

APPROVED



Explorations Charter School

Minutes

Finance Committee Meeting

Date and Time

Tuesday February 21, 2023 at 11:00 AM

Location

Virtual Meeting

Committee Members Present

Ginni Block (remote), Jill Johnson (remote), Robert Peterson (remote)

Committee Members Absent

None

Guests Present

Gregori Tonan (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

Jill Johnson called a meeting of the Finance Committee of Explorations Charter School to order on Tuesday Feb 21, 2023 at 11:02 AM.

C. Approve Minutes

II. Finance

A. Discussion of Funding Options with Northwest Community Bank

Jill stated that while we have always had enough money to cover our budget, we lost funding with loss of income from districts for Special Education students who left during this year. Consequently we have a deficit of approximately \$78,000.

Bob noted that we have a \$200,000 line of credit. Should we increase that to cover the shortfall?

Gregori stated that the line of credit is for short term capital. For long term working capital such as the current deficit he recommended a mortgage.

Gregori stated we need the following critical information before getting a mortgage;

- *decide how much you need

- *decide length of mortgage

- *determine how to assure the shortfall won't recur

We asked about borrowing substantially more than we need to have money to invest or pay off the mortgage. Gregori said this is frowned upon and not realistic with current interest rates.

Gregori stated we need to figure out how much we want to borrow and have a payback plan.

Jill stated at this point she would like numbers for \$100,000 for 10 years. Bob requested we get figures for \$100,000, \$200,000 and \$300,000 for both 10 years and 20 years.

Gregori will get these numbers to Jill. He also recommended that we get a 3 year, \$300,000 tiered loan. We could get \$100,000 in the first year, and if we need it the following years we could use it but wouldn't be obligated to borrow it if we don't need it.

Gregori stated that many zero based budget and non-profit organizations are now facing similar issues.

After Gregori left, we discussed repayment. Jill stated that once we have numbers from NWCB she will add the mortgage payment to the budget. The committee unanimously supported pursuing the tiered loan approach.

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 11:48 AM.

Respectfully Submitted,
Ginni Block