

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday December 16, 2021 at 8:30 AM

Location

Veritas Prep Charter School 1st Floor Conference Room or Dial-In Number: 866-848-2216,
Conference Code: 7783935205, Leader Code: 2356

Committee Members Present

D. Ford (remote), D. Fuller (remote), L. Goncalves (remote), M. Landon (remote), R. Martin (remote), R. Romano (remote)

Committee Members Absent

T. Gabinetti, T. Maxey

Guests Present

N. Gauthier (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

D. Ford called a meeting of the Finance Committee of Veritas Preparatory Charter School to order on Thursday Dec 16, 2021 at 8:35 AM.

C.

Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 11-18-21.

R. Martin seconded the motion.

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

II. Other Business

A. Finance Committee Goals

November meeting we discussed goals. Any changes/thoughts?

Board strategic priorities will align well with finance committee goals so there shouldn't be much of an adjustment.

Denise reviewed goals with committee members.

1. Development Committee: Explore with Management the decision to engage a consultant to maintain a donor data base and community outreach or hire internally. Draft a document that outline future fund-raising needs over the next 5 years and a plan to execute.

2. Grant Oversight: Review the current grant management process to ensure accurate accounting and validation of the use of funds.

3. Investment Planning: Determine whether the Board should formally create a separate committee to oversee investment decisions, policy review and reporting, etc.

4. Enterprise Risk Management (multi-year goal): Develop a strategy to institute an Enterprise Risk Management process. The ERM plan will identify organizational risks, measure those risks, and develop preventive techniques including detection, investigation, and reporting.

5. Financial Planning (multi-year goal): Work with management to construct a 5-year financial projection to be updated annually to ensure the continuing financial strength of Veritas.

David asks if we are going to report this to the Board?

Denise says yes, we are looking for a consensus on these goals to move them forward.

D. Fuller made a motion to Adopt finance committee goals and move forward with them for the remainder of the 2021-22 school year.

R. Martin seconded the motion.

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

B. Vote re: Operating Bank Accounts

Rachel provided context that last year at June meeting they decided that Rachel's immediate successor would be Jonathan Swan. It used to be Ashley Martin, now that she has left, Jonathan has been named Rachel's back-up and he would need the signer permissions for operating accounts. (Friends operating account, school operating account, money market operating account).

Committee unanimously agreed to bring this forward to the Board for an official vote.

Rachel mentioned we can just agree here to move it forward, we don't need an official vote, we'll do that at the Board meeting.

C. Update on Capital Plan

Denise asked what CSP is?

Rachel says it's the Charter School funds we will be eligible for because of our High School expansion.

Lynne says we will be getting \$575, 000. In addition to CSP, there are other start up grants she will be looking to acquire.

Denise asks if we have looked over all planned and unplanned projects and can they all be funded?

Lynne says that all the ones that have "x" under planned column are good to go. The furniture is the only one that we still need totals for (coming in 2-3 weeks). The unplanned ones are ones she has not gotten quotes for. We could say no to the unplanned ones if necessary.

David asked about the modular wall, is that extra?

Lynne said yes but it would decrease space functionality if we don't have it. This would be considered an improvement to the space.

Denise says when they set up the sheet planned vs. unplanned, unplanned are things that came up during the year that we hadn't first considered or realized we needed when budget planning for the year occurred.

Lynne says the HVAC in the basement is a perfect example of this - it came up after we planned the budget.

Denise wants to be able to plan next year's budget based on this planned vs. unplanned concept, did we know about it and did we allocate funds for it or was it something that happened throughout the year and we had not initially budgeted for it? That way, at the end of the year, we can total the planned vs. unplanned column and have an idea regarding extra money we may need to have moving forward.

David asked why furniture equipment is both planned and unplanned?

Lynne explained she only had \$100,000 planned for furniture and now she needs about \$300,000 so that was planned and unplanned. This increase was due to current costs (service, delivery, supplies) and additional furniture needed for the first year.

Denise asks if we want to wait on some of the furniture we had not budgeted for?

Lynne said, over the course of developing the model for the high school, we recognized the importance of flexibility around our college partners and creating spaces for them to come in and work with our high school students.

Denise considered that the college program doesn't start immediately so maybe we don't need these spaces right away.

Lynne said the thought is some of the classes where you don't need a specific teacher (enrichment i.e. art) could be taught by a college partner even in our first year.

Denise asked about ESSER I grant - for school upgrades? Middle school projects like plumbing and elevator, can we use this money?

Lynne says you have to be careful of facility work done under ESSER. It has to enhance, increase or better a guideline directly related to COVID protocols and procedures. An example was the creation of a medical waiting room near the nurse's office - we can clearly show how this facility improvement was directly related to maintaining COVID protocols and adhering to CDC guidelines.

D. High School - Carando Drive Facility

Rachel frames the conversation that the goal here is a discussion. We want to start with the finance committee and we will bring it to the Board at our meeting next week. The high school is coming along beautifully and on time and this should be celebrated. In our lease agreement, we occupied the building so that in Year 1 we would be in the first floor and then next year Joe would start construction on the second floor. Joe came to them recently and said there is an opportunity to finish out the whole project now. Rachel and Lynne see many pros to doing it. The one con is money. The pros are: the project gets done now and we don't have worries about the project hanging out there to get done later

(who knows what will happen with COVID and it would be better not to have construction going on upstairs when we're in the building), we would have the ability to utilize additional space for potential school closures in the future - ensure students can stay or quickly return to in-person learning. What are your initial reactions?

David asks if there is a rental cost difference?

Rachel says yes but she doesn't know the exact figures. We currently have a lease that outlines the prices for phase I and phase II. It basically doubles the rent in Year 2 but rent goes down by Year 4, so if we could settle on Year 4 price, that would be great. We can afford it based on our revenue from last year. We just have to decide if this is where we want to put that money.

David asks if we can sub lease space on 2nd floor before we need it?

Rachel said yes, but we would not likely do this because it would only be for a year.

Matt asked what Rachel and Lynne think.

Rachel said they really want to do it. To have the option to occupy the whole building now and have the whole building construction complete would be an advantage.

David asked if we would ever move any middle school classes to this facility?

Rachel said they are talking about all possibilities. There is a meeting in January to talk about all scenarios. It would be a major operating change so, it could be complicated but we're considering all options.

Denise's concern is that we're in an environment where the cost of everything is so high. As we move forward, we're hoping some of these supply chain issues may resolve in the 3rd quarter of next year. Is it worth it to finish for an inflated price or should we wait?

Rachel says our costs are already negotiated so we're not going to pay more for the costs we already agreed upon for phase II whether we do it now or later.

Denise says there will be capital expenditures related to the completed construction. If we occupy the whole building but don't furnish the space due to high furniture costs, then it defeats your idea that we can use that space for other students/needs. We need the information from Joe about what it's really going to cost to occupy the whole space.

Rachel says ultimately we love the opportunity but not at any cost.

Denise says conceptually she has no problem but we need to nail down some of the numbers.

III. Finance

A. Monthly Financial Reports

Matt updates re: investment meeting. He feels good about everything. Steve is open to getting on with us at one of our meetings to talk more about this.

(15 minutes for this topic January meeting)

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 9:33 AM.

Respectfully Submitted,
D. Ford

Documents used during the meeting

- Finance Committee Goals FY 2022.docx
- VPCS_Capital Budget_12.13.21.pdf
- Financial Reports to Finance Committee 1.pdf