

APPROVED



Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time

Friday January 17, 2020 at 7:30 AM

Location

594 Converse St. Longmeadow, MA 01106

This meeting of the Springfield Prep Charter School Finance Committee was held at 594 Converse Street, Longmeadow, MA on 1/17/2020 at 7:30 am. Meeting notice was posted on the school's website (www.springfieldprep.org) on 1/14/20 at 4:30 pm.

Committee Members Present

A. Malone, D. Morrin (remote), J. Rosewell, T. Walker

Committee Members Absent

None

Guests Present

B. Baldwin, J. Callan, M. Wagner, N. Abramowitz

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

T. Walker called a meeting of the Finance Committee of Springfield Prep to order on Friday Jan 17, 2020 at 7:33 AM.

C.

Approve Minutes from October meeting of Finance Committee

T. Walker made a motion to approve the minutes from Finance Committee Meeting on 10-21-19.

J. Rosewell seconded the motion.

The committee **VOTED** unanimously to approve the motion.

D. Approve minutes from November meeting of Finance Committee

T. Walker made a motion to approve the minutes from Finance Committee Meeting on 11-22-19.

A. Malone seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Purchase of 2071 Roosevelt Avenue Property

The Committee reviewed the proposed Board votes necessary to enact the purchase of the 2071 Roosevelt Avenue property. The Committee discussed the relationship between the Friends of Springfield Prep, a 501(c)3 non-profit, and the school, including legal, financial, and governance considerations. Regarding the 5th proposed vote, which would approve the overall budget for the Project and authorize the ED to authorize uses of funds consistent with the approved Project Budget, the Committee discussed if the phrase, "any material deviations from the approved Project Budget shall require a separate approval by the Board of Trustees of the School", should be updated to include any material changes to project scope. The Committee agreed with this suggestion and will ensure such change is enacted prior to the Board vote. A typographical error in the 4th vote was discovered and will be corrected.

Bob Baldwin reviewed the updated project status memo and noted that the Designer Selection Board meeting has been scheduled for next week, sooner than the planned timeline, which is advantageous for the project. The Committee discussed the memo and noted that the difference between the proposed construction budget and the conceptual design budget should be explained clearly to the Board.

The committee also reviewed the 5-year budget for the school. It was noted that the interest expense projections may need to be corrected and agreed that the projections would be reviewed and updated if necessary.

B. Analysis of Permanent Financing Term Sheets

The Committee reviewed the permanent financing lender comparison in the project update memo. The differences in loan terms between PeoplesBank and Boston Private Bank were discussed. The Committee discussed the lenders' experience with charter school lending, the likelihood that we would make it to and through closing with each

bank, the financial outcomes of each loan, and the intangible benefits and challenges for each loan.

The Committee also discussed the options for changing lenders should there be any issue with securing permanent financing with the chosen lender. The Committee discussed the required appraisal values for both loan options and it was noted that subordinate debt may be necessary depending on the as-built appraisal.

The committee did not make a recommendation on a permanent financing lender during this discussion and planned to discuss this with the full board.

C. QPD Contract and Compensation

The committee discussed QPD's request for partial payment of its contract upon closing of the bridge financing. The committee found this request to be reasonable and will recommend that the full board approve this payment.

D. Review Prior Month's Financials

The committee was provided with the prior month's financial reports, which were in line with projections. No further discussion was had on the prior month's financials.

III. Closing Items

A. Next Finance Committee Meeting

The next Finance Committee meeting is scheduled for Monday, February 24th, at 7:30 AM.

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:43 AM.

Respectfully Submitted,

B. Spierer

Documents used during the meeting

- SPCS Building project status update memo 1-15-20.docx
- Equity Analysis for Closing 1.16.20.xlsx
- Springfield prep_ proposed votes v2.DOCX
- SPCS Roosevelt Dev Period Cash Flow detail 1.4.20.xlsx
- SPCS 5-year Projections.xlsx

- Blue Hub - Springfield Prep Commitment Letter 1.8.2020_signed by BH.pdf
- BPBT Springfield Prep Term Sheet - 1-10-20.pdf
- Term Sheet Joint PB Westfield - Springfield Prep - 12-18-19.pdf
- Springfield Prep Capital Campaign Report - 1.15.20.docx
- SPCS Building project status update memo 1-15-20.docx
- 3 SPCS FY19 December Friends.pdf
- 1 SPCS FY19 December Details.pdf
- 2 SPCS FY19 December Summary Updated 1 16 2020.pdf
- 5 SPCS FY19 December Cash Flow.pdf
- 4 SPCS FY19 December SNP.pdf
- 6 SPCS FY19 December Grants.pdf