APPROVED

Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time
Monday April 29, 2024 at 7:30 AM

Location
This meeting will take place remotely, via Zoom.

Committee Members Present
A. Piela (remote), M. Frodema (remote), R. Molina-Brantley (remote)

Committee Members Absent
None

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

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday Apr 29, 2024 at 7:30 AM.

C. Approve previous Finance Committee Minutes

R. Molina-Brantley made a motion to approve the minutes from Finance Committee Meeting on 03-25-24.
M. Frodema seconded the motion.
The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Velazquez	Aye
M. Frodema	Aye
A. Piela	Aye
R. Molina-Brantley	Aye

II. Finance Items

A. Finance Department Transition Planning

- Bill discussed Meghan's possible transition from the COO role to a CFO role and noted that the school currently has two Directors of Operations and a Finance and HR Manager.
- The school has posted for a role to take on the operations and human resources leadership that the COO currently does.
- The plan is to separate out the finance and accounting work, which is a more common model. If Meghan remains with the school, she would lead that work in a reduced role. If not we likely would plan to outsource this to Central Source. Bill is speaking to other leaders in the charter sector to see who may be available for this work.
- Mary Kate, Amy, and Ron expressed their appreciation for Meghan’s transparency and appreciation for her work. They noticed that when things go well, as they usually have, people may not articulate this, but all of her work doesn’t go unnoticed.
- Amy asked how the team was holding up giving the potential for change. Meghan shared that people have been showing some tentativeness around the possibility for change and we're trying to communicate plans frequently and keep the lines of communication open.
- Mary Kate asked about how this impacts budgeting. Bill explained that we are place holding someone in the managing director role and someone (or an outsourced company) in the CFO role. This could be Meghan, Central Source, or someone else and the cost would be similar.

B. FY25 Budget Final Draft

- Meghan presented the budget. It’s a very similar budget to what we described last month but we have some more clarity and confidence in the numbers now. We have done the offer letter process and have more confidence in staffing, which allows us to be more specific in our personnel line. Also, DESE released updated projections in April, so this budget includes an additional layer of confidence with that information. We also have more detail, and more confidence, in our benefits and utilities renewal numbers. Other than this, not much has changed.
- Amy raised the development and interest assumptions. She asked if this is a sustainable approach.

- Bill discussed the fundraising strategy, his expectation of the school's ability to raise funds, and the additional capacity the school is bringing in with a Development & Communications Coordinator. Amy suggested noting this in the budget.
- Ron asked about the entitlement and competitive grants. Meghan explained that her projection is just based on the entitlement grant numbers, not competitive grants. I.e., the budget is built on the number that are guaranteed to our school and does not include any competitive grants that we may choose to apply for.
- Amy summarized where we are with our budget: this is a second draft and includes more detailed projections about revenue and cost and includes some placeholders for the potential financial leadership change. She asked if there was anything else we need. Meghan and Bill said that at this point, all that's needed is a vote to approve the budget, pending any further discussion from the board.

C. Cash Management Plan

- Meghan presented the cash management plan. She explained that we see the value of moving our money to the highest interest bearing account possible while ensuring that it is insured and liquid. This proposal allows us to meet our loan requirements and increase interest bearing potential. We believe that having significant funds at SVB and Peoples allows us to be diversified and insured.
- Amy said this sounds like phase 2 of this. She’s not surprised at this, or at going to 2 financial institutions. This sounds like a good plan to mitigate risk. She asked if there is a list of institutions involved in the Intrafy system so SVB and Peoples aren’t both sweeping funds into the same banks and bringing total funds above the $250k FDIC limit. Meghan explained that this is accounted for in the Intrafy system.
- Bill noted that he feels like banking with a local bank as long as they have the ICS program and can provide competitive rates makes sense.
- Ron and Mary Kate were supportive of keeping our funds local given their rates and their sweep program. Amy agreed and suggested that we add time to connect to foster a strong relationship with Peoples.

D. Contracts updates

- Amy noted that she is not surprised to see health insurance plan rates increasing because everyone is seeing this. People may have feelings about changes even though logically the plan makes sense.
- Meghan shared that we have a very good rep from HR Knowledge who will talk through the plan to staff along with Marelin and Meghan. She thinks she’ll do a good job explaining how the school will contribute to make the higher deductible plan less of a change.
- The committee also discussed the electric contract and food services contract, with Meghan noting she sees the stable rates as good news.

- Amy suggested a more detailed discussion on employee benefits at the board meeting if people felt that was needed.

E. Monthly Financials

III. Closing Items

A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:31 AM.

Respectfully Submitted,
A. Piela

B. Next meeting

Documents used during the meeting

- SPCS FY25 Budget Proposed 4.26.24.pdf
- Memo Bank Transfers - April 2024 - Google Docs.pdf
- MEMO.FY25 Vendor Contract Summary. Apr 2024 - Google Docs.pdf
- MEMO. FY25 Benefits Update.docx.pdf
- 0. SP FY24 March Finance Dashboard.pdf
- 1. SPCS FY24 March Details.pdf
- 2. SPCS FY24 March Summary.pdf
- 3. SP Friends FY24 March Summary.pdf
- 4. SP Realty FY24 March Summary.pdf
- 5. SP FY24 March SNP.pdf
- 6. SPCS FY24 March Cash Flow.pdf
- 7. SPCS FY24 March Grants.pdf