



# Lawrence Family Development Charter School

## Minutes

### LFDCS Finance Subcommittee Meeting

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#### Date and Time

Wednesday November 6, 2024 at 5:30 PM

#### Location

Zoom

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#### Committee Members Present

D. DeFillippo (remote), G. Lopez (remote), J. Henriquez (remote)

#### Committee Members Absent

C. Needham, L. McRae

#### Committee Members who arrived after the meeting opened

G. Lopez

#### Guests Present

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

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### I. Opening Items

#### A. Record Attendance

#### B. Call the Meeting to Order

D. DeFillippo called a meeting of the Finance Committee of Lawrence Family Development Charter School to order on Wednesday Nov 6, 2024 at 5:39 PM.

#### C. Approve Minutes

D. DeFillippo made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 10-02-24.

J. Henriquez seconded the motion.

Darshan asked if any one had questions or comments about the minutes. DD said no, JH said no, GR said no as well.

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

#### **Roll Call**

D. DeFillippo Aye

J. Henriquez Aye

L. McRae Absent

G. Lopez Aye

C. Needham Absent

## **II. Finance**

### **A. Capital Improvement and Surplus Utilization Plan**

#### **Capital Improvement Plans Update**

Susan P. has shared the working document for the Capital Improvement Plans, which outlines ongoing and upcoming projects. Masa H. and Pedro M. have begun work on several of these initiatives and have provided current cost estimates.

A summary tab in the document highlights the projected projects and their associated costs. As of October 31st, the following projects have been completed:

- **Firewall Upgrades:** These have been purchased and will be installed during the Thanksgiving break.
- **Water Fountain Replacements:** All water fountains across school buildings have been replaced, and new filters have been installed.
- **Asphalt Project:** Work is currently underway to resurface the school parking lots, including the vacant lot across West Street.

Upcoming projects include the **Classroom Door Lock Updates**, which are being revised to comply with the Student Emergency Response Plan (ALICE). According to Darshan T., the current locks present issues in larger classrooms with two access points, each with different locks. Some classrooms also have lockboxes with codes for key retrieval, creating inconsistencies in emergencies. The plan is to standardize the locks across all classrooms and replace the single lockbox with two, ensuring greater consistency and reliability during an emergency. Updated emergency response training now recommends that students vacate the building if possible during a crisis.

The projected costs for the Capital Improvement Plans are estimated at \$1.8 million. However, Lawrence Prospera is aware of the \$1.1 million budget limitation. The \$1.8 million figure is a preliminary estimate that includes indirect costs and placeholders for potential expenses.

Other upcoming initiatives include the **Solar Carports**, which are scheduled for work next year, and the **Auditorium** project, which remains on the wishlist for the third year.

Updates to the document have been made through October 31st. Susan P. noted that the team will continue to review and update the document on a monthly basis. The goal is to present regular progress reports to the Board for ongoing review and approval.

## **B. Benefits Summary**

Susan P. provided an overview of the school's claims history, noting that initially, claims were low, likely due to the typical demographic of young, healthy employees. However, there was a notable shift in the first year, when the volume of claims increased. Under the current insurance policy, the school covers up to \$50,000 per individual claim, with the insurance carrier covering any expenses beyond that threshold. According to the historical claims data shared by Susan P., expenses remained relatively flat from 2020 to 2023, before the point at which insurance coverage was activated.

Currently, the school's annual premium is \$310,562.40, with the renewal premium proposed at \$335,407.32. The insurance broker has suggested increasing the stop-loss threshold to \$75,000, as the school has not yet reached the \$50,000 cap in prior claims history.

A proposal was presented that compares the current policy, the proposed policy, and additional options should the premium be increased. The chart provided also includes dental plan rates. If the school commits to a two-year dental plan, the premium will increase by 3% in the first year, with a maximum increase of 5% in the second year. The school covers 75% of the dental insurance costs, with employees responsible for the remaining 25%. The dental plan includes an annual maximum coverage of \$1,750 per individual, with a \$50 deductible and a \$150 family deductible per calendar year. The school is expected to select the two-year plan option.

This item does not require a formal vote, but Susan P. inquired if the committee would like to present the proposal to the full board. Both Dave D. and Jose H. agreed that it was unnecessary to bring this to the board, as the differences between the options are minimal.

The committee discussed the pros and cons of opting for a one-year versus a two-year plan. While the two-year plan does not lock in rates for the second year, it would streamline administrative processes and reduce logistical burdens in the following year. Dave D. expressed a preference for the two-year option due to its potential cost savings and administrative convenience. The committee agreed that this decision would be made administratively with the board's input, but no formal vote would be required.

The committee confirmed that the current health insurance plan covers all school employees. The proposed increase to the stop-loss threshold of \$75,000 in column 3 was discussed, and the consensus was that this amount is reasonable given the school's historical claims data and employee census.

Darshan T. expressed confidence in increasing the stop-loss threshold to \$75,000 based on the school's claims history and current demographic trends. He does not perceive this

change as a significant risk, noting that while there are occasional outliers, the overall trend is predictable.

Regarding the school's Paid Family Leave (PFML) program, the school has been working with the private insurance company, Reliance Standard, since 2020. Darshan T. pointed out that while the state's PFML plan offers a slightly lower rate, resulting in savings of approximately \$10,000, it is often seen as more bureaucratic with less responsive customer service and delayed payments. For these reasons, the team feels the private plan remains the better option for the school's needs.

G. Lopez arrived at 6:12 PM.

### **III. Update on Management Services Agreement**

#### **A. msa**

The current Management Services Agreement between LFDCS and Lawrence Prospera is set to expire in June 2025. Discussions have been ongoing between Darshan T., Lawrence Prospera's Executive Director Dan Halloran, and Susan P. Since the inception of the original agreement, both the school's budget and its operational needs have significantly increased, particularly in areas such as onboarding and licensing requirements.

The proposal under consideration is to maintain the current arrangement for Maintenance, IT, and Nutritional Services within the agreement. However, the plan is to transition Human Resources (HR) and Finance functions internally to the school, given the evolving needs of the organization. At the Senior Leadership meeting, it was suggested that the School Finance and Nonprofit Finance Boards should convene to discuss the agreement, including proposed changes and associated fees.

Susan P. sought clarification from Darshan T. regarding whether he was proposing the addition of two individuals or entire departments to the school's internal operations. Specifically, she raised concerns about payroll, which is currently managed under HR services. Darshan T. acknowledged that the departments being considered for transition would include entire teams of personnel. In response, Susan P. recommended that Darshan T. conduct a cost analysis to evaluate the potential benefits of absorbing these functions, particularly in terms of volume and operational efficiency.

The committee agreed that the two finance committees (School Finance and Nonprofit Finance) would need to meet to discuss the proposed fee structure and any changes to the agreement. Darshan T. committed to preparing a summary of the school's needs, which he will present to both boards. The last time the boards met was in June, during the separation of the two organizations.

### **IV. Closing Items**

#### **A. Adjourn Meeting**

D. DeFillippo made a motion to adjourn.

J. Henriquez seconded the motion.

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

**Roll Call**

J. Henriquez Aye

D. DeFillippo Aye

C. Needham Absent

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 6:27 PM.

Respectfully Submitted,

Y. Rodriguez