APPROVED

Excel Academy Massachusetts

Minutes

Board of Trustees - Finance Committee Meeting

Date and Time
Friday March 1, 2024 at 8:30 AM

Location
Microsoft Teams (click here to join)
Meeting ID: 218 568 617 300
Passcode: xTYWZF

Meeting Notice Posted Publicly: 2/28/24

Please note: All items listed on the agenda are subject to a possible vote by the Board of Trustees or its subcommittees.

Committee Members Present
D. Stolow (remote), R. Lytle (remote)

Committee Members Absent
D. Sachs

Guests Present
A. Kaynor (remote), A. Solomon (remote), A. Stelson (remote), Chiv Heng (remote), DJ Cass (remote), Josh Calianos (remote), Kyle Madura (remote), Megan Preiner (remote), O. Stearns (remote), Seth Reynolds (remote), Tim Weller (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Stolow called a meeting of the Finance Committee of Excel Academy Massachusetts to order on Friday Mar 1, 2024 at 8:32 AM.
Solomon presided over the meeting. Kaynor kept the meeting minutes. Kaynor noted that this is a joint, concurrent meeting of the Excel Academy MA Board Finance Committee and the Friends of Excel Academy Board Finance Committee. Heng, Treasurer of the Excel RI Board, is participating in this meeting for informational and collaborative purposes. Madura and Calianos, members of the Inspire Team project that has been assisting with an inter-Board governance project, are participating as observers for informational purposes.

C. Approve Minutes for 1.17.24 Finance Committee Meeting

D. Stolow made a motion to approve the minutes from 1.17.24.
R. Lytle seconded the motion.
The committee **VOTED** unanimously to approve the motion.

D. Introductions & Norms

Solomon facilitated introductions and a team-builder discussion.

Reynolds and Stearns introduced the following norms for the group and today's meeting:

- All Our Kids
- Generosity & Learning
- Productive (and Unproductive) Conflict
- Energetic Facilitation

Weller noted that it would be helpful to have more context about a time horizon for finance goals in the future.

II. Finance & Governance

A. Prior Joint Finance Committee Meeting Recap

Solomon summarized content that was discussed at previous finance committee meetings this school year and the prior joint finance committee meeting.

Solomon reminded the Board about the prior joint finance committee discussion on 12/8/23, when we reviewed primary financial issues across all three entities and held a preliminary discussion of the FY25 budget timeline. We then debriefed separately with

each finance committee and sought preliminary input on several key topics to inform the FY25 budget process:
• 12.5% CMO fee in FY25 with appropriate checks
• Anticipated subsidies of XLMA and XLRI in FY25
• Step-up in XLMA admin. salaries and move forward with student loan payment benefit for all staff

Kaynor noted that we are in the process of setting up an online platform (BoardOnTrack) to increase transparency and accessibility of Board meeting materials.

Solomon refreshed the Board on the prior discussion of finance committee roles and responsibilities, which the group provided input on at the last meeting and broadly agreed on. The latest version, which was provided to the Board in advance, incorporates input and attempts to clarify roles further and map them to an annual calendar and cadence of meetings and key decisions. The group also refreshed on and discussed the draft annual calendar, which was provided to the Board at the 12/8/23 meeting but not discussed in detail.

B. Discussion of inter-Board financial decision-making framework, survey results, and scenarios

Solomon facilitated discussion of the draft inter-entity financial decision-making framework that was provided to the Board in advance, as well as the results of the survey that the Board participated in regarding four sample scenarios.

Solomon noted that no scenario received any “No – inappropriate” responses. Each scenario received one “Yes, appropriate, but with reservations” response. We quote an excerpted survey response that we think captures an important theme or tension for discussion. The quote isn’t necessarily from the person with reservations. We will try to tease out nuances via discussion and recognize themes that we’ll abstract at the end.

The Board discussed each of the following four scenarios in detail:

1. Excel - MA wants to prepay its capital lease to Friends; Friends is the borrower on the associated external debt.
2. Excel - MA faces recruiting challenges. It wishes to increase salaries significantly above those paid by Excel - RI. This might aggravate inter-region culture challenges.
3. Students at Excel - MA are struggling in certain core subjects. Excel - MA believes it should receive a higher subsidy from Friends to pay for additional programming.

4. Excel - RI and Friends plan to borrow substantially and invest in a new facility. This will reduce Friends' cash balances considerably. Excel - MA is concerned about the long-term impact on their ability to build a new facility later.

Through this discussion the Board raised a number of ideas and questions for further consideration and follow-up. The staff committed to synthesizing the Board's input and bringing a summary to the next joint finance committee meeting, along with recommendations for next steps.

III. Closing Items

A. Adjourn Meeting

List of Documents Presented at the Meeting:
1. Agenda
2. 1.17.24 Meeting Minutes
3. 3.1.24 Finance Meeting Summary Slides
4. Decision-Matrix Scenarios and Feedback Survey
5. Draft Inter-Entity Financial Decision-Making Framework

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 10:02 AM.

Respectfully Submitted,
D. Stolow

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