APPROVED

Lawrence Family Development Charter School

Minutes

LFDCS Finance Subcommittee Meeting

Date and Time
Wednesday June 4, 2025 at 5:30 PM

Location
Zoom

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

Committee Members Absent
None

Committee Members who arrived after the meeting opened
G. Lopez

Committee Members who left before the meeting adjourned
D. DeFillippo

Guests Present
Anthony Cichello (remote), D. Thakkar (remote), M. Ventre (remote), Susan 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 Jun 4, 2025 at 5:40 PM.
Darshan Thakkar introduced Mark Ventre the new Finance Director for LFDCS. Mark gave an overview to the committee of his background.

C. Approve Minutes from 05.07.25 Finance Meeting

J. Henriquez made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 05-07-25.
L. McRae seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

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

D. Approve Mintues from the 5.27.25 Special Finance Committee Meeting

D. DeFillippo made a motion to approve the minutes from LFDCS Finance Subcommittee Meeting on 05-27-25.
J. Henriquez seconded the motion.
Dave D. made a recommendation to include in Item 3 to add the vote to leave the executive session.
The committee **VOTED** to approve the motion.

Roll Call

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

II. Open Session

A. Update on Management Service Agreement

Darshan T. reported that the scope of services for custodial operations has been clearly defined. Regarding the IT service agreement, two items remain to be clarified. First, the term was originally proposed as a five-year agreement to align with the charter renewal. However, the school has proposed a one-year term with the option for annual renewals. Second, the school’s goal is to bring IT services in-house as soon as possible. Both the school and the nonprofit aim to transition IT and custodial services to the school by December 31.

Chris N. asked Darshan T. what approach he would recommend. Darshan T. responded that he would prefer a one-year agreement with renewal provisions requiring a 60-day notice, along with a clause that allows for early termination, specifically by December 31. Chris N. then asked Anthony C. whether the agreement could be drafted in this way. Anthony C. confirmed that it could, stating they can structure the agreement to include a one-year term, options for extension, and a provision allowing for service transition by January 1 or any mutually agreed-upon date to provide flexibility.

B. Capital Plan

Chris N. asked Susan P. follow-up questions regarding the capital improvement plan and associated expenses. Susan clarified that the total capital plan spans three years and totals $7.5 million, which includes a $4 million allocation for an auditorium.
Earlier that day, Susan P., Darshan T., Pedro M., and Mark V. met to review capital improvement expenses. They determined that in FY25, $1.8 million had been spent, exceeding the original $1.2 million allocation by $600,000.
Chris N. noted that some of the spending was directed toward technology rather than leasehold improvements. Susan P. confirmed that the expenditures included firewall upgrades and smartboards for classrooms, with each smartboard costing over $5,000. She explained that smart boards qualify as capital improvements because they are affixed to the building. Chris N. asked whether firewalls are managed by IT. Susan P. verified they are. When asked whether the firewalls are considered school-owned assets, Susan P. affirmed that they are paid for and owned by the school and categorized as capital technology improvements, which are depreciated over three years and not leasehold improvements.
Chris N. also asked if such spending would qualify under surplus usage. Susan P. responded affirmatively, referencing guidance from Elka Sachs at Krokidas & Bluestein, who had reviewed permissible uses of surplus funds. She and Mark V. also reviewed the DESE Audit Guide, which confirms that capital improvement plan items may be funded through surplus.
Chris N. then asked Anthony C. and Darshan T. to assess the portion of the $1.8 million spent on technology, specifically items not permanently affixed to buildings. Susan P. reported $706,000 was used for technology, and $303,000 for equipment, including air purifiers. Darshan T. clarified that $340,000 of that total was for technology not related to building installations. Chris N. confirmed that this $340,000 in school-owned technology and equipment would be transferable to the school upon transition of IT services, and it should be clearly stated in the management services agreement.
Chris N. requested the committee’s approval of a proposal to bring IT, maintenance, and custodial services under a one-year contract, which would include renewal options and provisions for early termination. This structure would allow the school to transition these services in-house as early as December 31. Additionally, equipment owned by the school, though not affixed to the buildings, and some of which is currently on site, will be included as part of the transition plan.

D. DeFillippo made a motion to approve the concept of services, IT, maintenance and custodial services will under contract for a year with a renewal option and earlier termination previsions so that they can be brought to the school by Dec 31 along with equipment that has been purchased by the school that are not and are currently installed in the school.
J. Henriquez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

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

C. Superintendent's contract

The Superintendent’s current contract is set to expire on June 30. Dave D. has followed up with Robert Carpenter of the Massachusetts Charter School Association to seek guidance and recommendations regarding next steps.
Dave D. informed that a question had been raised concerning the evaluation of Superintendent Darshan Thakkar. He explained that while a formal evaluation had not yet been conducted, Darshan had undergone a thorough search and vetting process, and feedback from school leadership and faculty has been consistently positive in regard to his performance and leadership. Dave D. inquired whether this could serve as a substitute for a formal evaluation. Robert Carpenter agreed that it was reasonable under the circumstances and suggested forming an evaluation committee in the next school year to conduct a full evaluation upon completion of Dr. Thakkar’s first year in the role. He also offered to provide sample evaluation templates for reference and comparables for compensation for superintendents in similar districts.
Chris N. invited committee members to join the proposed evaluation committee. Lynette M. and Jose H. volunteered to serve. Chris N. also asked Dave D. to reach out to Elizabeth N. and Germinudy L. to see if they would be willing to participate, in preparation for the next board meeting.
Dave D. noted that, with the current contract expiring at the end of June, a new contract for Dr. Thakkar must be negotiated. Chris N. recommended that Dave D. discuss this matter when speaking with Elizabeth N. and Germinudy L., as there will need to be discussions regarding compensation, contract terms, and the possible formation of a subcommittee to complete these negotiations ahead of the deadline.
Chris N. informed Germinudy L. that the contract can be discussed and voted on at either the 6/11 or 6/18 meeting. He also recommends consulting with Elka Sachs regarding the contract and forming a subcommittee to discuss the context. Dave D. asked Darshan T. to review his Interim Superintendent contract and highlight some points he wishes to amend.
G. Lopez arrived at 6:15 PM.

D. DeFillippo left at 6:39 PM.

D. Budget FY26

Susan P. presented the Fiscal Year 2026 budget and noted that it had previously been reviewed at the April board meeting. Chris N. confirmed that the leadership salary portion had already been approved to allow the school to proceed with faculty contracts. Susan P. stated that the overall budget remains unchanged, but there may be line items that need to be adjusted.

The proposed budget includes budget-to-actual comparisons for FY2023, FY2024, and FY2025 (through seven months), along with the proposed FY2026 budget. Notes were provided to explain any increases in line items for the upcoming fiscal year. Susan emphasized that the budget lines have remained relatively consistent, with only minimal changes across the years.

The budget includes revenue and expenses categorized under four main subgroups: salaries, administrative costs, instructional expenses, and student services. Some of the highlights from the budget review are:

- Tuition revenue is based on an enrollment projection of approximately 920 students, submitted to DESE in early May, totaling $1.8 million. It is expected that the school will maintain cap enrollment.
- Federal income includes recurring grant funding historically received by the school.
- Participant fees are derived from Extended Day programming, computer insurance, and K1 classroom mats.
- Administrative salaries increased due to the addition of seven new positions.
- Teacher salaries reflect a 10% increase due to adjustments in the career ladder structure. This includes increases for the leadership team, which are the Principal and Heads of School.
- A fourth-grade teacher has been added in response to school expansion.
- The paraprofessional salary line has increased following the implementation of a new career ladder and a starting wage of $23.10/hour. This marks the second year of increases, recognizing paraprofessionals' growing classroom responsibilities.
- Teacher stipends have increased to reflect additional responsibilities related to the career ladder.
- Employee benefits have increased as a result of greater participation.
- Administrative costs currently reflect only contracted IT services. Discussions are underway to also include contracted maintenance services under this category.
- Marketing, printing, and advertising costs have increased following the addition of a new communications position.
- Tuition reimbursement has increased from 50% to 75%.
- Rent is estimated based on 120,000 square feet at $15 per square foot. This figure remains tentative pending final lease negotiations.
- Depreciation, historically low, is expected to increase due to recent and upcoming capital improvements.

During the discussion, Chris N. asked Darshan T. for an update on teacher hiring. Darshan T. reported that there are currently six open teaching positions, which is a significant improvement compared to past years.
Chris N. also inquired about the rationale for the 10% increase in salaries. Darshan T. explained that the adjustment stems from a multi-year review of the career ladder system. The highest levels were previously difficult to attain, and funds originally allocated for those tiers were reallocated to earlier steps to make advancement more attainable. In some cases, teachers at the maximum salary level were earning more than school leaders and that explains the adjustment for the leadership team as well. FY26 marks the second year of these phased adjustments. Darshan T. also noted that a compensation analysis provided by the Massachusetts Charter School Association, along with local benchmarking within the Merrimack Valley, places LFDCS in the 85th percentile for teacher salaries.
Chris N. requested clarification on the estimated square footage used for rent calculations. Susan P. explained that the 120,000 square feet was determined using data from the city assessor's website, which accounts for usable space including the second and third floors of 404 Haverhill Street, as well as the anticipated build-out scheduled for completion by the 2026–2027 school year. When asked whether the figures were provided by the real estate broker, Susan P. clarified that they had not yet been confirmed.
Anthony C. asked whether the square footage estimate includes the area occupied by LEAP at 404 Haverhill Street. Susan P. confirmed that the estimate excludes LEAP, which will occupy the second floor of the Quintana Center portion of the building.
Chris N. requested that Darshan T. and Mark V. review and revise the budget to reflect a projected higher net figure.

III. Executive Session

A. Lease

L. McRae made a motion to enter executive session.
J. Henriquez seconded the motion.
The purpose of entering Executive Session is to discuss matters related to the lease agreement and the potential option to purchase the buildings currently leased by LFD to LFDCS. Due to the sensitive nature of these negotiations, Chris N. expressed that conducting this discussion in open session could be detrimental to the school's negotiating position.
It has been determined that no further items are remaining on the open session agenda. Following the conclusion of the Executive Session, the Committee will return to open session solely to adjourn the meeting.
The committee **VOTED** to approve the motion.

Roll Call

C. Needham Aye
L. McRae Aye

Roll Call

D. DeFillippo Absent
J. Henriquez Aye
G. Lopez Aye

L. McRae made a motion to end executive session.
J. Henriquez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

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

IV. Closing Items

A. Adjourn Meeting

L. McRae made a motion to adjourn the meeting.
J. Henriquez seconded the motion.
The committee **VOTED** to approve the motion.

Roll Call

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

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:26 PM.

Respectfully Submitted,
Y. Rodriguez