

Board of Directors Minutes
March 13, 2014

Meeting called to order @5:35 pm by Tony Ingoglia
Roll Call: See attachment.

Minutes

Minutes from February 2014 were read and unanimously approved.

Board Report

Tom Flavin's resignation was officially accepted by the Board and Ron McKendree requested Tom to accept the role of advisor to the Board. Tom accepted the proposal. Mr. Flavin informed the Board Members about the findings of the McGladery audit which seemed no different than the audit concern of the Berman Hopkins audit regarding a going concern if the bond negotiations did not resolve the restructuring issue for the school. The report was presented to the School Board at an initial audit committee hearing by Laura Manlove and Jennifer Murtha on February 24, 2014. The meeting was chaired by Dr. Binggeli and Howard Bistline along with staff from Finance and Office of School Choice. PBA was represented by Tom Flavin, Madhu Longani, Melissa Arnold (general counsel for the school) and Jay Sakalo, the school's bond counsel. Jay, however, participated via telephone. Mr. Bistline invited Jay to start the meeting by updating the status of the Bond negotiations and walking everyone through the school's action plan. Jay fielded all questions and concerns of the team regarding the school's finances, its operations and his direction on the ongoing dialogue with the Bond Holders. The rough draft of the audit report did reflect some misinformation that both Jay and Melissa highlighted. Ms. Preston requested additional information including projection of finances through the end of the year by March 5th. The audit committee agreed with the school and the auditors that no financial emergency existed at this point. The meeting lasted almost an hour and the school was asked to return to face the audit committee on March 13th.

The audit committee is composed of five community business leaders. Two members were not present at this meeting. Frank Zilatis set the tone for the meeting as both Tom Flavin and Melissa Arnold tried to answer his concerns regarding the financial health of the school. He was assured by both Tom and the auditors that PBA was making its payroll and paying its bills along with providing quality education to its students. The committee members supported the renegotiation of the debt and asked the school to work on accomplishing a long term resolution before the May 15th deadline of forbearance expiration. They requested that the school keep its communication channels open and inform the school board within 30 days of its plans for opening next academic year. Both Melissa Arnold and Tom Flavin informed the members of their efforts toward bringing a resolution so that the school could move forward operationally. McGladery was extremely supportive of the school's action plan and the meeting ended on a congenial note. PBA's team is also looking at bond refinancing through local banks or other financial institutions and investors. Both Tom Flavin and Barbara Nooney are actively involved in these discussions. Meanwhile, Joe Gulli (one of the bond managers from Lord Abbott) has lead us to believe that his team is working towards a positive resolution and frequently asks to be updated on school's operations. Tom also shared this information with Jay Sakalo who is involved in representing the school's interest toward a bond resolution.

CEO's Report

Carole Davis is still on an extended leave and the school has received no information regarding her medical condition. Don Board is still waiting on the RFP for the Century 21 grant and there are no updates. Mrs. Kinsel is working on the implementation of the E Rate grant with AT&T. The Board approved the amended budget unanimously.

Meeting adjourned @6:32pm. The next meeting will be scheduled for April 14, 2014 @5:30 p.m.

Ron McKendree, President

Date

Submitted by Ms. Madhu Longani

Approved by President of the Board,

Ron McKendree, Signature