

PEPIN ACADEMIES



BOARD OF DIRECTORS MEETING

Pepin Distributing Company
4121 N. 50th Street
Tampa, FL 33610

SEPTEMBER 28, 2015

MINUTES

CALL TO ORDER: 5:40 P.M.

Board Members In Attendance:

Jeff Skowronek - Present
Scott Strepina - Absent
Brigitte Shaw - Absent
Laurel Lee Moore - Present
Sandra Setin - Present
Shelley Sharp - Absent
Stacy Hahn - Present
Kelsey Lehtomaa - Present
Brandon Selph - Absent
Chris Denome - Present
Melissa Ortiz - Present

Discussion:

1.) Public Comment

- N/A

**Discussion &
Action:**

2.) Agenda Accepted

Sandra Setin moved to approve September agenda
2nd – Laurel Lee Moore

	All in Favor – No Opposed
Discussion:	<p>3.) Community Relations Report</p> <p>Daviera:</p> <ul style="list-style-type: none"> • 1st Annual Pepin Fall Food Truck Festival (Both Campuses) on 10/17/15 from 11 a.m. to 2 p.m. • Gearing up for Golf Tournament (Nov. 7th) at Cheval Golf Course (NEW: online registration). Need Sponsors. There is going to be a pre-party on Friday, Nov. 6th at the Golfer’s Grail. • Had a fundraising meeting with The Springs.
Discussion:	<p>4.) Finance Report</p> <ul style="list-style-type: none"> • Charles Burke went over financial report. • Topics discussed: Have officially completed 1st full month of school. Received most of the curriculum that has been ordered. Forecast changed from 705 students to 700 students. First FTE will be close to 705. Should reach 705 by end of year (2015). We are receiving FTE dollars based on the 705 number. Payroll increased due to the addition of daycare salaries. Reduced staff benefits based on current participation in health care, etc. Benefits could change. Year-end surplus of \$100,000 (nice cushion). • Jeff: Why is staff not choosing to participate in benefits? • Charlie: Participating in spouse’s insurance. 401K -- we do not get a lot of participation (23% participation). • Kelsey: Do we do climate surveys? • Jeff: I think we should include this topic on the survey. We need to do things that keep our teachers with us.
Discussion:	<p>5.) Fundraising Report</p> <p>Natalie:</p> <ul style="list-style-type: none"> • Tallahassee Trip: relationship building and educational. Tom Pepin funds the trip (4:30 a.m. departure time) on 12/2/15. • Working on infrastructure of foundation board. Crisha will be going part-time as community liaison. Need Development Officer by the end of the year. • Working through foundation to get someone on board to support Pasco campus as a community liaison that will work closely with Daviera. • New opportunity: Working on grants with representatives from Suntrust Bank. • Jeff: Do we have a Fundraising Goal?

	<ul style="list-style-type: none"> • Natalie: Realistic to raise \$1,000,000.00 with a school our size and name. Need to be more sophisticated with our fundraising (strategic).
	<p>6.) Principal’s Report</p> <p>Craig:</p> <ul style="list-style-type: none"> • Topics Discussed: <ul style="list-style-type: none"> - Compliance - Enrollment Update - Recent Events - Upcoming Events - Sports
<p>Discussion & Action:</p>	<p>7.) Approval of August Minutes</p> <p>Laurel Lee Moore moved to approve the August minutes 2nd – Chris Denome</p> <p>All in Favor, No Opposed</p>
<p>Discussion:</p>	<p>8.) Lease Agreement for Riverview Building with Hung Mai</p> <ul style="list-style-type: none"> • Jeff: Need to discuss some issues and concerns that have come up. Hung sent a new purchase and lease agreement on 9/10/15 (copies of lease and purchase agreement distributed). There is a drastic difference in financials. Comparison between two lease agreements is concerning. Specific portions that are most concerning: 1.10 = major differences in this section, Section 5 = Security deposit increased, Section 25 = Acceptance of property “as is” (should not have an “as is” in the agreement), Exhibit B = Total Construction Cost increased drastically (price would continue to increase over time). The focus needs to be on keeping promise to existing students at the Riverview campus and being able to continue to provide education to new students coming in. • In the meantime what questions do we have for Hung? • Laurel: This is a completely different deal. No purchase yet? We put all our eggs in this basket, but it is not looking good. • Jeff: Hung’s quotes looked the best when we were first looking. How do we fix this? We owe it to the parents and students to continue to provide an education to our current students and prospective students. • Natalie: Had conference call with Hung today. Demanding certain things, but just received emails before meeting so couldn’t go through it yet. There may be legitimate additional costs, but you cannot send something like this without providing information to back up the new cost. Our property is now owned by Hung Mai.

	<ul style="list-style-type: none"> • Craig: Already looking at other properties. We are not going to wait and I should have other options by the next board meeting. • Stacy: Permits generating 2 million extra seems excessive. • Laurel: Seems like he is trying to exploit us. • Natalie: Pushed this to Tom. We are here now to support the leadership team get to the bottom of it. • Stacy: Which line item is costing 2 million? • Jeff: Is it a comparison to what we got in March with what we got now? • Natalie: Yes, but he has changed the cost. • Laurel: Message to Hung Mai – we have been spending a lot of time under the assumption that he would be expeditious in the process, but the new agreement is ludicrous. I believe we should move forward without Hung Mai and find something for short term. • Jeff: Happy to hear that other board members feel the same way. I asked if the 5.8 would be the maximum and Hung said yes. We wouldn't have done all the work if we knew this would happen. • Craig: Thought one reason for increase could be that new lease includes pricing for a Tilt up or concrete block construction, and it was supposed to be a prefabricated wrap construction, but it is still a prefabricated wrap on new lease. • Stacy: At this point I do not trust that we can enter this project with Hung. He doesn't like to be questioned either. • Chris: Why are we signing a lease if we are getting bond financing? • Charlie: We have to know what each scenario prices out to be and we don't know that. • Jeff: Almost at the point that I do not have faith in Hung. I do want to at least give him the respect, and make sure it is not just math and line items that we can get rid of. I want to at least look at that. • Charlie: Remember lease and purchase agreement amount could actually be higher. • Stacy: We cannot go further until we look at this closer • Jeff: We need to look at it line item by line item. Until then we will table this item. • Craig: If we cannot fix this in a big hurry, we cannot go further with Hung.
Discussion:	<p>9.) UT Grant-Writing Course</p> <ul style="list-style-type: none"> • Jeff: UT offers a grant writing course that is offered during the summer with Tony Urban. The course gives teachers instruction on how to write grants. We pay for one and three people can attend (spread wealth of knowledge). UT has invited Pepin teachers to participate. • Natalie: Tom hosts the Dancing with the Stars event, and he has

	<p>asked to provide funds from this event for Pepin teachers to participate in Professional Development including UT grant writing course.</p> <ul style="list-style-type: none"> • Jeff: 40% of the teachers finish the course by completing a grant application. Will be asking PASS Board to fund 2 teachers, which will allow for 6 teachers to participate. • Natalie: In the interim, I can help with grant writing.
Discussion:	<p>10.) Joe Williams Scholarship Process</p> <ul style="list-style-type: none"> • Jeff: Need help to come up with process. One answer: Write a check and in the memo write Joe Williams Scholarship to Pepin Academies. Who is doing review of applicants? The committee will make recommendation(s) to the Board regarding the applicant(s). Board will review recommendation(s) for approval of award and inform PASS of the amount of funds needed. Committee will consist of one teacher, Dr. Craig Butz, Monika Perez, and guidance counselor.
Discussion:	<p>11.) Other Business</p> <ul style="list-style-type: none"> • Melissa: What constructive message can I take back to the school? • Jeff: My perspective – We are doing everything that we can to meet the obligation. Also, we have a firm commitment to provide an education to the students. • Melissa: Should we address families at this time? • Natalie: Letter now, meeting later once we have more information. • Jeff: Need to be honest with parents.
	<p style="text-align: center;">ADJOURNMENT: 7:05 p.m.</p> <p style="text-align: center;">Sandra Setin moved to adjourn the meeting 2nd – Chris Denome</p>
	<p style="text-align: center;">The Next Meeting of Pepin Academies Governing Board will be at 5:30 p.m. on</p> <p style="text-align: center;">October 26, 2015 <u>Pepin Distributing Company:</u> 4121 N. 50th Street, Tampa, Florida 33610</p>