

Genesis Innovation Academy
“Creating a Legacy of Greatness – One scholar at a time!”

FINANCE COMMITTEE MEETING MINUTES

August 15, 2023

6:00 p.m.

- I. Opening / Call to Order @ 6:16 PM
 - A. Jeff Lawrence, Chair, entertained a motion to call the meeting to order @ 6:15 PM
 - 1. Motion made by Jeff Lawrence.
 - 2. Motion seconded by Eddie Bradford.
 - 3. Abstentions – none.
 - 4. Opposed – none.
 - 5. Motion carried by unanimous vote.

- II. Attendance and Quorum Verification
 - A. Attendees: Jeff Lawrence, Tomika Jones, Gavin Samms, and Eddie Bradford
 - B. Guest: Doug Erwin
 - C. A quorum was present.

- III. Discussion & Action Items for the Committee
 - A. Recommendation: **May** Financials for Board Approval
 - 1. Indicator Review
 - a. The enrollment variance was discussed. It was noted that each year we earn zero points.
 - b. GS noted that the variance target range was created for steady-state schools not schools that were growing each year (when projections are inherently difficult).
 - c. In addition, last year we lost the high school after our projections were submitted. We lost high school scholars and their younger siblings.
 - d. GS noted that this year’s enrollment projections will also be off, but the rationale is indeterminate, concerning, and worthy of thoughtful investigation.
 - 2. Girls Academy
 - a. Revenue: Actual - \$5.70M; Budgeted - \$5.54M
 - b. Expenses: Actual - \$4.5M; Budgeted - \$5.0M
 - c. Net Income = Actual - \$1.0M; Budgeted \$473K
 - 3. Boys Academy
 - a. Revenue: Actual - \$5.75M; Budgeted - \$5.62M
 - b. Expenses: Actual - \$4.9M; Budgeted - \$5.0M
 - c. Net Income: Actual \$830K; Budgeted - \$165K

 - B. Recommendation: FY23 Amended Budget for Board Approval
 - 1. Boys Academy
 - a. Jeff Lawrence moved that we recommend the amended FY23 Boys Academy budget for approval, subject to the bonus information being added to expenses.

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- 1) Motion made by Jeff Lawrence.
 - 2) Motion seconded by Tomika Jones.
 - 3) Abstentions – none.
 - 4) Opposed – none.
 - 5) Motion carried by unanimous vote.

2. Girls Academy

- a. Jeff Lawrence moved that we recommend the amended FY23 Boys Academy budget for approval, subject to the bonus information being added to expenses.
 - 1) Motion made by Jeff Lawrence.
 - 2) Motion seconded by Tomika Jones.
 - 3) Abstentions – none.
 - 4) Opposed – none.
 - 5) Motion carried by unanimous vote.

C. Recommendation: Approval of Copier Renewal

1. Discussion – The board considered and discussed three quotes. GS noted that the costs were roughly the same but our current vendor’s proposal has the greatest possibility for cost savings if copier amounts are reduced. Internal feedback on their service record is positive.
2. Tomika Jones moved that we recommend the purchase of a new five-year contract with our current copier vendor.
 - a. Motion made by Tomika Jones.
 - b. Motion seconded by Jeff Lawrence.
 - c. Abstentions – none.
 - d. Opposed – none.
 - e. Motion carried by unanimous vote.

D. Recommendation: Ratification of Partition Purchase

1. Tomika Jones moved that the committee recommend that the board ratify an emergency purchase of bathroom partitions.
 - a. Motion made by Tomika Jones.
 - b. Motion seconded by Jeff Lawrence.
 - c. Abstentions – none.
 - d. Opposed – none.
 - e. Motion carried by unanimous vote.

E. Banking Services

1. GS noted that the process to produce the documentation necessary to obtain a purchasing card is on hold while Genesis is preparing for the financial audit.
2. GS noted that South State would be contacting JL about being added to the bank signature cards.

F. Discussion: Investment Strategy

1. The board discussed the e-mail from South State Bank about the option of moving remaining PPP funds to a money market account earning 4%.

2. There was further discussion about moving more cash out of operating into a money market because the funds would be liquid.
3. Close the Genesis, Inc. PPP account and divide the total equally between each Academy and deposit those funds into a separate money market account for each Academy.
 - a. Motion made by Jeff Lawrence.
 - b. Motion seconded by Tomika Jones. Abstentions – none.
 - c. Opposed – none.
 - d. Motion carried by unanimous vote.
4. Jeff Lawrence motioned that we disperse all but \$1.5M of the Boys operating account and \$1.5M of the Girls operating account into a separate money market account for each Academy.
 - a. Motion made by Jeff Lawrence.
 - b. Motion seconded by Tomika Jones. Abstentions – none.
 - c. Opposed – none.
 - d. Motion carried by unanimous vote.

G. Update: Enrollment

1. Current Enrollment: Boys – 287
2. Current Enrollment: Girls – 298
3. Both numbers are below the 303 used to calculate the budget which will lead to a budget deficit unless additional revenue is generate or actual expenses are reduced.
4. There was discussion around enrollment marketing strategies that the Development committee will follow up on.

H. Recommendation: Head of Schools Contract & Compensation

1. There was a discussion about adjustments to the prior proposed FY24 Head of Schools contract.
 - a. It was noted that the prior amounts allocated for phone service and benefits had not considered inflation for the same quality of plan.
 - b. GS noted that Genesis currently pays for the phone service and owns the phones.
2. TJ motioned to recommend that the benefits support in the Head of Schools contract be increased to \$3300.
 - a. JL seconded. No one opposed; No abstentions.
 - b. Motion carried by unanimous vote. proposal.
3. GS noted that the Board never voted on a bonus for the Head of School during FY23.
 - a. GS noted that a bonus pool was approved at the beginning of the fiscal year for the entire staff.
 - b. The staff received some of that as a retention bonus in early fall.
 - c. Additional funds were used to “top up” bonuses for leadership based on Dr. Samms’ proposal (the funds were already approved for bonuses).
 - 1) The bonuses were given out at the beginning of the 2023 calendar year.
 - 2) GS could not approve his own bonus.
 - 3) Board members conveyed a sincere belief that they had approved a bonus for the Head of Schools.
 - 4) Prior minutes will be reviewed to determine if such a vote occurred.
 - 5) GS will provide documentation related to leadership bonuses.

I. Discussion: Salary Scales

1. GS noted that the state increase in salary funding of \$2,000 per person did not apply to Operations staff (custodians receive an additional \$1,000 and other office staff do not get a state funded increase).
2. GS offered a proposal to provide the \$2,000 increase to those staff members.
3. It was noted that the June Called Board meeting vote on the salary scale included that increase for those staff members.
4. GS will verify that in the meeting minutes.

J. Discussions: Charitable Donations

1. Defer to Eddie Bradford for September meeting.

K. FACILITIES

1. Update: Renovations and Insurance Payments.
 - a. GS noted that the insurance company has confirmed they are sending a check for the undisputed amount. The check should arrive by next Tuesday.
 - b. Genesis will deposit that check and cut a check to the vendor in the amount of the insurance check minus the estimated cost of the work required to replace the doors and floors (the vendor was never asked to do that work).
2. Discussion: Roof Repair and Replacement
 - a. GS had engaged former board member (now “Friend of Genesis”) Taylor Brown to review a roof repair proposal.
 - b. There is significant damage which may require emergency action.
 - c. If the recommendation requires emergency action, GS will update the committee.
3. Recommendation: Boxx Modular Lease
 - a. There was a prior discussion about whether to reup for 2 or 3 years but skirt repairs were pending. Now we’re 7 months in the next period, so 36 months is recommended.
 - b. Jeff Lawrence moved that we recommend to the Board approval to reup the modular lease for 36 months.
 - 1) Motion made by Jeff Lawrence
 - 2) Motion seconded by Tomika Jones.
 - 3) Abstentions – none.
 - 4) Opposed – none.
 - 5) Motion carried by unanimous vote.

L. Discussion: Tech Ad Hoc Committee and Dr. Samms the other contact.

1. An email will be sent soon; Ms. Davis will be copied to help schedule everyone.

IV. Executive Session – (no session scheduled)

V. Action Item Review

1. GS will review June called-meeting minutes for staff bonuses details and forward them to DE who will update prep budget for the Board Meeting accordingly.
2. GS will follow-up with Taylor Brown on possible emergency roof repair.
3. GS will advise South State Bank to forward information directly to JL regarding the signature cards.

4. GS will find minutes for salary recommendations and what the staff received.
5. SD will add recommendations from this meeting to the Board meeting agenda.

VI. Next Meeting: [September 19, 2023](#) @ 6:00 PM

VII. Closing and Adjournment

- A. Jeff Lawrence, Chair, entertained a motion to call the meeting to order @ 9:04 PM
 1. Motion made by Jeff Lawrence.
 2. Motion seconded by Eddie Bradford.
 3. Abstentions – none.
 4. Opposed – none.
 5. Motion carried by unanimous vote.