

APPROVED



## City on a Hill Charter Public School

### Minutes

#### October 2021 Finance Committee Meeting

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##### **Date and Time**

Wednesday October 20, 2021 at 3:00 PM

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This meeting took place remotely pursuant to An Act Extending certain COVID-19 Measures Adopted During the State of Emergency signed into law by Governor Baker on June 16, 2021.

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##### **Committee Members Present**

Andres Tejeda Soto (remote), Ted Gildea (remote)

##### **Committee Members Absent**

*None*

##### **Guests Present**

Beth Sears (remote), Kevin Taylor (remote), Maddie Collins (remote), Sonya Pratt (remote)

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#### **I. Opening Items**

##### **A. Record Attendance and Guests**

##### **B. Call the Meeting to Order**

Ted Gildea called a meeting of the Finance Committee of City on a Hill Charter Public School to order on Wednesday Oct 20, 2021 at 3:01 PM.

##### **C.**

## **Approve June 2021 Meeting Minutes**

Ted Gildea made a motion to approve the minutes from June 2021 Finance Committee Meeting on 06-21-21.

Andres Tejeda Soto seconded the motion.

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

### **Roll Call**

Ted Gildea                      Aye

Andres Tejeda Soto      Aye

## **II. Finance Updates**

### **A. Finance Updates**

Due to timing, this section was not covered.

## **III. FY21 Audit Review & Vote to Recommend**

### **A. Fiscal Year 2020-2021 Audit Review**

Allison Cree and Frank Vulpi, AAFCPA representatives, shared a high-level overview of the Fiscal Year 2021 City on a Hill Audit.

The audit document highlights City on a Hill's financial positions for Circuit Street. Cree shared statements of City on a Hill's current financial commitments, line of credit agreements, Department of Elementary and Secondary Education (DESE) probationary conditions, and a general contingency based upon the COVID-19 pandemic.

Cree began the presentation by outlining the Management Letter provided by AAFCPA, which noted a material weakness due to \$600,000 of adjustments related to City on a Hill and \$100,000 of adjustments related to the City on a Hill Foundation. Cree shared that a later footnote in the document outlines the classification in detail.

AAFCPA representatives also shared that a MTRS, the Massachusetts Teacher Retirement System, non-compliance was noted in the management letter as well. The Committee sought clarity on this notation. Vulpi shared that the notation was made after testing three CoaH employees to see if the individuals were enrolled in MTRS within the 30 day required window. Vulpi shared that in order for staff to be fully registered, the individual must complete registration on their end as well after being enrolled by the school.

AAFCPA shared that the only adjustment that had an impact on the PNL was to relieve the tuition reserve that was recorded on the balance sheet, thus the notation of material weakness in the Management Letter. The Committee clarified what caused this classification.

Beth Sears, Business Manager, shared the throughout FY21, CoaH saved ten percent of the monthly enrollment revenue back into a reserve, in alignment with counsel from AAFCPA, in order to prevent liability. In FY22, CoaH is booking tuition without a reserve. AAFCPA shared that it is because these funds were not originally recorded as revenue is the reason that they are noted as an adjustment in the audit.

AAFCPA continued to highlight sections of the document, including surplus funds from FY21 and CoaH's financial statements. Cree noted that because of Kevin Taylor, Chief Executive Officer's, work with the Department, the only significant change to the statements this year was that they are single year financial statements in lieu of a comparative financial statement.

Cree finished the audit overview by highlighting each footnote, which included but was not limited to, new language to reflect City on a Hill's one school site, a general contingency referring to the COVID-19 global pandemic, and a list of conditions for City on a Hill's charter renewal and the school's progress towards each one.

The Committee again sought clarity on the classification of a material weakness. Sears shared that CoaH has had ongoing conversations with AAFCPA to determine what was the best use of surplus funds, and consulted AAF throughout the process and before the audit documents were submitted. The Committee discussed their confusion with the classification when AAFCPA had been consulted throughout the entirety of the process.

AAFCPA said that these comments can be addressed in the response letter to the classification. The Committee shared that they would like to set up a meeting with AAFCPA partners to discuss this classification further. The discussion concluded with the Committee committing to scheduling this meeting and recommending to approve the audit with the contingency that the Committee speaks to AAFCPA partners for more clarity around the classification before the October 2021 Board Meeting.

#### **B. Vote to Recommend Approval of the FY21 Audit**

Andres Tejeda Soto made a motion to Conditionally Recommend Approving the FY21 Audit with the contingency that the Committee speaks to AAFCPA partners for more clarity around the classification before the October 2021 Board Meeting.

Ted Gildea seconded the motion.

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

#### **Roll Call**

Ted Gildea           Aye

Andres Tejeda Soto Aye

### **IV. Facilities Updates & Review of OPM Contract**

#### **A. Facilities Updates & Review of OPM Contract**

Andres Tejeda Soto, Board Chair, presented the proposed contract for the selected OPM for the construction to City on a Hill's building on Circuit Street. Tejeda Soto walked the Committee through the process of identifying and selecting OPM's for the project

This process was initiated by Tejeda Soto and Lisa Desfosses, a hired consultant, putting requests out for project managers with four responses. Tejeda Soto shared that there was a vigorous interview process for each project manager along with following up with references in order to select the preferred OPM, NV5.

Tejeda Soto shared the proposed contract with NV5 with the Board, which breaks down all of the costs, as well as outlines other cost considerations.

The Committee sought clarity around a project manager being hired to be at the school site during the entirety of the project. Tejeda Soto shared that the breakdown of labor can still be adjusted, with opportunities for someone from NV5 to be at the project site for its entirety.

The Committee discussed the implications that the building project will have on summer school. Sonya Pratt, Executive Director, shared that the Leadership Team would begin to brainstorm ways to hold summer school during the building project, as it is integral to City on a Hill's programming.

The Committee probed about what went into the selection of NV5 over other contractors. Tejeda Soto shared that the references portion of the interview was very telling and that once he and Desfosses received references, they addressed each project manager with questions regarding it. When this process was complete, according to the rubric that was used to rank the contractors, NV5 was the top choice for the project.

The Committee's discussion concluded with the Committee sharing that they felt comfortable recommending the approval of the OPM contract and would circle back for a deeper discussion on cost considerations as it pertains to division of labor at the next Finance Committee meeting.

#### **B. Vote to Recommend Approval of OPM Contract**

Andres Tejeda Soto made a motion to Vote to Recommend Approval of OPM Contract. Ted Gildea seconded the motion.

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

#### **Roll Call**

Andres Tejeda Soto Aye  
Ted Gildea Aye

### **V. 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 4:26 PM.

Respectfully Submitted,  
Ted Gildea