



Community Learning Center Schools, Inc. (CLCS)
California Public Charter Schools
1900 Third Street, Alameda, CA 94501
(510) 263-9266 (510) 995-8910 FAX

Community Learning Center Schools
Board Meetings: August 25, 2016
Executive Director Report – Patti Wilczek

Summary

- Facilities update
- Material revision to Nea’s Charter – Request submitted
- Line of Credit with Wells Fargo
- Fundraising Plan for Harbor Bay Parkway Site

1. Facilities update

At this time, the following work is in progress toward the purchase of 1501 Harbor Bay Parkway:

- a. We are working to create a Limited Liability Corporation (LLC) that will purchase the property. This entity will then lease the site to Nea, thus insuring that Nea remains eligible for SB 740 funds should the Free and Reduced Meal (FRM) percentages increase for that school.
- b. The Purchase and Sale Agreement is near ready for presentation to the owner.
- c. Lending: We have received rates from one lender, and are working with a second to receive the same. These two specific lenders were identified out of a field of nine to ten total lenders researched. Once both documents are received, we can compare rates and determine with which lender we will proceed.

2. Material revision to Nea’s Charter – request submitted

The AUSD School Board received staff recommendations for our request for a material revision to Nea’s charter. The revision reflects that Nea may exist on two sites in the future.

During the September 13th School Board meeting, Board members inquired about what would be involved with AUSD assigning a member to the CLCS Board. The District’s attorney reviewed the associated legal limitations and concerns if the Board were to proceed in this direction. Consultation with CCSA staff and legal counsel revealed that while AUSD is within its right to do so, assigning a member to the CLCS Board also exposes AUSD and it’s staff to substantial liability.

I will attend the next AUSD Board meeting on September 27th, at which time I anticipate that the School Board will approve staff recommendations for “conditional approval” of the requested revisions to Nea’s charter. Final approval would be based upon AUSD’s review of our lease and/or Purchase and Sale Agreement.

3. Line of Credit with Wells Fargo

With our changing banking from Citibank to Wells Fargo, I asked the latter to work up rates if we were to also take out a line of credit (LOC) with them. Our current LOC with Beneficial State Bank is for \$700k, and I asked for rates associated with a similar loan amount.

A comparison of the two lending institutions is provided below:

Bank	Beneficial State Bank	Wells Fargo
Annual Fees	\$1576	\$500
Interest Rates	Prime + 1%	Prime + $\frac{3}{4}$ %

Based upon this information, I recommend we change lenders to Wells Fargo, contingent upon a satisfactory review of lending documentation.

4. Fundraising Plan for Harbor Bay Parkway

The Board requested I bring a fundraising plan to the September meeting. Thus far, the following areas have been identified for increasing funds to help support the program and facilities with the purchase of a new site.

- a. SB 740 Funds: These funds are provided to schools with 55% or more FRM qualified learners. I will lead a discussion both at the Nea and CLCS Boards about changing Nea's policy to provide preferential admission for learners who would qualify for FRM in order to drive up our FRM population. If successful, we could qualify for these funds for the 18-19 school year and beyond. Current funding for SB 740 is \$750/ADA. These funds are to be used toward rent and/or lease expenditures.
- b. Grants: We have been working with EdTec staff to identify appropriate grants to help not only enhance and develop new program offerings, but to also supplement the budget by helping to defray current program expenses. This work will continue, and if the facility purchase comes to fruition, efforts will be expanded to include technology and other needed materials.
- c. Cost reduction for IT: We have applied and been approved to receive reduced IT



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and phone reductions through the California Teleconnect Fund and the E-Rate Program. The latter also provides opportunities for reductions in hardware, which if approved, would be applied to the new site.

- d. Foundations: I'm in the process of identifying local and state-level foundations and family foundations with which we can establish relationships. As we identify specific needs for the new building (e.g., construction associated with reconfiguring office/classroom spaces) I'll be able to target appropriate companies to approach for donations of either materials, planning or labor.