

NECP ABC
Meeting 1.31.23
6:00-7:00 p.m.
Via Zoom

Board Members Present

Kumi Smith
Steve Cunning

Others Present

Scott Flemming
Erika Sass NECP executive director
Rich Nazarian NECP board chair
Kelly Gutierrez Charter Source

Meeting called to order: 6:14 p.m.

Motion to accept Manisha Nordine's resignation, with gratitude for her service on the NECP ABC board and to the school: **Motion** Cunning **Second** Smith: **Vote** All in favor

Motion to appoint Scott Flemming to the NECP ABC Board: **Motion** Smith **Second** Cunning: **Vote** All in favor

Motion to appoint Kumi Smith chair of the NECP ABC Board: **Motion** Flemming **Second** Smith: **Vote** Flemming Yes, Cunning Yes, Smith Abstain

Motion to appoint Scott Flemming secretary of the NECP ABC Board: **Motion** Smith **Second** Smith: **Vote** Smith Yes, Cunning Yes, Flemming Abstain

Scott offered a high level overview of the purpose and function of an affiliated building corporation, and he discussed the duty of loyalty and the duty of care for board members.

Kelly offered a detailed description of the way affiliated building corporations operate and their relationship to the school.

Erika presented a brief history of the NECP building process. She then discussed the current NECP budget situation. On the cost side, there have been savings achieved by personnel departures, bus route optimizing, and cost cutting opportunities identified by Kelly in her role as consultant. On the revenue side, there were significant misses in enrollment projections, driven by a highly mobile student/family population, the tapering of the CARES act funding, and under-reporting of the F/R lunch count in FY22 that had a \$200K negative impact on FY23. One of the initiatives to increase revenues is a \$5,000 fundraising match offered by an anonymous donor.

Because of the financial challenges, NECP missed its one of the two (Days Cash on Hand) covenant agreements with its bondholders. At the December meeting with bondholders, one of the remedies was hiring a financial consultant to optimize revenue and continue reducing costs to meet FY23 covenants and prepare a realistic FY24 budget. Kelly has been retained to support these efforts.

Erika and Kelly explained the rationale for moving \$64,393.99 in excess tenant revenue from the NECP ABC to the NECP.

Motion: Approve transfer of excess tenant revenue from NECP ABC to NECP to cover general operating expenses in the amount of \$64,393.99. **Motion** Flemming **Second** Cunning: **Vote** All in favor

Erika shared with the board that she is leaving NECP at the end of the year. All present expressed deep gratitude and admiration to her as a NECP founder and the current Executive Director.

Motion: Adjourn at 7:12 p.m. **Motion** Smith **Second** Cunning: **Vote** All in favor