



Abby Kelley Foster Charter Public School
10 New Bond Street Worcester, MA 01606
Phone: (508) 854-8400 Fax: (508) 854-8484
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Facilities and Finance Committee Meeting Agenda

Friday, November 19, 2021, 8:00 a.m. DIGITAL MEETING

<https://akfcs-org.zoom.us/j/99770396221?pwd=ZndaMFpDRnQ5bjF1T2ZXemc5U1h5dz09>

Meeting ID: 997 7039 6221 **Passcode:** 810330

By phone: 1 929 205 6099 (New York) **Meeting ID:** 997-703-962-21

- I. Call to Order- Mr. Patrick Royce, Chair
- II. Introductions/Attendance Recorded
- III. Review of the October 22, 2021, Meeting Minutes
 - a. **Motion:** To approve the October 22, 2021, Meeting Minutes
- IV. Financial Report- Ms. Alisha Carpino
 - a. October Financials
- V. Facilities Report- Mr. Mike Grennon
 - a. Flood of Elementary and Middle School, Insurance Update
- VI. IT Update- Mr. Gabriel Beltran
- VII. Salary Scale Committee- Ms. Alisha Carpino
- VIII. Safety Committee--Mr. Mike Grennon
- IX. Upcoming Facilities & Finance Committee Meetings
 - a. Friday, December 17, 2021
- X. Adjournment

APPROVED

11.17.21 8:43 am
City of Worcester,
MA



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Facilities and Finance Committee Meeting Minutes- DRAFT

Friday, October 22, 2021, 8:00 a.m. DIGITAL MEETING

<https://akfcs-org.zoom.us/j/95907288940?pwd=WEpRWHZVaE9aelpwZjBKOVdHZ2wvQT09>

Meeting ID: 959 0728 8940 **Passcode:** 917163

By phone: +1 929 205 6099 US (New York) **Meeting ID:** 959 0728 8940

The meeting was called to Order by Patrick Royce, Treasurer at 8:03 a.m. Attendance was recorded as follows:

Board Members: Patrick Royce - Chair, Bibiche Zagabe-Ndiku, Celia J. Blue

AKF Staff: Alisha Carpino, Michael Grennon, Heidi Paluk, Gabriel Beltran, Michelle Vigneux

Other Guest: John Buckley, Jen L'Heureux

Mr. Royce opened the meeting at 8:03 a.m. Mr. Royce asked the Committee to review the Meeting Minutes from September 17, 2021. Upon their review, Mr. Royce asked for a motion to approve the minutes from the September 17, 2021 Facilities and Finance Meetings. Ms. Blue made the motion, it was seconded by Ms. Zagabe-Ndiku. The committee unanimously approved the minutes.

Mr. Royce then opened up the floor for the Audit presentation from AAF CPA. Mr. Buckley began by stating he would walk through the June 30th, 2021 financial statements including the board report, the management letter, the financials, and ratios. Mr. Buckley stated that the goal was to hit all the highlights as the documents have not changed so much. Mr. Buckley also explained that a lot of the board report, which is the required communications that we have with those charged with governance, is made of standard format items.

Ms. L'Heureux began the presentation by stating that there were three items that they had recommended in the prior year that have been addressed this year, which is great work. There were a number of miscellaneous accrued expenses and receivables that were immaterial. Ms. L'Heureux stated Ms. Carpino cleaned up a number of accounts and although a handful of immaterial accounts remain they are where they should be as of right now.

Ms. L'Heureux stated that it was also suggested to do a computer system review but they are aware that AKFCS is implanting a whole new IT upgrade, which is in process and expected to be completed in fiscal year 22'. Mr. Royce questioned what the driver was of that recommendation to which Ms. L'Heureux stated that there was no actual specific driver and that it was more of a general



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comment that AAF had added to almost all organizations last year because of the remote environment that we had switched to. Ms. L'Heureux stated that no flags were raised but more so to just upgrade and to look at the nuances and the changes that came with COVID.

Mr. Buckley explained that over the last 18 months, he has seen clients fall to many ransomware schemes and places those comments there to remind people of how important it is. Mr. Royce then asked Ms. Paluk if there were any school-wide pieces of training for staff to attend so that they are aware of certain things on occasion to which Ms. Paluk stated that it is part of the mandatory training that staff goes through, but it's been a while since we have focused on that.

Ms. Paluk explained that we have to upgrade the network in order to get the new firewalls and do some automated procedures so that we are paying attention to the emails that come in. Ms. Paluk explained that we're going to get to that point, and eventually there will be much more training that is implemented, but there is a yearly reminder about cybersecurity.

Ms. L'Heureux stated that the last item in the comment section was due to them noting that on the charter school end of year report, the surplus calculation did not include principal payments on debt so this year that was included in the surplus. Mr. Royce inquired about whether that was a positive or negative thing without including it to which Ms. L'Heureux stated that there was no net impact on this error. Ms. L'Heureux stated that the state monitors to make sure that there is no excess surplus and that the state allows a surplus of 25% of the tuition payment from the current year and a projected 20% of the projected tuition payment for the following year.

Ms. L'Heureux explained that we would always start off with any surplus that we had at the beginning of the year and that the reason why it had no impact is that this starting number was zero. Ms. L'Heureux explained that when we go through the calculation and take the changes in net position and deduct your principal payments on debt, and the capital expenses, which are all allowed to be deducted from this, there is a deficit here, so it is now a negative and the starting point is zero, This is the same for the prior year and because of this, there was no material impact on the surplus calculation, allowing for it to be included as an immaterial instance for noncompliance both last year and this year. Ms. Zagabe-Ndiku inquired about any programs that are more likely to be positively looked at as an audit than others when it comes to relocating those surpluses. Mr. Buckley stated that there is none because they don't look into the detail and are looking for pure expenditure.

Mr. Royce inquired about whether the calculation is done as a fresh slate every year and Mr. Buckley stated that it was not. Mr. Buckley explained that lines two through twelve are based upon the current year's activity and line one is cumulative, but because we are negative, we cannot carry that forward.

Ms. L'Heureux explained that the last comment was about old checks that were outstanding for greater than six months, and they had noted to review those and clean them, or follow up on them and follow the state abandoned property laws.

Ms. L'Heureux stated that there were two other best practice recommendations from the current year audit with the first being the administrative access as far as Bill.com. Ms. L'Heureux stated that as of right now, Ms. Carpino does have administrative access and it was recommended to change that



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administrator access to someone outside of the finance department because that person who has the admin access has the ability to change the payers and the approvers. Ms. L'Heureux stated that Ms. Carpino is not a payer but could assign herself as one so it was discussed to possibly make the IT director the admin as they do not have any impact on the check cutting process.

Ms. L'Heureux stated that this year through the audit, they did notice that there were additional journal entries needed at year-end and there were some corrections. Ms. L'Heureux explained that this stemmed from clean up and understanding the schedules and getting them in the proper format so they will recommend that journal entries be limited.

Ms. L'Heureux stated that the bulk of the entries did not have any P & L effect and the net effect of the adjustments is about \$150,000. Ms. L'Heureux stated that the adjusting journal entry #4 was moved to depreciation expense, which was to agree to this schedule, and adjusting journal entry #7 was also related to that same cleanup; Chromebooks that needed to be classified in technology. Ms. L'Heureux explained that there was one catch-all account that was used to reconcile and it was a miscellaneous account; AAF typically wouldn't want to have such a large account in the miscellaneous line item. Ms. L'Heureux explained that it was properly addressed by Ms. Carpino.

Mr. Royce asked for clarification on #8 and the impact of the \$56,000. Ms. L'Heureux explained that when Ms. Carpino initially looked at the prepaid schedule, it appeared that it was too high by \$64,000 and that was also placed as miscellaneous. Ms. L'Heureux explained that when Ms. Carpino did look through the reconciliation a bit more, it was determined that the prepaid were true prepaid and we needed to add them back to the schedule. Ms. L'Heureux stated that they have since audited the ending balance of prepaid, which includes that \$64,000 and are comfortable that the prepaid balance is accurately stated now.

Ms. L'Heureux then began to discuss the management letter and stated that as a part of the audit, they are required to look at the internal controls and perform a walkthrough of the internal controls and test the payroll transactions and cash disbursements transactions. Ms. L'Heureux stated that the state and federal testing is done here also and they are happy to report that there were no items identified that rose to the level of a material weakness or significant deficiency so this is a clean management letter. Ms. L'Heureux did note that there was one material instance of non-compliance as a result of the federal testing this year because AKFCS received a specific grant that the state requires us to test. Ms. L'Heureux stated that AKFCS had not received this in the past but it is required no matter the size, and it was about a \$100,000 which was the math CSP Grant.

Ms. L'Heureux stated that with this, they were required to do a more thorough examination of the procurement policy, which was not looked at in the past because it is not material under Title I, which is the major program that AAF typically tests because it's the most significant federal program at Abby Kelley. Ms. L'Heureux stated there were three transactions that they tested under the CSP grant and noted that Abby Kelley did have proper bids and was following the policy as written so the comment is there to recommend that Abby Kelley take a look at the federal requirements and enhance the policy to touch upon all the suggested areas that the federal requirements are asking for.



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Mr. Buckley began his audit report and noted that the audit report is a clean unmodified opinion. Mr. Buckley then provided highlights from the audit report. Mr. Buckley stated that if we look on page six, the 2021 profit and loss, we will see that the school this year had a \$672,000 thousand dollar surplus, and about a \$14,000 surplus to the foundations giving a total surplus of \$686,000. Mr. Buckley stated that last year there was a \$2.4 million surplus but we received a donated building worth \$1.8 million so when backed that out last year's total was about \$660,000 so there are comparative numbers between the two years focusing just on the school.

Mr. Buckley stated that total revenues for the schools were \$26 million and of that number there was a pension income of \$4.2 million. Mr. Buckley stated that the total revenue, excluding pension and in kind between the two years, is \$22.7 million for this year, and \$21.1 million last year which is about a \$1,000,005 increase in revenue. Mr. Buckley explained that there was about \$780,000 of tuition revenue increase, giving us just over \$19 million of tuition revenue this year.

Mr. Buckley explained that we received more money this year from the partially funded student opportunity act and that our grant revenue was up about \$800,000 this year. Mr. Buckley explained that if we look at the expenses it is \$26.3 million of expenses in total. Mr. Buckley stated that there was a \$1,000,005 increase in revenue and about a \$1,000,005 increase in expenses, the salaries were up about a \$1.3 and the occupancy costs were up about \$100,000 dollars.

Mr. Buckley explained that increases were in the salary costs so if we take out revenue, less our expenses, we arrive at the \$645,000 surplus and we come into the year with \$22.8 million of total equity at our surplus, and we end the year with \$23.5 million in total assets. When looking at the net position, we have \$23.5 million of equity, \$6.8 is invested in capital, which is the equity in the building, and \$6.6 million of unrestricted equity. Mr. Buckley explained that equity is our total assets plus our liabilities and we have \$46 million of assets and we had an increase of cash this year from \$4.3M to \$8.9M because the CDs were closed and the money put back into our operating cash. Mr. Buckley explained that the cash is up about half a million dollars and we have no major fixed assets additions this year as they were depreciated but our proportion of bonds is about the same in our accounts payable and trades payable remain relatively consistent.

Mr. Buckley explained that about \$950,000 of federal money came into the organization this year, which was under COVID funding. Mr. Royce had a question on the deposit disclosure regarding the federally insured deposits and wanted to know what the uncollateralized number represents to which Mr. Buckley stated that this is the piece that is over 250 and located in the non-insured DIF insured bank which is TD bank. Mr. Buckley explained that when looking at the ratios compared to other schools, Abby Kelley scored 2.5 which is good. Total tuition was down this year according to Mr. Buckley but government grants are up as a percentage this year because of the \$950,000 of federal funding issue.

AAF CPA and the Board members then went into a breakout room at 9:05 a.m to further discuss the financials. The board members returned at 9:20 a.m. and continued the meeting.

Ms. Carpino provided an update on the financials. Ms. Carpino stated that the revenue for state sources is higher than the budgeted amount and that is because the SOA funds were more than expected. Ms. Carpino also stated that we also budgeted lower to be safe so we will see that trend all year that our



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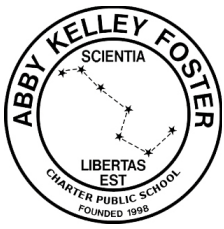
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revenue from state sources will be higher than the budgeted number. Ms. Carpino then explained that the expense for transportation would be significantly below the budgeted number because we have that three months of budgeted numbers, but we've only had a month and a half of school, and only a month and a half of transportation expenses have been paid.

Ms. Carpino stated that \$30,000 was budgeted for E-rate but AKFCS was informed that we would be receiving \$190,00 to put towards the upgrading IT project. Ms. Carpino stated that negotiations with our broker HR Knowledge yielded a 3% increase on the Blue Cross Blue Shield renewal and we are keeping the private PFML.

Ms. Paluk gave an update on IT project and stated that Mr. Beltran has been doing a phenomenal job of cleaning up some issues; He has gotten much praise already in his short two and a half weeks here.

Mr. Royce called for a motion to adjourn the meeting. Ms. Blue made the motion. Ms. Zagave-Ndiku seconded the motion. The meeting was adjourned at 9:40 a.m.



ABBY KELLEY FOSTER CHARTER PUBLIC SCHOOL
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Facilities and Finance

11-19-2021

MS CAFE STAIRS:

A new set of stairs are being installed from the cafe to the outside. The current set has rotted out.

ES BASEMENT:

The elementary school lower level is gutted and we are waiting for the next phase to start.

PPE:

We are fully stocked with PPE and have been filling orders daily. MEMA provided the school with a couple of pallets of products.

SNOW:

We are using F&D trucking this year for the snow removal. We will need to go out to bid after this year.

SINKHOLES:

I can report there are currently no sink holes on the property.

IT Updates

(Finance and Facilities Meetings)

11/2021

- Last Month more common Issues
 - 163 issues were resolved
 - Top 3 categories
 - Printing (Consequence of Power outage and network configuration)
 - Chromebooks hardware replacements.
 - Working on policy/ accountability / insurance options for students/parents.
 - Projectors and bulbs reaching end of life
- Infrastructure
 - Identified devices, server roles, Inventory and subscriptions
 - We started replacing EOL Chromebooks (+500)
 - We will need to purchase +300 devices before Sep 2022
 - **Network upgrade Project**
 - More Access Points (Wi-Fi) were installed in the MS, ES and HS (but not functional yet but looking to have them ready soon)
 - Backordered items (05/22) (vendor looking for alternatives)
 - Currently creating update plan to update Servers, Laptops and Chromebooks
- Other Projects / tasks / completed
 - Emergency Cards were updated electronically
 - Panorama Integration (SEL) initial integration was completed and is up and running
 - A Network Administrator was hired
 - Recycling of decommissioned devices will begin soon, IT will start moving outdated/not usable technology to the HS warehouse space.
 - Identifying Speakers/Paging options for BRM spaces.



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Board Members; Patrick Royce, *Chair*; Bibiche Zagabe-Ndiku; Celia Blue

AKF Staff: Heidi Paluk, Alisha Carpino, Mike Grennon, Gabriel Beltran, Michelle Vigneaux

Mr. Royce opened the meeting at 8:03 a.m. He asked the Committee to review the Meeting minutes from October 22, 2021. Upon their review, Mr. Royce asked for a motion to approve the minutes from the October 22, 2021 Facilities and Finance meetings. Ms. Zagabe-Ndiku made the motion, it was seconded by Mr. Royce with the updated correction: **AAFCPAs auditors, Mr. Buckley and Ms. L'Heureux, and the Board members then went into a breakout room at 9:05 a.m. to discuss the audit process relative to AKF. The board members returned at 9:20 a.m. and continued the meeting.** The minutes were then unanimously approved.

Ms. Carpino stated the budget is \$227K higher and contributes to the Student Opportunity Act (SOA). The number should stay the same throughout the year, 3%. Transportation expense is more accurate and federal funding is above the number. E-rate is approved for \$33K; looking to get 40 computers for the district.

Staffing cost is off - made changes to summer wage which is accrued from July and August.

There is a significant amount of subs and are keeping an eye on this. There is a federal grant for nurses that we are looking into. Benefits are still below budget because we budgeted higher for health insurance.

Financially we are doing well and see no red flags.



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Mr. Royce asked Ms. Carpino to explain the salary expense adjustment. She stated the teachers work 10 months and are paid for 12 months. The salary gets put into the FY21 budget and reverses in the FY22 budget. The salary budget is \$270K and is under 7%. We still need 1 full-time and 1 part-time staff member.

The teacher contract starts September 1 and used to be July 1 but if the teacher did not return at the beginning of the school year, we would have to chase them down to attempt to get the money returned.

Ms. Carpino stated the budgeted numbers for this year have room for extra money for experienced staff. There will be a 2% payout at the end of the year for staff. Ms. Carpino said the Salary Scale Committee is doing really well with lots of input. There are 2 members from each of the 3 schools.

A salary increase was done 2 years ago. There was not a salary increase this year but other things were done to compensate staff. The salary scale increase in 2019 was never documented and staff made mention of this.

Ms. Zagabe-Ndiku stated that this puts the BOT in an awkward position. She stated that you cannot make promises to staff and not follow through.

Ms. Paluk noted that this was overlooked by Administration and staff brought it to our attention. We did not know this document existed until we did some research and found this was done by the previous administration. This Administration left and no one knew the situation until it was brought up by staff.

Ms. Carpino said we are working to put a policy in place that the salary scale gets revisited every 3 years. She also stated that we are working to get closer to the WPS salary scale.

Ms. Blue mentioned there was a desire for the BOT to do an analysis for the salary scale in 2020.

Ms. Zagabe-Ndiku asked if the Finance Committee should set the salary budget for the next Executive Director.

Mr. Royce stated there should be a definitive salary range for the Executive Director. This was sent to the BOT for recommendations for a salary range?

Ms. Paluk asked what the concern was for the salary increase for staff as we are working on it. Ms. Zagabe-Ndiku stated again that we promised to have a salary increase for staff. She asked if this will be incremental and when will the number be comfortable for all staff.



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Ms. Carpino reiterated that we are looking at the salary scale and we are providing incentives for our staff.

Ms. Blue said it is our desire to fiscally move in a methodical way and make progress to get us closer to WPS and have a plan for this increase. Ms. Carpino said there will be a projection in the next couple of months for the salary scale.

Mr. Grennon gave a Facilities update - the Middle School stairs from the basement were rotting and have been replaced. There was a donation from MEMA with wipes, gloves, and masks. There are no sinkholes for now at the High School. The Elementary School basement is gutted and in a holding pattern with the insurance company.

Ms. Carpino said the statement of loss is a lot less than expected and we are only covered by a federal flood plan. Service Master cleaned and gutted the Elementary School. The covered amount is \$235,152 with an uncovered amount of 136K. No work has yet to be done on the rebuild as we will need to offset the difference. The Elementary School rebuild will need money. The Middle School - we are not sure what to do since this is a different situation than the ES.

Mr. Royce asked what the total cost would be for the flood damage at the ES. Service Master cost is \$235,152. A quote to rebuild would be \$280,153.00.

Ms. Zagabe-Ndiku asked about the Middle School basement damage. Ms. Paluk said no cleaning has been done. The space has been dehumidified, there is no standing water but there is residue and the space is not inhabitable. We do not have an approximate cost for both cleaning and rebuilding this space. We also need to figure out what to do with this space usage wide. The priority is to get the ES back to working condition.

Service Master did some work at the MS but nothing major. They quoted \$230,681 for servicing the MS basement.

Ms. Paluk said we did not receive a check from insurance yet because she did not approve the statement of loss and wanted a better understanding of the analysis and examination of the quotes. Patrick Royce asked if there was a timeline as to when this would be approved. Ms. Paluk said sooner than later and hopes to sign the paperwork by next week.

Mr. Gabriel Beltran gave an update for the IT Department. The status of the infrastructure is the main concern. There are power outages for network configuration and Chromebook issues. We need to supply



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computers for students and recommend policies for parents and students. The projectors and bulbs in the classrooms will need to be replaced. The bulbs for the projectors have a life span of 1500 hours. There are approximately 500 Chromebooks that need to be replaced; 300 Chromebooks were purchased on September 1, 2021, but will need to purchase 300 more.

Mr. Royce asked Mr. Beltran if we feel good about our equipment. Mr. Beltran said we are managing devices through Google and the iPads are more expensive and we should stick to the Chromebooks with work to be done with policies for both parents and students.

The network upgrade won't be completed until May due to supply chain issues and we are looking for an earlier solution in the meantime. He would like to use current switches and activate access spots and move forward on future projects. He has hired a Network Administrator and has 2 IT specialists and a data systems lead. We are looking to strategically place additional cameras throughout the schools. The cameras will be for recording purposes only so when an incident occurs we have the tape as backup. A Cloud-based system would be to our advantage as to not overload the system.

Ms. Blue asked if there was a certain number of years to retain the camera recording and Mr. Beltran stated that he will check into this concern.

Ms. Paluk noted we have had a few injuries, concussions and broken arms, some allergy issues, and a few ambulance calls. ALICE Training and Lockdown simulation occurred in October.

Mr. Royce called for a motion to adjourn the meeting. Ms. Zagabe-Ndiku made the motion. Ms. Blue seconded the motion. The meeting was adjourned at 9:32 a.m.

List of Documents Provided:

Facilities Report
IT Report