



MINUTES OF PUBLIC HEARING AND MEETING

PILLAR CHARTER SCHOOL, INC.

Thursday, January 27, 2022

Location of Meeting: 8433 N Black Canyon Hwy - STE 160
Phoenix, Arizona 85021
Online via Zoom

Members Present: ✓ Richard Hay (*via Zoom*)
✓ Curt Porter (*via Zoom*)

Members Absent: ✗ James Sexton (*Excused*)

1. Call to Order

The President will call the meeting to order.

Curt Porter called the meeting to order at 9:02 AM; members Hay and Porter were present - Sexton was absent (previously excused); a quorum of the board was present.

2. Adoption of Agenda

The Board will now approve the formal agenda.

Curt Porter moved to approve the agenda; Richard Hay seconded the motion.

MOTION PASSES UNANIMOUSLY

✓ Richard Hay
✓ Curt Porter

3. Audience of Citizens

At this time, the President of the Board will ask members of the audience if they would like to speak regarding any issue before the Board. No formal action may be taken on any issue unless the item appears on the Agenda. Members of the public wishing to comment on an agenda item may do so at the time the item appears on the agenda. Items not on the agenda may be addressed during the "Audience of Citizens". The Board may respond to criticism, ask that staff review a matter, or place an item on future agenda.

None.

4. Executive Session

A.R.S. § 38-431.03 permits an executive session or closed meeting to be held for discussion and consideration of any of seven particular subjects. A majority of the members of the Governing Board must vote to convene an executive session during a public meeting held prior to the executive session. The general public is properly excluded from such a session. Only those individuals necessary to the conduct of such a meeting may be present. All matters discussed in an executive session must be kept confidential by those attending. No vote may be taken during an executive session. Any final action on an item discussed in an executive session must be taken during a public meeting. A.R.S. § 38-431.03.

The purposes for which an executive session discussion may be held are the following:

- A. *Personnel matters involving a specific individual.*
- B. *Confidential records.*
- C. *Student discipline matters.*
- D. *Legal advice provided by the public body's attorney.*
- E. *Discussion of pending or contemplated litigation with the public body's attorney.*
- F. *Instruction of designated representatives concerning negotiations with employee organizations.*
- G. *International and interstate negotiations and negotiations by a city or town with a tribal council.*
- H. *Instruction of designated representatives concerning negotiations for the purchase of real property.*

None.

5. Discussion, consideration and possible action regarding the ASBCS letter notifying the charter holder of its intervention status, along with the Board's probation risk levels and associated consequences identified in A.A.C. R7-5-402(H)-(K).

Curt Porter provided detailed information regarding the ASBCS's recent Audit Letter regarding the initial financial intervention status of the school and the Initial Financial Response.

Mr. Porter explained the process by which the designation was determined, reviewed the Prohibition Risk Levels and associated consequences.

Factors such as school size less than 200 and enrollment growth of 6.7% were highlighted as meeting expectations.

The adjusted net income was identified as not meeting the Board's expectations and was the trigger for the "First-Time" intervention status.

Mr. Hay asked Mr. Porter if the school's \$158,000 of reserve funds ("rainy day fund") was considered as part of the designation process. Mr. Porter responded it was not. He (Porter) explained the determination was calculated based on the fiscal year's revenues vs. expenditures and savings or rollover funds were not part of the formula.

Mr. Hay stated it was unfortunate the years of responsible fiscal management and the board's commitment to financial stability, in the form of reserve funds (+\$150,000), were not recognized - especially since the sole cause for the decrease was a drop in enrollment due to COVID-19.

Richard Hay moved to approve the Initial Financial Response as presented.

MOTION PASSES UNANIMOUSLY

- ✓ Richard Hay
- ✓ Curt Porter

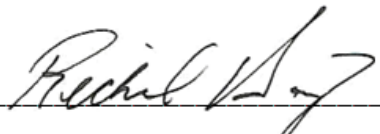
6. Adjournment

Curt Porter moved to adjourn the meeting at 9:35 AM;
Richard Hay seconded the motion.

MOTION PASSES UNANIMOUSLY

- ✓ Richard Hay
- ✓ Curt Porter

Submitted: February 2, 2022

By  _____
Richard Hay, Governing Board Member