

APPROVED



City on a Hill Charter Public School

Minutes

March 2023 Finance Committee Meeting

Date and Time

Friday March 17, 2023 at 3:30 PM

This meeting took place remotely pursuant to An Act Relative to Extending Certain State of Emergency Accommodations signed into law by Governor Baker on July 16, 2022.

Committee Members Present

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

Committee Members Absent

Jack Gearan

Guests Present

Jordan Lopez (remote), Marc Terry (remote), Marcel Daniel (remote), Melisa Lemire (remote), Paul Carey (remote), Sonya Pratt (remote)

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 Friday Mar 17, 2023 at 3:34 PM.

C.

Approve February 2023 Meeting Minutes

Ted Gildea made a motion to approve the minutes from February 2023. February 2023 Finance Committee Meeting on 02-07-23.

Andres Tejeda Soto seconded the motion.

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

Roll Call

Andres Tejeda Soto Aye

Ted Gildea Absent

Jack Gearan Aye

II. Bank Updates and Discussion

A. Bank Updates & Discussion

Ted Gildea, Committee Chair & Treasurer, directed the attention of the Committee and guests to the Bank Updates & Discussion. Sonya Pratt, Executive Director, shared that since the news of the closure of Silicon Valley Bank (SVB)/Boston Private Bank on Friday, March 10, School Leadership has been in touch with the Department of Elementary and Secondary Education (DESE), the School's counsel and Board Officers, as well as the officers of the City on a Hill Foundation.

Pratt announced that while there were no day-to-day impacts on the School, Leadership did send a notification to staff on Sunday, March 12 notifying them of the School's status as a client of SVB/Boston Private, confirming the School's ability to make payroll, and sharing a general overview of how the School would move forward. Pratt also confirmed for the Committee that while initially it seemed like clients would only have access to \$250,000, the actions taken by the Federal government in response to the closure of SVB have since guaranteed access to the total balance.

Pratt shared that the School's primary objectives for the past week were 1) on-time execution of the semi-monthly payroll and 2) initiate a new banking relationship, both of which had been successfully completed. She confirmed that the majority of the School's funds were wired to the School's new account following the opening of the new account, with a small amount left to cover pending debits to the account. All of the School's vendor and State accounts either have already been or are currently in the process of being connected to the new bank account.

Pratt also confirmed that, while they are decisions to be made by the City on a Hill Foundation Board of Directors, initial discussions have taken place with Foundation Directors about the Foundation's banking choice and the mortgage currently held by Boston Private. She shared that there was a general alignment that moving forward the School and Foundation should be banking at separate entities to avoid a similar situation in the future, and shared that the Foundation was seeking the input of the School for how

to proceed with the mortgage. She noted that currently, the School does have the funds to pay off the loan, though it would require the majority of its reserves.

The Committee inquired as to whether that proposal would entail later refinancing the building with another bank. Pratt shared that it was definitely an option, as the Foundation's intention before this situation was to pay down the loan before refinancing for a better interest rate with Boston Private Bank. Members also inquired as to if the School had any programming that could be improved with additional funding that would be freed by either not having a loan to pay interest on or a lower interest rate. Pratt agreed to produce a list of such possibilities, but at this time did not have a specific plan. The Committee then inquired as to how long it would take for the School to rebuild its reserves to the current level if the loan were paid, as well what is the amount of cash-on-hand needed to operate for six months. Pratt shared she did not have those numbers with her, but agreed having at least that amount would be crucial and committed to producing them with the Finance Team before the Finance Committee's next meeting in two weeks.

The Committee then asked School counsel, Paul Carey, if he had any advice related to next steps. Carey confirmed that the proposed plan was viable, but that the School and Foundation should also consider approaching SVB/Boston Private, which is currently in receivership by the Federal government, for an extension of the loan to give the opportunity to further shop for refinancing without having to pay down the loan. He noted this would also give the Foundation the option to pay down a smaller amount of the loan, and refinance the remaining amount.

The Committee agreed that an extension would allow for more thoughtful decision making, and Pratt agreed. She reiterated that she would be bringing additional information about monthly expenses and reserves to the next meeting, and she should discuss the Committee's input with the Foundation Board of Directors at their next meeting.

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 4:31 PM.

Respectfully Submitted,
Ted Gildea

Documents used during the meeting

None