size constraints.
- The need to provide proper facilities for PE and sports programs.
- Maintenance at MS Blvd. Church is responsive, but systems or equipment are aged (ie.roof, restrooms, HVAC).
- Potential sale of facility to another owner may be challenging for rental relationship.
- Requires us revisiting the Land Use Control Board to add another year to the existing lease. Not sure of the timeline for this process.

Request:

- **Board decision to approve or deny lease of WEB Dubois by March 10.**

VI. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:02 AM.

Respectfully Submitted,
L. McGee