

DRAFT



Lawrence Family Development, Inc. Board

Minutes

LFD Board of Directors Finance Subcommittee Meeting

Date and Time

Tuesday September 17, 2024 at 3:00 PM

Committee Members Present

G. Taveras, J. Javier, J. Karamourtopoulos

Committee Members Absent

None

Guests Present

D. Halloran, J. McElroy, Mark Andrews, S. Perry, Y. Rodriguez

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

J. Javier called a meeting of the Finance Committee of Lawrence Family Development, Inc. Board to order on Tuesday Sep 17, 2024 at 3:06 PM.

Dan Halloran introduced Mark Andrews briefly to the Board members present.

II. Business Items

A.

Approve Minutes

Jose Javier, Chair asked if there were any additions/changes to be made to the minutes and there weren't any. Gabriela Taveras motioned to approve the minutes from the May 22nd meeting and Jay Karamourtopoulos seconded. A roll call was made and it was passed.

G. Taveras made a motion to approve the minutes from the Finance Subcommittee meeting held on May 22, 2024.

J. Karamourtopoulos seconded the motion.

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

Roll Call

J. Karamourtopoulos	Aye
J. Javier	Aye
G. Taveras	Aye

B. Consent Agenda

C. LFD, Inc. D/B/A Lawrence Prospera Reports

Susan Perry, presented data and graphs to the committee about the budget for fiscal year 24 and for the fiscal year 25.

D. Finance Reports for FY 2024 and FY 2025 and Budget Review and Update

Susan Perry reminded there are 5 programs in the non profit. the most recognizable in the community is SISU with grants. There is also the Adult Program at Quintana, which is mostly funded by Grants. Quintana received a Cummings grant of \$225,000 for three years. Stevens Foundation granted \$90,000 for three years. The nonprofit is also a landlord with a value of \$20 million real estate with a \$5 million bond and it still remains at \$4.6 million from 2015-2045. This comes with a depreciation of \$400,000 each year. The next program is the Nutritional Services. LFDOS put out a bid and LFD submitted a proposal. DESE required the school to put out another RFP with enough time to allow other vendors to respond. If finalized with LFD, the contract will be an additional \$700,000 in income for the Nutritional Services department. The final part is the business services provided to the charter school which includes IT, HR and Finance, and Facilities.

The school wants an itemization of the services. There is an annual contract currently that the school pays to the non-profit monthly. The idea is to create sub-contracts and then it would quantified based on the services requested from the school, such as through a ticket system for the IT department.

Jose Javier asked what percentage of the non-profit's revenue comes from the school and SP replied it was 39%.

Jay Karamortopoulos recommends doing a comparison of the services LFD provides versus other sectors.

Jose Javier asked if there was a termination clause for the services rendered to LFDACS. There is currently a 30-day notice clause in the lease with LFDACS for termination of services.

Susan Perry shared the Financial Report for FY2023-2024 and explained that revenue increased but funding has been cut. This year a lot of money was released. Grants have been used in previous years to cover rent that was not subsidized. Salaries were also high and led to an increase in benefits. In 2020-2021 there was a generous donor that didn't contribute this year. Facilities also had an increase in expenses that needed to be made and were incurred by LFD. Depreciation was almost at 60% due to the size of the property and values.

Mark Andrews informed us that the goal is to look at new partnerships such as with NECC to reduce costs. Work with Chambers of Commerce for nutritional service services. Working with Lawrence PD for grant opportunities. Looking to create a hybrid model with SISU and partner with outside organizations such as Habitat for Humanity and Lawrence Housing Authority.

Dan Halloran mentioned the big rent at 417 Canal Street. Plans were to potentially look for a building for SISU to house that program and Quintana.

Susan Perry asked that the committee provide insight on how to present the budget for FY 25 to the Board in the upcoming meeting. LFD needs a budget reviewed and approved. Revenue for fiscal year 24 was \$7.2 million. The proposed revenue for FY 25 is \$8 million.

The committee members recommended sending the budget line by line and providing a summary as well with visuals.

Jay Karamortopoulos recommended closing the gap through fundraising efforts.

Susan Perry also covered that the school had a surplus of \$1.2 million that they would like to use for capital improvement plans. The school would need to get approval from DESE to see if they can use the surplus for these improvements with the condition of a longer lease agreement to show a profit return.

John McElroy is proposing a balanced budget to the Board and looking at expenditures to get that balanced going into the next fiscal year.

E. Exploring New Grants Development and Diverse Revenue Planning

Mark Andrews touched base on new grant opportunities and partnership with organizations like Lawrence Community Development Housing, the US Department of Labor, a hybrid Youthbuild Program, and Lawrence Housing Authority.

A classification system review was made for current positions to help build future budgets.

Mark Andrews also introduced the hopes of implementing an ECP, Expenditure Control Plan to help control spending in FY 25.

F. Update on the Development of a Capital Improvement and Assessment Plan

III. Other Business

A. Executive Director's Salary and Contract—Recommendations to the Full Board of Directors

A discussion was had without Dan Halloran present regarding offering the position formally and a potential salary.

Dan Halloran's 90-day interim position is coming to an end.

Mark Andrews recommended the committee draft a contract of 2-3 years with a salary and proposed this to the board for the meeting. Retroactive to July 1st which is when DH took the position.

Jay Karamortopoulos proposing a contract with goals and KPIs.

John McElroy, Gabriela Taveras and Jay Karamortopoulos recommend a salary at the 50% percentile.

The Finance Committee wants to make sure that the Bylaws align with the decision to offer the role permanently to Dan Halloran.

This item will be continued once more clarification is found on the decision process.

B. LFD, Inc. Grants

Mark Andrews discussed the pending grants that need final signatures from the Mayor of Lawrence.

C. Exploring New Grants Development and Diverse Revenue Planning

D. Meeting Schedule for 2024-2025

Finance committee is looking to meet again on for a special meeting. Final dates for future meetings will be discussed at a later time.

E. Preparation for the next meeting.

Jose Javier is recommending for the upcoming Board Meeting, that voting of the members takes place first and resumes be sent out to the existing board.

He is requesting a Zoom meeting to prepare the agenda for Wednesday 9/18 at 3:30pm.

IV. Closing Items

A. Adjourn Meeting

J. Karamourtopoulos made a motion to to adjourn the meeting.

G. Taveras seconded the motion.

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 5:16 PM.

Respectfully Submitted,
Y. Rodriguez