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# APPROVED MINUTES

## CORAL ACADEMY OF SCIENCE LAS VEGAS EMERGENCY MEETING OF BOARD OF GOVERNORS

### Meeting Information

Date: May 5, 2020

Time: 2:00 p.m.

Location: 8965 S. Eastern Ave, Suite 280 Las Vegas, NV 89123 [*but held electronically, per the Agenda, pursuant to Directives 006 and 016 of the State of Nevada Executive Department*]

### **Posting of Agenda:**

This agenda was posted at the following locations:

Coral Academy of Science Las Vegas (“CASLV”) website at [www.caslv.org](http://www.caslv.org), and Nevada Public Notice website at <http://notice.nv.gov>.

### **Format / Procedures / Rules:**

[*See the Agenda for information regarding the format, procedure, and rules governing the meeting*]

### Agenda

**Call to order** Ms. Diggins called the meeting to order at 2:02 p.m.

### **Roll Call**

Present: Joined via video and conference call WebEx: Ms. Diggins, Ms. Kazelskis, Ms. Hayman, Dr. Warren, Mr. Tandogan, and Mr. Zhang were present; Mr. Gibson was absent.

Non Board Members in attendance, joined via WebEx conference call: Mr. Ercan, Mr. Nick, Ms. Shepard, all from the CASLV Central Office, and Mr. Gardberg, legal counsel.

### **Pledge of Allegiances**

#### **A. Public Comment (*Information*)**

[*Please see the Agenda for the procedures and rules regarding Public Comments.*]

No public comments.

#### **B. Discussion & Possible Action Items – Finance and Governance**

##### **1. Discussion and Possible Action to Approve Payroll Protection Program Loan Funds (*For Possible Action*)**

Mr. Ercan notified the board that CASLV applied for the Payroll Protection Program (PPP) Loan through the federal stimulus program, as the window of opportunity was short. CASLV received notification last weekend we were approved for a \$2.8 million loan. Mr. Ercan shared with the board information regarding the PPP as well as the signed promissory note. Prior to this meeting, Mr. Ercan had reviewed and discussed the content of the agreement in detail with Mr. Gardberg, CASLV’s financial consultant at Urban Futures, and our bond counsel. Upon their approval, we discussed the PPP with our bank representative who informed us to sign and return it as soon as possible

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due to the current level of uncertainty over when the maximum lending level would be reached.

Also prior to this meeting, Mr. Ercan informed the board he consulted with Ms. Diggins and Mr. Gardberg regarding the signing of the promissory note. Ms. Diggins authorized Mr. Ercan to sign the promissory note and submit to the bank on May 4, 2020. This emergency meeting is to inform the board and seek a ratifying resolution. Mr. Ercan shared the agreement with the board and noted CASLV is required to begin payment on November 1, 2020. Payment in full is due by May 3, 2022. However, there is a possibility CASLV will be eligible to receive significant loan forgiveness. This may be a percentage of the loan or possibly the full amount. The PPP will help secure our financials during this difficult time and we should be notified about the repayment and forgiveness by August 2020.

Mr. Gardberg notified the board he did review the agreement and it is straightforward and very standard, albeit lender favorable. The terms do not require negotiation, it is either cheap (1% interest) or free money. Mr. Gardberg spoke with the SPCSA and they agreed it is a good decision. In his opinion, the loan approval is fantastic news for the school.

Ms. Diggins asked if the board has any questions or comments. Mr. Tandogan said this is great and thanked Mr. Ercan and Mr. Nick for applying for the loan.

Mr. Gardberg added this is a very boilerplate approving resolution and recommends the board authorize the secretary to sign the resolution. Ms. Diggins noted that Mr. Ercan and Mr. Gardberg discussed this with her and they were concerned if they did not act in an expedited time frame, the window of opportunity would close as the government may lack funds. In her opinion the risk appears low. The loan could make a big difference for our financial security as we head into the next school year.

Ms. Diggins moved to approve this resolution and borrowing of the money from Wells Fargo through the PPP Program and that we authorize our board secretary to sign the resolution on behalf of the board to receive the funds, seconded by Dr. Warren.

**ACTION:** Motion unanimously carried.

## **2. Discussion and Possible Action to Approve salary schedule changes/amendment due to the Governor's proposed budget cut (*For Possible Action*)**

Mr. Ercan reminded the board that the new salary scale was approved at the February 29, 2020 board meeting prior to the COVID-19 pandemic. At that time a financial impact was not anticipated. However, due to the pandemic, the 2020-21 school year will most likely see budget cuts between 6%-14%, although a formal announcement has not been made. Mr. Ercan is hopeful a statement is made prior to the May 30 meeting, as board approval is required for the final budget.

Mr. Ercan is requesting that the board grant approval to postpone the new salary scale and revert to the current 2019-20SY salary scale due to the current financial uncertainty. He is also requesting to freeze the automatic step increases. These changes would apply to the salaries of all staff members, not only teachers. He realizes this will upset the staff as they have already been notified of the new salary scale. However, when we receive notice of the proposed budget cuts, if we receive PPP loan forgiveness, and our financials are stable, we can revisit this decision prior to the new

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school year. New contracts for the staff are due soon and we need to consider the budget cuts.

Ms. Diggins asked if this is the same salary scale they previously approved. Mr. Ercan explained we are seeking approval to cancel the recently approved salary scale and keep it the same as this year's (i.e., 2019-20's) current scale as well as freezing all salaries.

Ms. Diggins asked if this would affect the PPP loan at all. Mr. Ercan added we have not issued the new salaries yet; they would have been effective August 1<sup>st</sup>, 2020. Mr. Gardberg agrees and said the PPP loan limits CASLV's ability to terminate or to significantly reduce salaries and he added that given the little PPP information known, this type of freeze is acceptable. Ms. Hayman asked if employees were notified of the salary scale improvement and Mr. Ercan said they were and it was posted on our website. Ms. Hayman asked if the school could still afford the new salary scale with the PPP loan. Mr. Ercan explained he is unsure, as they do not know what the budget cuts will be or if the PPP loan will be forgiven.

In the opinion of Ms. Diggins, she feels it is ideal and fair to extend the current 2019-20 salary schedule for the 2020-21SY. When budget cuts are announced we can reconsider the new salary scale over the summer. We just need to survive this pandemic financially and health wise. She noted that in a world where millions are now unemployed and many people are having their wages slashed, a salary freeze is (for now) one of the least painful outcomes possible.

Ms. Diggins moved that we revert back to our current salary scale and freeze salaries for all teaching and all staff across the board including the administrative staff, and that we also grant Mr. Ercan the authority as he receives more instruction from the state to make some changes to additional payments we provide to teachers like prep selling, grade level chairs, and athletic club coaching, as detailed on the salary scale, Ms. Diggins added to the motion that we are also freezing all step increases for the coming academic year 20-21, seconded by Mr. Tandogan.

**ACTION:** Motion unanimously carried.

### **C. Public Comments** (*Information*)

Please see the procedures and rules referenced in item A above.

No public comments.

### **D. Adjournment** (*Action*)

Ms. Hayman made a motion to adjourn the meeting, seconded by Dr. Warren.

**ACTION:** Motion unanimously carried.

The meeting was adjourned at 2:27 p.m.