



Springfield Prep

Minutes

Finance Committee Meeting

Date and Time

Monday January 25, 2021 at 7:30 AM

This meeting of the Springfield Prep Charter School Finance Committee will be held via Zoom Video Conference on 1/25/2021 at 7:30 am. The meeting will be held virtually due to the COVID-19-related requirement to close all schools during this time. Meeting notice was posted on the school's website (www.springfieldprep.org) on 1/21/21 at 7:30 am.

Committee Members Present

A. Malone (remote), B. Spirer (remote), D. Morrin (remote), J. Callan (remote), J. Rosewell (remote), M. Wagner (remote), T. Walker (remote)

Committee Members Absent

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 Monday Jan 25, 2021 at 7:31 AM.

C. Approve Minutes from previous meeting of Finance Committee

J. Rosewell made a motion to approve the minutes from Finance Committee Meeting on 12-07-20.

A. Malone seconded the motion.

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

II. Building Project Items

A. Building project update and change order and budget review

Bob Baldwin reviewed the Building Status Dashboard. The project is on schedule and going well. To stay on schedule, the critical path requires approval of the tenant space fairly quickly. Bob noted there remains \$125,000 of \$150,000 of soft cost contingency. He also noted that additional contingencies, including the remaining CM contingency and scope hold amount, are still very robust.

The committee reviewed the decision to move forward with fit out of the former tenant space at a total cost of \$457,000, including demolition (about \$100/sq ft.). The school has already approved \$100,000 for demo and abatement in a previous change order. Bill and Meghan discussed the planned use of the former tenant space (classroom and office space that is somewhat flexible for changes in future use, if needed). Bob and Jason noted that doing this work now will be less expensive than doing it at a later date.

The committee discussed options, given the size and timing of the change order, including determining if the bank is willing to relax the contingency requirement, putting in additional equity from the school, or going back to construction team to determine if they are willing to release any of the allowances and holds at this point, or some combination of these. Meghan shared an update on cash flow and equity position, which is very strong (\$200,000 stronger position than anticipated; projecting \$950,000 surplus, which means we would have more than 3 months of operating reserves at FY22 levels even with an additional equity contribution of \$150,000).

Bill also discussed the planned outdoor space modification, which is the only scope change left, and which will be ready for board consideration in February. This involves adding turf, creating a more organic design, adding in outdoor learning and teacher work space. Bob explained that he believes we will likely be able to use contingency funds for this without needing to contribute additional equity.

III. School Finance Updates

A. Monthly Financials

Meghan reviewed the monthly financials and gave highlights:

- We are seeing higher tuition than we expected, although just to be conservative, we are not yet projecting this higher amount.
- Government grants have increased.

- There is a decrease in revenue and expenses in the nutrition line due to lower participation.
- There is a big reduction in transportation costs given where we are in the year, but we are still projecting as if we are running 12 buses for full program for the remainder of the year.

Meghan noted that we are not yet seeing Springfield Prep Realty numbers because she is working on finalizing the accounting of the construction closing. She explained that the school is working with Central Source and AAF to essentially audit transaction now instead of waiting until July.

IV. Closing Items

A. Next Finance Committee Meeting

B. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:30 AM.

Respectfully Submitted,
B. Spirer

Documents used during the meeting

None