APPROVED

Lawrence Family Development Charter School

Minutes

September Finance Subcommittee Meeting

Date and Time
Wednesday September 4, 2024 at 5:30 PM

Location
Zoom Meeting
https://zoom.us/j/98060595339?pwd=CUy58Lw1Tsg3hiNBPRuGuduVoFbypE.1
Meeting ID: 980 6059 5339
Passcode: 5NmbxM

Committee Members Present
C. Needham (remote), D. DeFillippo (remote), G. Lopez (remote), J. Henriquez (remote)

Committee Members Absent
L. McRae

Guests Present
D. Thakkar (remote), S. Perry (remote), Y. Rodriguez (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

C. Needham called a meeting of the Finance Committee of Lawrence Family Development Charter School to order on Wednesday Sep 4, 2024 at 5:41 PM.

II. Finance

A. School lunch program

LFDCS decided to go with vendor services temporarily for nutritional services with Lawrence Prospera. This decision was made as a temporary measure until a more permanent process, involving an RFP, could be established. LFDCS submitted 3 bids to companies of their choosing, Lawrence Prospera, Sonexa, and Aramark. The only company to respond with a bid was Lawrence Prospera. The other two companies declined due to the short turnaround. LFDCS received approval to proceed with a temporary contract with Lawrence Prospera until the end of October when the RFP is finalized, with a maximum expenditure of $250,000. LFDCS anticipates to finalize a contract before that deadline.

B. AR Policy

AR policy was introduced and recommended by the auditors. The AR policy talks about trade receivables related to parent subsidy payments such as the Extended Day program, graduation fees, summer enrichment, etc. This accountability had to be written in the form of a policy that states the school assumes 1% of lost assets. Most parents are paying the balance owed. The recommendation is to bring this to the board for final approval.
D. DeFillippo made a motion to approve the AR Policy.
J. Henriquez seconded the motion.
to approve the AR Policy as presented and bring it to the Board of Executives for final approval.
The committee **VOTED** to approve the motion.

Roll Call

J. Henriquez	Aye
G. Lopez	Aye
D. DeFillippo	Aye
C. Needham	Aye
L. McRae	Absent

C. Quintana buildout

Yulissa gave a brief overview of the expansion plans of the Quintana Center and the repurposing of classrooms at the Upper School. Chris asked if the Board needed to take any action, to which Lawrence suggested that Susan conduct a cost assessment.

III. Other Business

A. Audit

Susan Perry shared the standard cost. She compared the surplus of $9,260,601 and the allowed amount of $8,112,245. The finance team needs to come up with a capital improvement plan and use the money remaining versus returning money to the state.

Buildings are now at a 20-year life. New roofs and new HVAC will be needed. Typically the landlord would eat the costs. The recommendation is to utilize the surplus to fund these renovations and projects. Chris Needham recommended creating a lease for longer than 5 years (length of a charter) to see a return on investment,

A capital plan of $1.148,356 was assessed by the school. This needs to be spent in a certain timeframe. Susan P. will get more clarification. The goal is to get an idea of the costs of construction by the next board meeting. Get a draft lease with an amount of $1-$3 million. The school is incurring the build-out cost for the expansion.

Darshan suggested lending the surplus at 0% interest but asked what will be the advantage. Suggest the possibility of prepaid rent.

Chris also mentioned an upcoming discussion with Maddie at Antus. The team discussed the Quintana Center lease, with Chris suggesting the nonprofit should not need to borrow $5 million. They considered an annual budget of $20 million with a $3 million cash reserve. Chris emphasized having reserves for potential losses, especially during the school year, citing concerns over potential delayed state payments. The Student Opportunity Act committed the administration to the full 7 years. The team debated using the cash surplus for capital projects instead of returning it to the state, with Lawrence proposing lending the surplus as an alternative option. Chris agreed to consult the council on this idea.

B. Management Services Agreement

MSA in from August 27. Will need to be finalized and sent out by email.

C. Next Steps

Darshan Thakkar is to look into whether DESE approval is needed for the amended lease with Lawrence Housing Authority by the next Board meeting.

Pedro and Susan to finalize cost estimates for the Quintana Center build-out before the Board meeting next week.

Susan to get clarification on whether the capital plan funds (Row 35) need to be spent in the next year.

Pedro and Susan to prepare a clear path for the Quintana Center expansion and associated financials before mid-October for rechartering conversations.

Susan to clean up and resend the updated Management Services Agreement document to the committee members.

Chris to review the updated Management Services Agreement and confirm receipt.

IV. Closing Items

A. Adjourn Meeting

D. DeFillippo made a motion to Close meeting.

J. Henriquez seconded the motion.

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

Roll Call

C. Needham	Aye
J. Henriquez	Aye
D. DeFillippo	Aye
L. McRae	Absent
G. Lopez	Aye

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:22 PM.

Respectfully Submitted,
Y. Rodriguez