

Monocacy Montessori Communities, Incorporated (MMCI) Board of Trustees
(BOT) Work Session ~ Wednesday, April 19, 2023 @ 7:00 p.m.

Join via Google Meet: <https://meet.google.com/jzw-sves-rdd>

Or dial: (US) +1 731-474-1846 PIN: 663 478 261#

Work Session Agenda

1. Call To Order

7:00 p.m.

Tara Dunsmore called the meeting to order at 7:03 and started the recording.

Present - Tara Dunsmore, Elizabeth Landru, Julie Clark, Meggan Sombat, Amy Dorman, Elise Goodwin, Kelli McIntosh, Jennifer Mayo, Diego Alvarez, Jessica Lawrence Wujek, Amy O'Connor, Nikki Burgee, Michael Beth Edwards

2. Discussion

7:05-8:30 p.m.

- **DISCUSSION: PPA Distribution Procedures** (Tara Dunsmore/ Diego Alvarez/ Kelli McIntosh)

Tara said that the way our Per Pupil Allotment (PPA) Distribution works now is that FCPS holds all of our funds in FCPS accounts, and functions as our accounts payable. The majority of our PPA goes to staffing; we submit invoices and they pay them; or the school secretaries make purchases for budgeted expenses.

At the end of every year, any PPA surplus stays in FCPS back accounts, and rolls over year after year. There are a few ways we have tried over the years to pull additional surplus into our MMCI accounts, such as by increasing the MMCI Admin fee. The MMCI Admin fee is a percentage of PPA that MMCI charges each school. As the surplus has increased, we've adjusted the Admin fee accordingly, however it isn't an easy process, and we are still required to justify our expenses.

Tara said that it is MMCI's general position that we shouldn't have to justify our expenses and get permission to spend our own money. As a charter operator, part of our agreement with FCPS is that MMCI manages our own money. Also, according to MAPCS, MMCI is the only charter operator in the state of Maryland that manages our money this way. Other operators receive quarterly payments, after payroll.

The downside of switching to quarterly distribution is that we would have to pay our own

bills, and all purchases would have to go through MMCI cards. This would require additional staff or potentially outsourcing the administrative duties.

We have consulted with Maryland Alliance for Public Charter Schools (MAPCS), and they advocate that we switch to a quarterly distribution, which would give us control and more cash flow, and could justify the expense of an additional employee.

Additionally, bond companies look at an organization's fiscal policies, and because the way we handle our funds is unusual, lenders may have doubts about our control over our own funds.

Diego said that there is a portion of buybacks, which are services that we are paying FCPS to provide our students, such as IT infrastructure and warehouse fees. Some of these we may not need, and we may be able to negotiate the buybacks.

Tara said that in 2014 MMCI received a document from FCPS that detailed the quarterly distribution model. It was proposed that FCPS would determine our PPA, keep payroll expenses, as well as mortgage expenses, and then distribute the remainder to us quarterly.

Diego Alvarez said that holding our own money would also allow us to explore some financial strategies for maximizing our money. The finance committee will consider the details and additional administrative tasks needed if we were to switch to quarterly distribution.

Elizabeth Landru said that this concept of holding our funds in our own accounts is not a new discussion, and a former MMCI Treasurer advocated for it, and we previously pulled more funds out and into savings. The right path forward is to ensure that we have autonomy over our own funds.

Tara said that we asked Dr. Lippy for documentation on how our funds are used with either option. He implied that we would have less control over our funds with quarterly distribution, but we need more information.

Jessica Lawrence Wujek mentioned that the funds would be earning interest. Elizabeth and Tara agreed that FCPS is currently benefiting from the interest on our surplus funds.

Michael Beth Edwards said that not only are we the only ones in Maryland who manage our money like this, it is extremely rare throughout the country. We have gotten advice from many different sources on changing it.

Elizabeth and Tara said that the MVM water bill error is a good example of why we should be controlling our own funds, and receiving our own bills, as we recently discovered that we

had been paying for the water on the property next door to MVM for the past 15 years. Having control would allow us to create our own policies and procedures and control our own funds and bills. Elizabeth said that we should have someone who is looking out for our best interests reviewing our bills.

Tara asked Amy O'Connor if we get a detailed accounting from FCPS of what they pay for us. Amy O. said that we get monthly reports that have every expense, but the descriptions are shortened, like a bank statement. A report with greater detail would be beneficial.

Tara asked if the benefit of having FCPS hold our funds is that we have access to the FCPS vendor list? Elizabeth said that our school secretaries would still have access to the FCPS preferred vendor list.

Amy Dorman said that we should be mindful that we use FCPS to buy computers and technology, and we use their vendors for Raptor. We also purchased air purifiers at a discounted price through FCPS. Tara agreed, and said that we would potentially pay FCPS for tech and other goods, and that they would invoice us. Elizabeth said that their video recording and camera systems may become buybacks.

Michael Beth said that if we are the last school who doesn't hold our own funds, we could reference other charter schools' policies to answer some of these questions. Tara agreed, and said MAPCS sent some info about smaller operators' financial management, for reference, and we will look into it. Elizabeth Landru said that we should also reference FCCS and SES.

Amy O'Connor said that she and former Assistant Treasurer Amy Sullivan previously met with someone who had helped FCCS. There was discussion about changing audit rules, and the FCCS contact provided a list of potential changes for MMCI.

Tara said that there is a Finance committee meeting scheduled for Monday, and we can review the list and discuss if we want to reach out to this contact again. However, as a caution, FCCS may not be the model we want to follow. FCCS has had recent trouble with the BOE, and Dr. Lippy recently said that MMCI is the model operator in the county. That said, FCCS has done a lot of charter school advocacy work and we appreciate their contribution and assistance. We should continue to learn from FCCS and also assess our needs and do what works for us.

Diego clarified that it's not that we're not in compliance, it's that we're the only charter operator who is receiving money like this, and a different auditor would make a different decision. Accounting rules do change, and owning our own facilities will also change things.

Tara said that the Finance Committee has decisions to make and this conversation has been

an overview of what the Finance Committee will review and recommend to the board, likely at our June meeting.

- **DISCUSSION: MMCI Staffing Needs** (Tara Dunsmore)

Tara said that as MMCI continues to grow, our needs have exceeded what we can reasonably expect from a team of volunteer board members. With MVM expanding to High School and both schools buying facilities, our workload has increased.

Even though MMCI Executive Committee job descriptions estimate 50 hours a week total for MMCI business, the President puts in as many as 20-40 hours each week alone. At such a critical time, we don't have enough people to fill in if something happens and our volunteers can't devote these hours. And even with this many hours of work, we are not getting everything done, and it's not sustainable.

The board should be able to spend more time on Advocacy to support our mission and goals, and Grant Writing and Fundraising should be our priority, for the long-term financial sustainability of our organization.

Tara proposed hiring an Executive Director, who would be responsible for managing MMCI business, as well as overseeing fundraising and grant writing. This position would oversee facilities management and support key board committees, among other tasks, as well as developing Fundraising plans and managing grants and relationships with grantors. Tara clarified that this is her proposal, and it is open to revision.

Tara said that this position would be tasked with generating income at a minimum of 1.5 times their annual salary, which would make the position self-sustaining. Tara admitted that she hasn't always been a supporter of this idea, however as President, she has come to realize the benefits. Elizabeth agreed that she felt in the past that it wasn't financially viable to hire someone, and appreciated the idea to create a self-sustaining position.

Elizabeth said that she also worries that we would lose the spirit, energy, and dedication of our volunteers, and wondered how it would change the dynamic of our organization to outsource. She also added that the current term has been a heavier lift than most with the facilities purchases, and it may lighten once we are past the purchase stage.

Tara agreed that it is important to make sure the board doesn't become ineffective. She said that the job description should be written with the intention of keeping the board engaged by keeping certain responsibilities with the board. Tara said that she doesn't feel that purchasing the facilities will decrease the amount of work for the board, and said that it may actually increase, with facilities management, potential PPA distribution changes, policy

updates, and taking care of other miscellaneous tasks that are currently not getting done.

Diego said that he has seen this situation before, and that bringing in a full-time staff member has been a positive change for organizations. He cautioned that from a financial perspective, this employee would not be able to raise funds right away. Tara agreed. Diego said that the Finance Committee can analyze salary and benefits, and will work to make sure that support is equal for both schools.

Jessica said that she understands the worry of the volunteer dynamic changing, but said that it may actually benefit our volunteer recruitment, knowing that board members wouldn't have to take on those types of responsibilities.

Elise Goodwin said that she fully supports the idea and thinks it has been too much work for our board. To succeed we need to hire someone; it makes business sense. She said that there could be creative ways to make sure the board remains engaged.

Michael Beth said that the current lift is ridiculously heavy, as it has been in the past, such as when CCM opened. We are investing all of our time on operational bits, and we can't focus on other things such as passion projects. Tara said we could also potentially supplement income and programs (preschool, before and after care) with a staff person.

Julie Clark said that when we started CCM, they looked at a model with paid staff, and recruitment of nationwide Montessori leaders onto the board, and for consulting. She found that an intriguing model, with the GC's being parent-run.

Amy Dorman said that as much as she sees the value of how this structure has worked so far, it feels fragile, and that became apparent as the workload got bigger.

Tara said that she has reviewed many different position descriptions that have been proposed by MMCI Presidents over the years. There have been varying perspectives on priorities and duties.

The board split into breakout sessions, and Tara asked for each group to come up with:

3 things the executive director would do, 3 things that would stay with the board, and 3 concerns or hesitations, potential challenges, that we would need to address.

*Additional notes and a presentation are expected to follow.



Closed Session: To consider the acquisition of real property for a public purpose and matters directly related thereto.

The Closed Session began at 8:56pm, and ended at 9:02pm.

The April 2023 Work Session adjourned at 9:03pm.

Announcements:

1. Upcoming MMCI Business Meetings (usually held at 7PM the FINAL Wednesday of each month): *meetings will be virtual until further notice*

- April 26, 2022
- May 24, 2022

2. Minutes and Agendas may be found online at <http://mmcimd.org/calendar/>