

**KIPP ACADEMY LYNN PUBLIC CHARTER SCHOOL AND
KIPP ACADEMY BOSTON PUBLIC CHARTER SCHOOL
MINUTES OF THE MEETING OF THE FINANCE AND FACILITIES COMMITTEE
*Thursday September 12th | 11:00 am***

The meeting of the Finance and Facilities Committee of **KIPP ACADEMY LYNN PUBLIC CHARTER SCHOOL and KIPP ACADEMY BOSTON PUBLIC CHARTER SCHOOL** (collectively, the “Schools”) convened on Thursday September 12th PM in person and via Zoom, held in compliance with open meeting law, at which a quorum of the committee members was present.

The following Committee members attended in person: Nikki Barnes, Paul Ketterer, Tom Beecher, Matt Fates

The following Committee members attended by Zoom: n/a

Additional participants: Jesse Fetbroth, Alvaro Peters, Kate Kiley, Jon Haynes, Shauna-Kaye Clarke, Bob Baldwin, Lindsay Richards, Zachary Meisner, John Kalafatas, Frances Spencer

The following committee members were not present: Kenneth Beato

Nikki Barnes called the meeting to order at 11:15 am and presided throughout the meeting. She ascertained that sufficient Committee members were present at the meeting, and that, accordingly, a quorum existed.

The Finance and Facilities Committee met alongside the Development Committee to discuss our growth plan, development cost assumptions, financing and timeline.

Real estate consultants shared the plans for High Rock and Wheeler and discussed real estate opportunities that exist at both. We would need to use the Wheeler Annex no matter what. Various space allocation scenarios were shared, all of which would be contingent on real estate.

A Wheeler renovation is a strong opportunity for growth. Costs for acquisition would be significantly higher. We’ve seen significant increases since the pandemic and in the last 10 years generally.

New site development would involve public markets, a process that many public charter schools go through. We’d need to put in about \$15 million in equity to get there, which would be on top of \$15 million in operating costs. This would involve raising \$30 million in total. This matches what other consultants have shared, minus putting \$0 in equity.

It was shared that we could not sustain this level of debt. What level of debt could we sustain? We ideally don't want debt service above 15%. We don't want to operate at a level of break-even. The consultants shared we would need to run sensitivity analyses.

A Board member shared that we should assume \$100 million of debt, and us needing to raise at least a quarter of that.

A Board member asked us how we as a Board can get to a place where we feel like given economics and opportunities, we could actually raise up to \$40 million? Is there a tool we could use that could help us evaluate sources the way our consultants can evaluate uses?

A member of the KIPP Foundation Growth Team shared we should connect with the Development Team at the Foundation. We could also connect with CCS Fundraising. A Board member is going to connect with someone who raises money for charter schools.

A Board member noted that from a marketing perspective, we need to know what we can afford. She also noted that DESE could only give us a portion of the seats requested, which would impact these projections.

The Committee feels there is a lot that needs to be firmed up and variables we need to work through, but doesn't see any downside to applying for the seats.

Finance and Facilities wants to refine the budget, which would impact our total for a capital growth campaign.

Nikki moved to close out the Thursday, September 12th Finance and Facilities Committee Meeting at 12:17 pm.

Paul Ketterer

Committee Chair Signature

Documents reviewed:

- Finance Facilities deck