

Benjamin Franklin Classical Charter Public School
Finance Committee Meeting Minutes
January 9, 2008 – 8:00am – HOS Office

Attendees: J. Cimmino, L. Clements, A. dos Santos, P. Fairbanks, R. Frongillo, K. Geraci, K. O'Malley, H. Zolnowski

Monthly Budget Review

Kara produced a budget reflecting the changes requested at the December meeting. It will be presented to the Board of Trustees for approval on 1/10/08. In addition to the updates to the reimbursement rate, reductions in grants and several positions, the curriculum expenses were updated to include the amounts spent in FY07 that needed to be moved to FY08. An increase to the SPED Outside Consultancies was also made to resolve a disputed charge from FY07. At this time, a surplus of \$60,278 is projected.

Quarterly Review

The status of six items highlighted during the FY07 audit were reviewed: status of grants & fundraising (status known and adjustments made); segregation of payroll duties (Dr. O'Malley is reviewing all payroll reports); dual signature policy enforced (yes); credit card policy (documentation being received); personnel files up to date (yes); authorized signers up to date (current signers valid; need to add Heather Zolnowski).

BFCCPS Fiscal Policies

The document will be presented to the Board for review and acceptance at the January meeting.

Update on New Salary Grid project

Lori Clements gave a short update on the decisions made at the 1/5/08 workshop. As requested, Kara presented several different 3 year budget scenarios that could support an aggressive effort to reduce the large disparity between BFCCPS salaries and those of other Franklin school faculty and staff. Dr. O'Malley suggested additional adjustments to the expenses in the 3 years that would improve the bottom line. Those in attendance agreed that the scenarios that showed 400 students per year and a 5% increase each year in the reimbursement rate would be a reasonable budget scenario, with only moderate risk. It was noted that in FY11, our facility's lease would be renegotiated and the rent would likely increase. One mitigating factor would be a possible/likely increase in the number of students in the middle school its corresponding increase in revenue.

Update on meeting with MassDevelopment

A small group met with MassDevelopment on 1/8/08, to discuss the financing services they provide to charter schools. They presented some specific options we could pursue in obtaining \$3 to 5 million in financing, using tax-exempt bonds, commercial paper, and loan guarantees. When the Board determines what facility options it will pursue, another meeting will be scheduled with MassDevelopment to discuss specific details and approaches.

Review of remaining tasks/projects

- Lease negotiations (with Facilities Committee)- Lori, Anna, Dr. O'Malley, Heather to participate
- Insurance audit – Kara will follow up with broker; did add crime coverage to current policy
- Establish working relationship w/Foundation – started; ongoing
- New salary grid (with HR Committee) – in process; completion by Feb. expected
- Selection of new audit firm – to be started; Kara & Anna will do draft evaluation document
- Creation of the FY09 budget – will begin on March
- Release of Funds for New Math Program – selection completed earlier than planned; funding released.
- Funding for Safety Plan, Phase 2B – will look at in April
- GIC Insurance program analysis (with HR Committee) – postpone to next year
- Investment Policy Statement – Kara will follow up with RBC Dain Rauscher
- Implement changes to our 403(b) plan – Kara will follow up with RBC Dain Rauscher

- New, increased line of credit – Kara will talk with bank
- Designation of funds for portion of unrestricted net assets – divide into at least 2 “funds” – cash flow reserve of \$700,000-\$800,000; and everything else (Rainy Day fund?); discuss again in Feb.
- Investigation of offsite storage of financial data – Kara will investigate further
- Backup for business manager – procedures to be written, at a minimum, for major functions
- Clean up of old transactions in Quick Books – assistance lined up; transactions being noted and will be removed in May/June.

The meeting adjourned at 9:20am.