APPROVED

Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time
Monday March 27, 2023 at 7:30 AM

Location
This meeting will be held remotely via Zoom.

Committee Members Present
A. Piela (remote), D. Morrin (remote), R. Molina-Brantley (remote)

Committee Members Absent
None

Guests Present
B. Spirer (remote), J. Callan (remote), M. Velazquez (remote), M. Wagner (remote)

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday Mar 27, 2023 at 7:33 AM.

C. Approve Minutes from previous meeting of Finance Committee on 2/27/23

R. Molina-Brantley made a motion to approve the minutes from Finance Committee Meeting on 02-27-23.
A. Piela seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

R. Molina-Brantley	Aye
A. Piela	Aye
D. Morrin	Aye

II. Finance Updates

A. March Finance Updates

The school previewed that it would ask the board for approval for a new copier contract to alleviate staff concerns and challenges. The contract is at the current rate and will fit into the budget. Similarly, the school provided an update that it will move forward with an updated 21 month electricity contract.

Meghan shared that the school plans to contract with a new provider for managed IT support, called CTS. Amy confirmed that there are no cancellation fees with our current providers and asked about CTS' experience with security issues. Meghan will follow up with CTS about its preventative security and process for responding to security incidents. Bill provided an overview of the e-rate program. Responding to Ron, Meghan clarified that anything related to internet connectivity falls under e-rate.

Meghan described the RFP process for window replacements. The school received two proposals; the lower priced proposal was more comprehensive because the vendor came out to the site multiple times. Amy asked about the total cost of the project and Meghan shared that this project will largely be funded by a grant, with the difference coming from the repairs line of the budget. Amy recommends sharing with the board a summary of vendors, funding and financing for the delta. Doug asked about the state grant and Meghan shared that the school has already applied and received the grant. The next step is for the state to approve the selected contract.

In light of the Silicon Valley Bank issue which complicated current finances and accounting, Meghan proposed remaining with the school's current audit partner and doing an RFP process next year. Ron was comfortable with this strategy, especially because we would have time for a full RFP process. Doug asked about the rationale for trying to change partners. Amy was supportive because of the current financial complexity.

Bill provided an overview of the compensation study, conducted by Edgility. Edgility shared that the school is currently paying market rate for the majority of roles and that any variances they found were not correlated with race or gender. Bill discussed the challenges of incorporating performance pay. He noted that Edgility will support the school with presenting changes to staff. Doug asked about the timeline. Edgility will provide a full report at the next board meeting. Doug asked about the impact that compensation changes will have on the budget; Meghan explained that it will not have

significant impacts on our total budget because it will not change the total percentage of revenue spent on personnel.

B. February Financials

The committee tabled this discussion due to time constraints and instead focused on the remaining items.

III. Banking & Finance Updates

A. Banking & Finance Update

Bill provided an update that as of March 27, First Citizens bank purchased Silicon Valley Bank. He asked for the Committee's input on whether to move funds back to Silicon Valley Bank and utilize insured cash sweep accounts, invest funds in treasury bills, or retain funds in the fully insured DIF accounts at PeoplesBank. Amy shared that we don't want to move too quickly and should learn more about what will happen with our loan before moving funds back to First Citizens. Ron shared that First Citizens is very reputable and believes the government will maintain the deposit insurance through the acquisition process. He was supportive of maintaining the majority of funds in Peoples, a local bank, for the time being. Amy recommended that we closely monitor how operations are impacted by the transition. Jean and Doug also agree with the current fund management plan.

Bill asked for input on who the school should consult for financial planning support and advice. Bill reviewed the possibility of AAF providing guidance on a treasury bill laddering strategy and potential conflicts with using this firm. Doug asked if other charter schools are currently working with financial planners. Amy suggested meeting with PeoplesBank to discuss options they provide in the short and long term, potentially starting with an account review. Amy and Doug both shared that there isn't urgency around this given the current situation.

IV. FY24 Budget

A. FY24 Budget Draft

The school shared a first draft of the budget, using DESE revenue projections for 484 students. This draft includes a revenue increase driven by SOA funding. The current draft also assumes that other government grants remain flat and projects an increase in private grant funds to offset decreases in government funding.

This is our first year of a “non-growth” budget, in that the school is not adding a grade level. The school is projecting minor changes in expenses. The personnel line is very similar to previous years. Some costs are lower because the school will not add a new grade next year. The budget draft reflects projected increases in nutrition and utilities costs and includes a 2% contingency.

The committee raised questions about if our operating model will change, especially related to personnel, since we seem to be adding roles, and asked to see additional details about this in additional FY24 budget presentations.

V. Closing Items

A. Next 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 8:35 AM.

Respectfully Submitted,
B. Spirer

Documents used during the meeting

- March Finance Updates.pdf
- 1. SPCS FY23 February Details.pdf
- 0. SP FY23 February Financial Dashboard.pdf
- 5. SP FY23 February SNP.pdf
- 2. SPCS FY23 February Summary.pdf
- 3. SP Friends FY23 February Summary.pdf
- 4. SP Realty FY23 February Sumary.pdf
- 6. SPCS FY23 February Cash Flow.pdf
- 7. SPCS FY23 February Grants.pdf
- Banking & Finance Report for 3_27_23 Finance Committee meeting.pdf
- FY24 Budget Draft.pdf