

SHPA Finance Committee Meeting – October 30, 2018

Approved by the board November 1, 2018

x Lisa Barnidge
x Mike Meyer-chair
x Kate Docken

x Kim Hubertus
x Carl Schlueter
x Renson Anjere

Other Attendees: Nick Taintor, Jenny Pine

Mission

Seven Hills Preparatory Academy engages students in a rigorous Classical education, designed to prepare each one for strong citizenship and life-long learning.

Finance Committee Charter

The Finance committee is a committee of the School Board of Directors. The purpose of this committee is to review the financial performance of the school, ensure that the school does not operate in a statutory deficit position, strive to achieve and maintain a 25% fund balance, and recommend and manage to an annual budget that accomplishes these goals and accounts for the long-term financial stability and health of the school. The committee shall be chaired by the SHPA School Board Treasurer and meet at a frequency as determined by its chair as necessary to accomplish its goals. This committee shall strive to secure membership on the committee of volunteers with financial management experience. This committee will also perform periodic reviews of the managerial controls regarding the handling of public funds and the record keeping of these activities.

1. Jenny Pine of Kraus-Anderson presented the school's Group Benefit Proposal after going to the market for quotes. Competitive medical insurance proposals which do not change employee benefits materially were received from Health Partners, our current provider, and Medica. Each involves an overall premium increase of approximately 7% and a 6% increase for the employer's share of premiums. After hearing about alternatives which would involve a 3-4% increase but also benefit changes, the Committee recommends acceptance of the Health Partners proposal which does not change benefits. The remaining employee insurance benefits will remain unchanged and see a small increase in premiums.
2. Reviewed September SHPA financial statements.
3. Discussed the school's new working budget, a draft of which is contained in the September financial statements. Nick will continue to refine the working budget and finalization will await the addition of students from the waiting list at the beginning of the second trimester and the bondholders conference call which will occur next week. The committee will review the working budget at its next meeting for recommendation at the next board meeting.

4. Nick advised that the amendment to SEC rules regarding additional disclosure in connection with tax-exempt bonds such as SHPA's applies only to new bond offerings, thereby not affecting SHPA.
5. Executive Director update: see item 1 above.
6. Nick Taintor advised that Tabitha Reinhardt has left BKDV and that another assistant manager for our account will be hired in due course. He also reported on the firm's commitment to avoid surprise deviations from the working budget in the future and summarized the steps being taken by the firm to implement new precautions in that regard.
7. Reviewed Board Calendar for November finance items.
8. Conducted fist to 5 evaluation. The result was one three and 5 fours.

Recommendations to SHPA Board of Directors for action at the October 4, 2018 meeting:

1. Recommend approving the minutes of the October 30, 2018 Finance Committee meeting.
2. Recommend approving the Heath Partners proposal that does not change health care benefits and continuing other benefits as recommended by Kraus-Anderson.