**TAMPA SCHOOL DEVELOPMENT CORPORATION**
**Finance Committee Meeting Minutes**

Meeting Date: October 27, 2022
Location: In-person (Spoto Hall)

In attendance:
Ryan Luzod
Katie Tinley
Therese Holmes
Dana Dowsett

Guests Present:
Brad Abbey
Amy Pickford

Staff present:
Dr. Madeline O'Dea
Jennifer Cisneros
Joe Sansonetti
Nicole Cummings

I. Therese Holmes called the meeting to order at 6:10 p.m. A motion was made to approve the 09/29/22 meeting minutes by Ryan Luzod and a 2nd by Katie Tinley. The meeting minutes were unanimously approved.

II. General Overview

i. Storybook Parade is October 31st
ii. Board meeting is November 8th with Prida & Guida to present SY 20-21 Audit
iii. Hurricane Ian – we still built-in instructional time so make up days needed
iv. Cash Owed to Trinity:
- ESSER 3 – Submission 2 ($291,023.60 – 80% only)
- Note Submission 3 will take place 01/23 and will include 20% & 80% submissions
- ERC - Submission for Q2 of 2020 (549,704)
- Capitol Outlay ($39,818)

III. Finance

Budget Adjustments
- Revenue
  - FEFP
    - Increase of $86,339 due to higher than forecasted initial (categorical) funding
  - Capital Outlay
    - Increase in forecasted per pupil funding related to the natural movement of students and charter school approvals
      - $8,000
  - Other Revenue
    - Increase in forecasted revenue for Nike Store sales
      - $15,000

        - ESSER 3 – 80%
            - Increase in forecasted reimbursement submissions in technology
                - $20,000

        Expenses

        - Employee Salaries & Benefits
            - Increase in Salaries $107,254 is the result of:
                - TSIA (State mandated – approved) teacher salary increases
                - Reduction of certain employee positions
                - Increase of certain employee positions
                - ESSER 3 – employee personal and programs to support Learning Loss
            - Decrease in forecasted HRA benefit spending
                - ($18,000)
        - Assessment
            - Increase in Assessment forecasted expenses directly related to ESSER 3 based (online) tools to combat Learning Loss
                - $12,000
        - Beta Projects
            - Decrease of expenses related to price decrease in student desk costs
                - ($6,000)
        - Administration
            - Decrease in forecasted expenses related to miscellaneous administrative expenses
                - ($8,000)
        - Special Projects
            - Increase in forecasted expenses directly related to the Safety & Security fencing
                - $68,000
        - Information Technology
            - Increase in forecasted expenses directly related to ESSER 3 supplies and materials
                - $19,500
        - Reserve
            - Forecasted reserve expense has decreased to match Capital Campaign revenues
                - ($61,864)
        - Unanticipated Savings
            - Increase in Unanticipated Savings forecasted expenses are related to natural expense movement
                - $27,112

- Finance - Capital Campaign
    - Bank Account – Valley
        - Request a separate bank account dedicated to the Capital Campaign
            - Consulted with Prida & Guida
    - Processing
        - We will leverage a specific processing entity
            - Integrate with CRM for real-time data
            - Provide multi-input encryption-based tools

        - Allow for detailed reporting – leveraging CRM

    - Restricted Funds
        - Capital Campaign funds will fall under the Restricted Funds category

  Motion to approve budget adjustments made by Ryan Luzod and a 2nd by Therese Holmes. The budget adjustments were unanimously approved.

- **Construction Projects**
  - Administration Building
    - The Administration Building is officially open
    - Most of the office furniture will arrive in early November
  - Fence System & Safety – Upgrade
    - This project has been pushed back due to the availability of materials, permitting and campus logistics
    - Anticipated start date is mid-December
  - Athletics & Arts Center
    - Property appraisal occurred Wednesday, October 26th
    - Meetings with Delotto and Studio VL Design continued this week
      - The goal is to have further development of the plan documents within two weeks
    - Valley Bank submittals have begun
    - Analysis of forecast (see attached outline)

Motion to approve and move forward with financing proposal term sheet from Valley Bank was made by Katie Tinley and 2nd by Dana Dowsett and unanimously approved.

- **Development**
  - Capital Campaign
    - Croow studio was on site Monday October 24th shooting for the Capital Campaign launch video
    - Printed assets will accompany the launch of the website and promotional launch video

IV. Other Business – None.

V. The Finance committee will meet again on November 29. 2022 at 8:00 a.m. via zoom.

Meeting adjourned at 7:40 p.m.

## I. Narrative Outline

a. Trinity School for Children's Athletic & Arts Center is the completion of a 25-year vision for the development of our campus. This project will allow our student-athletes to have a place to call their own, expand programs such as music and art, offer STEAM classes and improve the physical and mental health of our community. Nestled right next to Spoto Hall and located in heart of West Tampa, Trinity School for Children's Athletics & Arts Center will serve both the Trinity community and the greater community at large hosting tournaments, events and games for years to come.

## II. Economic Conditions Affecting Forecast

a. Interest Rates
    i. The Federal Reserve has taken an aggressive positon with increasing the benchmark interest rate. These increases have affected this forecast
b. Inflation
    i. Increases in the inflation-rate have affected this forecast, especially in the cost of goods and services
c. Expenses – Supplies & Materials
    i. The cost of supplies and materials have gone up significantly. These increases have been factored into this forecast
d. Supply of goods and services
    i. The time frame of deliverables, including supplies, goods and services, have been factored into this forecast. This includes small (non-perishable) supplies as well larger scope (capital) items
e. Demand for Early Learning Programs & School Choice
    i. The significant demand for both Early Learning Programs and School Choice (both Nationally and in the Tampa Bay region) have affected this forecast. This trend has been steady and increasing for many years
f. ESSER 3 – American Rescue Plan
    i. The temporary funding related to reimbursable expenses (based on the rules and procedures of the ESSER 3 Program), have affected this forecast

## III. Analysis of Financial Forecast

a. Overall Methodology
    i. It has been our fiscal practice to forecast and budget from a conservative vantage point, suppressing revenues (reasonably) and inflating expenses (reasonably). This methodology has led to sound fiscal management and results for many years
    ii. Revenue
        1. Trinity's primary sources of revenue include:
            a. FTE (FEFP) Funds – the amount of funds we receive from the State of Florida, per student, from our K-8 program. We have a waiting list that exceeds 300 students (annually)
            b. Capital Outlay Funds – the amount of funds we receive (from the State of Florida) for "bricks and mortar" spending. These

monies go to supporting mortgage payments (as defined by law)

c. Tuition Driven Program (Early Childhood) – these funds are the tuition payments for our Early Childhood Program. The tuition payments are contract based. We have a waiting list of several hundred students (annually)
d. Aftercare Program (EDE) – these funds are derived from our (both) tuition-based and drop-in after school program. 93% of our students in this program are (10 month) contract based, while 7% pay a per-minute (a-la-carte) fee. This program has grown year-over-year and is a reflection of the increase in duel-working families that make up Tampa Bay (and their need for after school care)
e. ESSER 3 – ESSER 3 (American Relief Act) is funding provided to schools "to meet both the supplies and materials needs, as well as the learning loss needs" related to the COVID-19 pandemic
    i. Trinity's allocation of these funds is: $1,964,090.66
        1. This amount of money is further broken up into two areas of focus: supplies and materials and learning loss – each of which have certain rules and restrictions that govern the use of funds
        2. When we use existing funds (based on the rules and procedures of ESSER 3) we submit for reimbursement of those (used) funds
            a. Examples include: Air conditioning units, deep cleaning, laptops and people – all to combat COVID-19
        3. This process happens several times per year and takes about 5 months each time
        4. This program exists through September of 2024
        5. https://www.fldoe.org/covid-19/funding/esser.stml

f. Capital Campaign
    i. Trinity is launching a 3-year Capital Campaign to raise funds to help off-set the costs of the Athletics & Arts Center as well future building programs such as: Open Mind Theater at Veteran's Park and remodeled Science classrooms
        1. Our goal is to raise 1M dollars
        2. As it relates to this forecast, Capital Campaign dollars have been factored out, netting its effect on the budget through its matching dollar amount reflected in (reserve) savings

3. Fundraising dollars have been further suppressed to adhere to a conservative forecasting model

iii. Expenses
    1. Trinity's primary expenses include:
        a. Employee Salaries and Benefits – much of our salaries are regulated with the State of Florida and tied (closely) with FTE dollars, local taxes and local contracts. Other salaries and benefits match industry standards for comparable positions
        b. Program materials expenses – various expenses for both Early Childhood and the K-8 programs (generally) include: books, materials, snack, as well other consumable and non consumable expenses.
        c. Special Projects (mostly) include specific capital projects, larger maintenance projects or other significant programmatic expenses. Often times, these projects are (specifically) tied to overall organizational goals
        d. Services Purchased
            i. Administration categorical items include: outsourced resources such as: mental health, advertising, security, legal, publications and finance
            ii. Information Technology include primarily both EDU and Non EDU web, cloud and software based solutions
            iii. Plant Operations include: Electric, insurance, alarm systems as well other building (IT) systems
            iv. Maintenance includes: outsourced cleaning, inspections, lawn care, HVAC and pest control
        e. Mortgage (P&I)
        f. Match – the expense amount allocated to our 401K employee matching program
        g. Reserve - the amount allocated to savings
        h. Note:
            i. When the building goes into service, certain forecasts for expenses are based on a square footage calculation (27,000 sq. ft.)
                1. Examples: electric, cleaning, garbage, water
            ii. Other calculations are partly based on square footage and partly based on hard bids
                1. Certain lines of insurance
                2. HVAC system maintenance
                3. Information Technology
                4. Lawn Care

iv. Other Significant Factors
1. State Law
a. Annually, the State of Florida creates new laws, DOE rules and procedures that affect items such as: specific funding sources (and expenses), salaries and required capital items (such as safety).
i. As a High Performing Charter School, we are exempt from certain items and not others
2. The Department of Children and Families
3. Acts of God
a. COVID-19
b. Hurricanes
4. Employee contracts do not exceed 1 year
a. Teachers
i. None union
b. None Teachers

**IV. SY 22-23**

a. Revenue (primary sources)
i. FTE (FEFP) Funds are based on the total projected student population for SY 22-23
1. 905 (K-8)
2. Increases in school funding (from 20-21 SY) – Base Student Allocation (BSA)
a. 4.9% (FEFP Final Conference Report HB 5001)
3. Total projected revenue: $6,690,119
ii. Capital Outlay Funds –
1. Total Fund: $182,864,353
a. Trinity: $504,144
2. https://www.fldoe.org/core/fileparse.php/7692/urlt/2022-COMemo.pdf
3. Funding has increased steadily each year for the past 8 school years
iii. Tuition Driven Program (Early Childhood)
1. Total EC enrollment: 218
2. Total Forecasted Revenue: $2,339,417
3. Contract Based; both 12 and 10 month contracts
4. Waiting list of 176; 0 open spots
iv. Aftercare Program (EDE)
1. Total Forecasted Revenue: $485,000
2. Total contract students: 251
v. ESSER 3
1. Total Forecasted Revenue (reimbursements)
a. $492,000
i. Reimbursements include FY 21-22 expenses as well as 22-23 expenses

b. Note: Because of the nature of the grant, spending on both supplies (materials) and personal are driven up based on the "use it or lose it" rules of ESSER 3. Major items affected are: technology, personal, and HVAC systems (as well other items directed affected by COVID-19 scattered throughout the budget)

vi. Capital Campaign
  1. $100,000
  2. Forecasted revenues are offset in Reserve (expense)
  3. This revenue is not affecting the budget (due to the offset)
  4. Targeted funds to be used for this project (at a later date)

b. Expenses
  i. Employee Salaries and Benefits – Both Salaries and Benefits increased from 20-21 SY
    1. $7,585,174
    2. Main drivers include:
      a. Teacher Salary Allocation (TSIA) – State of Florida mandated salary level increase (https://www.fldoe.org/teaching/recognition/teacher-salary.stml)
      b. Hourly wage increase (minimum): $15.00 per hour
      c. ESSER 3 personal
      d. Health Insurance premium increases
  ii. Program materials and expenses:
    1. Forecasted supplies and materials increases relative to the costs of goods in the economy
  iii. Special Projects
    1. Main drivers include ($468,000):
      a. Administration Building
        i. FF&E for Administration Building
      b. Security Fencing
  iv. Services Purchased
    1. $1,205,968
    2. Increases in expenses related to: general services, technology services, software and implementation
    3. Note: several categories affected by ESSER 3
  v. Mortgage (P&I)
    1. $657,780
  vi. Reserve
    1. $100,000
    2. Amount tied directly to Capital Campaign

## V. SY 23-24

a. For brevity's sake, assume factors listed (for 22-23 SY) remain unless otherwise noted below
b. Assumptions have been made that construction will begin on the Athletics & Arts Center on July 1, 2023
    i. Using this starting point allows for the simplest vision into how the fiscal operations of the school will be affected, as it is the start of the fiscal year
c. Revenue
    i. FTE (FEFP) Funds
        1. $6,875,222
        2. Forecasted increase in Base Student Allocation (BSA) of 2%
            a. 5-year average of BSA increase – 2.22%
        3. Student count remains static
        4. Rounded and adjusted
    ii. Capital Outlay remains static (forecasted, rounded and adjusted)
        1. $504,000
        2. Tied to student count
    iii. Tuition Driven Program (Early Childhood)
        1. $2,460,789
        2. 2% increase in base tuition-rate
        3. Elimination of the 10-month program – all contracts will be over 12 months
        4. Will better align the program with the needs of the majority of the students
        5. Yields a forecasted increase in revenue
        6. Number of open spots: 0
    iv. Aftercare Program (EDE)
        1. $505,000
        2. The K-8 aftercare program is expected to continue modest increases in revenues on an annual basis
    v. ESSER 3
        1. $222,000 – both 80% and 20%
        2. ESSER 3 revenues are tied to the reimbursement process for approved items such as AC Units and technology
    vi. Capital Campaign
        1. $216,000
        2. Minimum fundraising goals are offset by Reserve (expense)
        3. These funds will provide for future FF&E for the Athletics and Arts Center as well other future projects such as Open Mind Theater at Veteran's Park
d. Expenses
    i. Salaries & Benefits
        1. $7,809,406
        2. Increases in Salaries and Benefits are based on:

            a. Historical wage increase based on the pay grid (HCPS)
            b. Teacher Salary Allocation forecasted funding/rules
            c. ESSER 3 – (20%) Learning Loss required positions driving up expenses in the short term
    ii. Program Materials and Expenses
        1. Increase of expenses are based on:
            a. Contracted textbook and workbook amounts
            b. Inflation driving expenses higher for goods and services
    iii. Special Projects
        1. $118,000
        2. The construction of the Athletics & Arts Center will have a significant impact on the operations of the campus
        3. Minimal other projects will take place during this time frame
    iv. Services Purchased
        1. $1,379,398
        2. Other than inflation driving expense increases, expected insurance increases due to construction
    v. Mortgage
        1. $657,780 + $168,000 = $825,780
        2. The increased expense amount forecasted is based on an anticipated draw schedule (and the related interest expense)
            a. There is a significant amount of variability in this amount based on the project's progress
    vi. Reserve
        1. $229,767
        2. Reserve expense is based on savings from the Capital Campaign for FF&E for the Athletics & Arts Center as well as other future projects
        3. This is an offset and does not affect this budget forecast

**VI. SY 24-25**

a. For brevity's sake, assume factors listed (for 22-23 & 23-24 SY) remain unless otherwise noted below
b. It is logical to assume that the Athletics & Arts Center will be put into service (at some point) in early SY 24-25
    i. For the sake the forecast, expenses have been allocated such that the building will be put into service July 1, 2024
        1. This aligns the forecast to our fiscal year and makes the forecast easier to follow (and adjust)
    ii. DeLotto has indicated a 9-12 month build period
        1. Much depends on the permit process
c. Revenue
    i. FEFP (FTE)
        1. $7,222,121
        2. Forecasted increase in Base Student Allocation (BSA) of 2%

a. 5-year average of BSA increase – 2.22%

3. Increase of a total of 25 students
    a. 930
    b. Note – if the building is not ready for the start of the school year, we have an available room to house the students until the building is ready

ii. Capital Outlay
    1. $516,000
    2. Forecasted modest increase based on increase student count and an increase in total Charter Schools

iii. Tuition Driven Program (Early Childhood)
    1. $2,577,405
    2. 2% Increase in the base tuition rate (per student)
    3. Full Year addition of one full classroom (12) students
        a. Modification of the current Magnolia Lounge to a classroom

iv. Aftercare Program (EDE)
    1. $550,000
    2. Forecasted Increase of 10% of revenue
    3. Forecast is based on tuition increase, student count increase and an increase of the amount programs we can offer (based on the Athletics and Arts Center being in-service)

v. Other Revenue
    1. $183,085
    2. Forecasted increase based on increased sales of Athletic gear, vending machines and game ticket revenue
    3. Note – forecasted revenue suppressed due to the variability in opening date

vi. ESSER 3
    1. $312,000
    2. ESSER 3 ends September of 2024
    3. Anticipated backlogged reimbursements will be paid and finalized (including payroll expenses)
        a. Note: can go back to March 2020
    4. Forecasted uncertainly about the final allocation has been factored out of this forecast
        a. Note: If this funding occurs, further allocation of capital expenditures (such as replacement AC units) will occur

vii. Capital Campaign
    1. $300,000
    2. Revenues will help fund:
        a. FF&E
        b. Future capital projects
        c. Reserve (offset)

viii. Athletics & Arts Center
    a. $120,000
    b. Revenues will derive from: gym rentals, athletic camps, (certain) ticketed events and musicals
    c. Note: Revenues have been suppressed due to the variability in the opening date of the building

d. Expenses
    i. Salaries & Benefits
        1. $7,886,524
        2. Increases in Salaries are based on:
            a. Historical wage increase based on the pay grid (HCPS)
            b. Teacher Salary Allocation forecasted funding/rules
            c. ESSER 3 – Forecasted reduction in positions are being driven by ESSER 3 (Learning Loss) position (funding) expiring
                i. This change results in a decrease in overall staff count
    ii. Program Materials and Expenses
        1. Forecasted increase of expenses is based on:
            a. Increase student count
            b. Inflation driving expenses higher for goods and services
            c. Note: certain expenses have been inflated to account for variability of the building opening date and the cost of goods and services
    iii. Maintenance, Information Technology and Central Services
        1. Significant forecasted increases in expenses are based on usage and square footage
    iv. Services Purchased
        1. Administration & Information Technology
            a. Forecasted (modest) increased expenses (generally) are related to full site licenses for: software, web-based resources and State of Florida regulated items such SSO's, mental health services and speech and language services (not tied to the Athletics & Arts Center)
        2. Plant Operations & Maintenance
            a. Forecasted increases in expenses are tied to increased square footage of the Athletics & Arts Center
    v. Mortgage
        1. Forecasted expenses are based on the building being put into service at the start of the fiscal year (July 2024)
        2. Additional $38,500 per month
        3. Total amount
            a. $1,119,780

vi. Reserve
   1. $523,049
   2. Reserve expense being driven by Capital Campaign revenues (offset)
   3. Funds used for Athletics & Arts Center FF&E and future Capital projects such as Open Mind Theater at Veteran's Park

e. Other Significant Factors
   i. Courses & Programs
      1. The Athletics & Arts Center will allow Trinity to offer a wider array of courses. Some of those courses allow for additional funding sources that are not currently available
      2. If pressed, The Athletics & Arts Center would allow for further student expansion of an additional 100 students
         a. Trinity's status as a High-Performing School permits this increase
         b. However, adding additional students (beyond the 25 noted) is not in our plans or factored into this forecast