

APPROVED



Veritas Preparatory Charter School

Minutes

Finance Committee Meeting

Date and Time

Thursday June 20, 2024 at 4:00 PM

Location

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

[Join Zoom Meeting](#)

ID: 82384629673

Passcode: 966439

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Committee Members Present

A. Hickson-Martin (remote), A. Mendelson (remote), D. Fuller (remote), M. Landon (remote), R. Martin (remote)

Committee Members Absent

A. Martínez, D. Ford, T. Maxey

Guests Present

L. Goncalves (remote), N. Gauthier, R. Romano (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

M. Landon called a meeting of the Finance Committee of Veritas Preparatory Charter School to order on Thursday Jun 20, 2024 at 4:08 PM.

C. Approve Minutes

D. Fuller made a motion to approve the minutes from Finance Committee Meeting on 05-16-24.

M. Landon seconded the motion.

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

II. Procurement Recommendation

A. Purchasing Activity Vans to Meet Transportation Needs - FYI

Rachel outlined plans for purchasing two activity vans within the approved budget for FY25. She detailed their intended use for transporting students involved in various programs such as work-based learning experiences, early college classes, athletics events, mentorships, internships, and small group activities at middle school level.

The discussion revolved around transitioning from using private transportation companies like For Student and Rides Five Star towards procuring their own transportation solutions due to cost efficiency concerns with existing vendors' reliability issues.

Rachel discussed the procurement process for two 14 passenger vans, emphasizing that they will be purchased from a specific vendor and financed without using grant monies. She mentioned following the school's procurement procedures and obtaining multiple quotes before deciding on the vendor. Lynn added that the vans would come with the school's name on them, and any additional graphics would comply with requirements.

Rachel indicated that two identified vans are being held by a vendor until the end of June, highlighting potential lead times ranging from three to nine months once an order is placed. She stressed urgency due to high demand for these vans in current market conditions.

Lynne shared her efforts to establish relationships with local service providers despite purchasing from a non-local dealer based in New York. She outlined plans for maintenance arrangements including emergency services through recommended mechanics within Massachusetts.

Rachel discussed two scenarios for acquiring vans for the school. In scenario one, the Friends of VPCS would own the vans, requiring a lease agreement with the school to

obtain financing through People's Bank and approval from the Department of Education. In scenario two, the school would directly finance the vans through People's Bank without involving Friends of VPCS. Both scenarios require approval processes and consideration of insurance coverage.

B. Procurement of Activity Vans - Discussion and Recommendation

The discussion highlighted that both entities (the school and Friends of VPCS) have similar immunity as articulated in their lease agreement. It was noted that additional insurance coverage under mass tort claims law is necessary regardless of which entity owns or leases the vans.

Andrea Hickson-Martin mentioned in the zoom chat that at the college she works at, they have to take an online course and test to be eligible to drive vans.

Lynne responded that is what we expect we will do and maybe even more than that.

Aaron inquired about parking safety, to which Lynn assured that camera systems and nearby state police presence would mitigate vandalism concerns.

David queried about estimated annual mileage on these vans, prompting Lynne's response where she expressed uncertainty regarding how to utilize vans for programs due to unknown logistics such as internships transportation routes and work program needs but hoped to keep annual usage around 10,000 miles mainly for local purposes.

David inquired about involving Friends in owning or leasing the vans. Rachel explained that involving Friends could provide flexibility with asset ownership beyond charter term limits, potentially keeping it outside Department of Education involvement. Additionally, a lease agreement could allow for accruing funds to cover unexpected maintenance costs.

Aaron queried about van specifications whether they were diesel or gasoline-powered; Lynne confirmed they are regular gasoline-powered (GAs).

Aaron expressed readiness to move forward after confirming that all aspects seemed covered regarding van acquisition plans.

Lynne discussed the decision-making process regarding the acquisition of assets, emphasizing the input from auditors, attorneys, and risk managers. She highlighted that both auditors and the bank were fine with either option. The insurance broker was also comfortable with either choice as long as a proper transportation policy was in place. Lynne mentioned that there were compelling reasons for both options based on her discussions with charter schools across the state.

The board members discussed aligning around making a recommendation regarding asset ownership during an upcoming annual Board meeting on June 27th. They planned to present their decision at this meeting while ensuring all necessary documentation is prepared ahead of time for review by absent members.

Rachel suggested describing the process and asking for a motion to recommend Friends procuring and owning the vans. Lynne expressed a preference to know who's in favor of scenario one or scenario two, as only one would be presented to the board. Lindsay mentioned concerns about liability but agreed that regardless of where it sits, everything will be covered. Rachel expressed a preference for holding assets in Friends due to increased control and flexibility it offers. She drew parallels to how funding reserves in Friends could benefit future financial endeavors similar to what they did with building equity. Trustees in attendance agreed that Friends ownership of the vans was the right choice.

David sought clarification on whether they would own or lease the vans, which led to discussions about a six-year amortization period for owning them outright after six years. Rachel explained that owning them through Friends would provide more flexibility when disposing of public-funded items.

There were discussions about seeking approvals from DESE and other relevant parties before finalizing decisions related to asset ownership and financing arrangements. It was clarified that DESE's approval process wouldn't cause significant delays as they have been informed beforehand.

Lynne clarified that the lease between the school and Friends would have been necessary before securing financing for purchasing vans through Friends. Rachel emphasized that everyone had seen and agreed on all aspects related to procuring vans, including potential transfer of title if needed.

III. Approval Request

A. Debt Service Covenant Revision - Discussion

Hold for Denise - Add to July Meeting

Discussion: David highlighted the need for a vote on debt service matters. Matt sought clarification regarding whether they should proceed with voting or postpone it until Denise returns in July.

The group discussed potentially postponing certain financial decisions until July while ensuring clarity in altering fiscal periods due to prior bank approval.

B. Debt Service Covenant Revision - Vote

Hold for Denise - Add to July Meeting

IV. Finance

A. Monthly Financial Reports - FYI

Monthly Financials are included as an FYI this month. We will resume reviewing them fully at the July meeting.

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 4:53 PM.

Respectfully Submitted,
R. Romano

Documents used during the meeting

- Notes from Korkidas.pdf
- Financial Reports to Finance Committee - June.pdf