

APPROVED



City on a Hill Charter Public School

Minutes

May 2023 Finance Committee Meeting #1

Date and Time

Monday May 1, 2023 at 11:30 AM

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 Tejada Soto (remote), Ted Gildea (remote)

Committee Members Absent

Jack Gearan

Guests Present

Cynthia Marie (remote), Jordan Lopez (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 Monday May 1, 2023 at 11:32 AM.

C.

Approve March 2023 Meeting Minutes

Andres Tejeda Soto made a motion to approve the minutes from March 2023. March 2023 Finance Committee Meeting on 03-17-23.

Ted Gildea seconded the motion.

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

Roll Call

Jack Gearan Absent

Ted Gildea Aye

Andres Tejeda Soto Aye

II. General Financial Updates

A. General Financial Updates

Ted Gildea, Committee Chair & Treasurer, directed the attention of the Committee to the General Financial Updates provided by the School's financial consultant, CentralSource. Cynthia Marie, CEO of CentralSource, began by presenting the School's most recent Statement of Financial Position, noting that overall the School's overall remains strong with high accounts receivable. Marie noted that the majority of this was Federal entitlement grants for which the School is finalizing strategy on use for before drawing down upon. She then provided commentary on current liabilities, noting the School's practice of paying teacher contracts through the summer and recent student activities charges. After affirming that these statements have no significantly changed since the Committee last reviewed them, the Committee confirmed she had addressed their questions.

Marie then transitioned to the FY23 Budget vs Actuals document, and shared that the School remains on budget as it enters the final quarter of the fiscal year. She noted that while some line items, such as student recruitment, were slightly over their budgets, they had been offset by line items that were under budget, such as personnel. The Committee asked to confirm if any school year positions remained unfilled. Sonya Pratt, Executive Director, and Jordan Pina, Chief of Staff, confirmed that the only remaining open positions were Office Coordinator, Human Resources Coordinator, and Executive Coordinator. Pratt also added that the higher costs for student recruitment were intentional investments made by the School while it currently had the resources to be able to try new methods of attracting students. She also noted that the School would be evaluating which methods worked best, and discontinuing those which did not yield a strong return on investment.

Marie then stated the School had a small surplus and that the School is expecting to end the year with a slightly larger one. The Committee then asked if the School would be in a position where funds would need to be returned to the Commonwealth. Marie confirmed that based on the School and the City on a Hill Foundation's current discussions related to the Circuit Street mortgage, some of those funds could be potentially used following a vote of the Board of Trustees.

Next, Marie and Pratt confirmed that School Leadership will be recommending that the School make a significant payment on the loan during the refinancing with First Bank (formerly Silicon Valley Bank/Boston Private Bank) to be able to reduce the overall debt and minimize the increase to the monthly amount of the mortgage, which is the School's rent paid to the City on a Hill Foundation. Marie confirmed that without a payment, the differences in interest rates from the School's last refinance would more than double the monthly payments owed. She shared that the School modeled that an increase of that size would be unsustainable after school year 2024-2025. Marie then confirmed that following this payment, which would also be accompanied by a payment from the City on a Hill Foundation, the School would still have at least six months of operating cash, in addition to an open line of credit worth an additional month of expenses. Pratt also confirmed that these numbers also include the construction project that will be beginning in June 2023. The Committee thanked Marie and Pratt, and agreed with the approach. Finally, Marie confirmed that the City on a Hill Foundation had not yet voted to approve this plan, but the approval of both Boards would be needed soon in order to pursue a tax-exempt bond. The Committee confirmed that they were interested in pursuing those additional savings over the life of the loan, and asked if this refinancing would also require a balloon payment. Pratt confirmed that it would not, and at the end of this 10-year loan, the building would officially be owned.

Andres Tejeda Soto made a motion to recommend the refinancing of the School's mortgage with First Bank to the Board of Trustees.

Ted Gildea seconded the motion.

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

Roll Call

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|--------------------|--------|
| Andres Tejeda Soto | Aye |
| Ted Gildea | Aye |
| Jack Gearan | Absent |

III. FY2023-24 Draft Budget Presentation & Discussion

A. FY2023-24 Draft Budget Presentation & Discussion

Pratt then confirmed that she is continuing to work with School leadership to finalize departmental budgets for the FY2023-24 budget, but that the highest level of expenditures have been confirmed for the school year. She noted that major changes were those mentioned earlier in the meeting, such as changes in staffing and recruitment efforts, and that the School would have a final draft for review by the Committee at the next meeting. Pratt reminded the Committee that like previous years, the Committee would be making a recommendation to the Board who would evaluate and vote to accept the Committees recommendation. The Committee asked Pratt if the final draft would include related enrollment figures, and she confirmed that it would.

IV. 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 12:31 PM.

Respectfully Submitted,
Ted Gildea

Documents used during the meeting

- StatementofFinancialPosition_2023.03.31.pdf
- Budget vs Actuals_2023.03.31.pdf