

Amigos Por Vida – Friends for Life Public Charter School

Amigos Por Vida – Friends for Life Housing and Education Corporation School

Regular Board Meeting

Board of Governors

01/23/2018

The Board of Governors of the Amigos Por Vida – Friends for Life Charter School (“School”) met in a Regular meeting 01/23/2018 at the school, 5503 El Camino Del Rey Street, Houston, Texas 77081. The meeting notice was posted in accordance with the Texas Open Meeting Act.

The Following Board Members were present:

- **Silvia Graves, President**
- **Omar Velez, Vice President**
- **Lydia Tamez, Board Secretary**
- **Rose Mary Valencia, Board Member**

Also present were:

- **Freddy Delgado, Principal/Superintendent**
- **Bill Dinkel, Chief Financial Officer**
- **Kakoli Mukerji, Assistant Principal**
- **Maryury Fernandez, Assistant Principal**
- **Jesus Salazar, Business Manager**
- **Jessica Hernandez, Administrative Assistant**
- **Rosa Portillo, Citizen 1**
- **Maria Mendez, Citizen 2**
- **Thania Gonzalez, CPA**
- **Ailene Comple, CPA, CFE**
- **George McLeroy, Insurance Broker**

1. Call to Order

Ms. Graves called the meeting to order at 6:58 PM.

2. Hearing of Citizens

Citizen 1 (Ms. Rosa Portillo), came to speak on how she’s been with Amigos Por Vida for about 17 years. Since getting hired with the new cleaning company, she feels as if she is starting from the bottom, she does not have any benefits and it has now been a whole month without

being paid. She is confused on what happened in the transition. She doesn't want to begin again every time the school decides to change cleaning companies. Ms. Graves asked who was her employer, she stated Metroclean was her previous employer. This contract ended on December 31st, and since the school changed companies. Her new company is now Ambassador. The new company will not pay her until February. They have worked a full month, and have yet to receive a check from any company. Mrs. Graves asked how does her contract work? Mr. Salazar stated that they will only work 220 days per year- school. Mr. Velez explained that they will be paying her bi-weekly, but they will not re-tract on the time loss. Ms. Portillo feels as if she is not being taken in consideration. She has been with the school 17 years and she works hard. She expected at least 1 week paid vacation. Citizen 2 (Ms. Maria Mendez) stated that she also had been working 15 years, and had about 60 local days unused and unpaid. Ms. Portillo had 40 local days unused, unpaid. Ms. Maria stated that she worked summers as well. Ms. Maria, asked why not work for the school instead of an outside company? She also does not feel as if she is being taken into consideration. Ms. Portillo feels as if the school wants to get rid of her, they just want to fire her. Ms. Graves assured her that they are being considered. Ms. Tamez asked what happened to their accrued time (local and state days), Mr. Dinkel explained that there are state days and local days. If you accumulate over 20 days, they must have a written statement to get paid out for those days. Ms. Valencia asked, why would an employee need to have it written to want to have those days paid out. Mr. Dinkel explained that an employee keeps accumulating it until they cash it out, which must be in a written form. Ms. Tamez asked if we can check on both of their local days. Mr. Dinkel stated that he can assure us that they got paid for it if it was over 20 days. Ms. Graves felt as if they are very unhappy that we keep changing them to the company, she asked why did the school keep them as employees? Mr. Salazar explained that is an option, but he can attest to the board that he has explained to the ladies what they were getting into. He stated that he was very instrumental on what was happening from their behalf. If they did not understand, they did not ask any questions. Ms. Graves thinks that it was our inexperience on hiring such a contract, we did not negotiate the benefits, nor full time for these two ladies. The board believed it was already in their contract. Ms. Graves suggested that it would be a good idea to bring them back on board with APV and not with the outside company. Ms. Tamez suggested to view the logistics on what the difference is for them to be our employees and them to be part of an outside company. Ms. Graves agreed. Ms. Graves suggested that for our next meeting, please demonstrate the differences for the two ladies in numbers to have them here at APV or with an outside company.

3. School Updates

Mr. Delgado explained the school updates. We returned to school back on January 8th, and we immediately had breakfast with the principal, along with a PTO meeting. Starting off with some good news: The Houston livestock and rodeo show had an art competition for all schools. APV had 4 winners, 2 students won best of show, and 2-won gold medals. The paintings/ drawings will be in the exhibit displayed during the rodeo season here in Houston. They will be then added to the silent auction at the rodeo, if the painting gets sold, the students will be paid in a scholarship form. If they do not get sold, the art will then be returned to the school, to be displayed here. Mr. Delgado explained that January 16th and 17th, were severe weather days, in which the school closed down and our benchmarks were postponed. Ms. Valencia asked if we had to apply for a waiver. Mr. Delgado explained that

we have enough minutes but that on the 19th of February, students were originally scheduled to be out of school but will now be in class. He went on to inform the board that our 7th graders, went to a math competition on January 20th, placed 4th place overall (all Texas charter schools participated), and are now going into state competitions in Austin, TX on January 27th. Ms. Valencia suggested that for the children that excel in such extracurricular activities, the board should hand them a certificate/ letter as an acknowledgement of their accomplishments. All were in agreement. Mr. Delgado assured we can prepare something like that. Mr. Delgado went on to say that at the end of month, there is an early release day for students, which also serves as a vertically planning day for instructional staff. We proceeded to inform the Board members that our next Board Meeting is scheduled for February 20th. Ms. Tamez informed us that she might not be in town. All others are available.

Action Items:

4. Discuss and consider Board minutes from 12/19/2017

The Board explained that there were no changes necessary. Ms. Valencia moved, Mr. Velez seconded. All were in favor. Motioned passed.

5. Discuss and consider employee health insurance plans for 2018-019 (J. Salazar)

Mr. Salazar started by explaining that we currently have Aetna insurance, and that expires at the end of the month. Ms. Tamez asked for how long we've had Aetna for, to which Mr. Dinkel replied 3 years. We received 3 proposals (BCBS, Aetna & Memorial Hermann) and we believe that the best one is the one provided by Memorial Hermann. Mr. Salazar explained that overall, there is a 10% savings to the employee (compared to the current policy we have now), we are also adding more benefits to the policy. Ms. Tamez asked if Aetna was staying the same, if not, what were the changes. Mr. Salazar said it was higher, there was a 52% increase. Ms. Tamez asked if this would affect the employees who have their set PCP, and Mr. Salazar explained that Aetna was already using Memorial Hermann, we are just basically cutting the middle man. He proceeded to explain that the deductible is lower than the one we had last year. Mr. Salazar proceeded to explain that current employees, mostly opted for the basic plan; only 10 people had the HMO last year. Ms. Tamez moved to approve the recommendation to change our insurance plan. Mr. Velez seconded, all were in favor. Motion passed. (Ms. Valencia abstained due to conflict of interest)

6. Discuss and consider Financial Audit for 2016-2017 (B. Dinkel)

Tania Gonzalez (along with Ailene Comple), managers with Whitley Penn, the firm we have engaged for the audit, started off by explaining that this is part of a yearly process, which is one of the requirements that TEA has for us to continue to receive funding, and continue in existence. They began to explain that the audit process starts with the approval of the engagement letter, which was presented to the Board back in September. Once approved by the Board, they planned their field work and visited with the team here at APV. They

proceed to go through a risk assessment, do some verifications on some of the accounts in our financial statement. They also collect samples of the federal programs in this case because the federal awards that we received this fiscal year exceeded the threshold of \$750k, which is why it required an audit. She handed out an audit book, with all the reports ran by them for our school. She proceeded to explain that in pages 1 and 2 (represents their opinion, and what the modified opinion is.) There are 2 reports, page 27 (audit report in accordance with government auditing standards) and page 29 (threshold reported). Looking to see if they are working. She stated that they didn't find anything to report here, but they provided a letter to show the areas of improvement. Segregation of duties, things that have been previously discussed. The observation is that the CFO can deposit, post and approved journal entries, but in the monthly review we can have more control support. She would like the Board to look over the cash deposits and the check deposit as a separation, in each month financial review. Ms. Tamez asked if this is something that has to be looked over details and Tania explained just to overlook it. Mr. Dinkel explained that another set of eyes will help us have better control of things. She went on to explain the 2nd report (page 29) which is the threshold reported. Ms. Gonzalez stated that there was no significant deficiency, nothing was found to report. A second letter is a required communication to the board, where they inform them that they are independent from the charter school. Ms. Gonzalez explained that there were no difficulties with management and they did not find anything that would alter their financial statements. She stated that there is a 3rd letter, explaining that all documentation requested was provided without hesitation nor delay. She went on to explain the net asset, not savings account, which is the worth of the school at a certain point of time (6.1 million as of August 31, 2017). She also pointed out in page 16, the financial statement, 2 new notes payable during the current fiscal year, which is new from last year. Ms. Graves asked if we saved anything by refinancing, Tania responded yes. If we would have paid our entire debt today, we would save about \$2.2 million. Mr. Velez motioned to approve the audit, Ms. Valencia seconded. All were in favor, motioned passed.

Information Items:

7. Review APV's financial accountability (FIRST) rating for 2016-2017 (B. Dinkel)

Mr. Dinkel started off by explaining that FIRST was an acronym for **Financial Integrity Rating System of Texas**. He went on to explain that the first page is a summary, all good news, we passed with a superior rating. 100 is the highest, passing score is a 60, and we scored a 100. He then proceeded to explain the next 3 pages, which were modified opinions of measurements taken on multiples aspects of our school. He went on to explain our scores (all 10s) in the measurements. Mr. Velez congratulated us on the accomplishments.


8. Financial update as of 12/31/2017 (B. Dinkel)

Mr. Dinkel explained that our debt is pretty much in line with October (\$2,490,000), but it is fair enough to say that we got bit by the Christmas holiday, federal grant reimbursement request was filed and submitted by Mr. Dinkel on December 22, and we did not get the funds until January 2nd. He also stated that the child nutrition meal reimbursement claim was also submitted on December 22, and that didn't come in until January 3rd. He also added that the January 1st payroll, was paid in December. We have since received those funds. He


proceeded to explain the actual vs. budget comparison. He stated that everything was pretty much in line. We've spent our professional development budget. We are currently 8% over budget, but we have 10 portable radios for security and administration staff, which were not budgeted but we felt were necessary. We are over budget (49%) but the numbers are small, this is due to the fleece jackets purchased to sell to the students. Ms. Valencia asked how much were we selling the jackets for, Mr. Delgado replied \$25 for each, and if they purchase 3 of more, the price is reduced to \$20 per jacket.

9. Adjourn (F. Delgado)

Mr. Velez motioned to adjourn. Ms. Valencia seconded. All were in favor. Meeting was adjourned at 8:26 p.m.



Silvia Graves, Board President



Lydia Tamez, Board Secretary

