



Cape Cod Lighthouse Charter School

195 Route 137, E. Harwich, MA 02645

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PLEASE POST

Pursuant to Open Meeting regulations, this is notification of the

Cape Cod Lighthouse Charter School

School Finance Committee

Date & Time: **Monday, April 27, 2026 at 5:15 p.m.**

Meeting also available on Zoom

<https://us02web.zoom.us/j/2452227204?pwd=lj0XMkRBETUXaCBKP4WhYmDbk8mKMJ.1>

Meeting ID: 245 222 7204

Location: **Cape Cod Lighthouse Charter School,**

195 Route 137, East Harwich, MA 02645

Minutes

- I. Call to Order - Michael made a call to order at 5:19pm
Present: Michele Gallucci, Michael McMillan, Tracy Murphy, Ben Parsons
- II. Approval of Minutes from March 16, 2026. Ben made a motion to approve. Tracy seconded. Unanimous approval.
- III. Review of Budget to Date / Review Financials (Year to Date and FY '27)
 - Michele reviewed the budget to date, noting that net income appears high due to three pay periods in July, which will result in \$300,000 in salary accrual. She noted that direct student costs are at 54% of expensed amounts, and building expenses are lower than projected due to reduced custodial costs after negotiating a new contract. She mentioned

upcoming expenses for sports, lunch program, enrichments, and technology, while noting that capital improvements and property maintenance costs were on target.

- Michele presented the fiscal year '27 draft budget. Michael asked to explain the school lunch line item. Michele discussed that while CCLCS receives approximately \$4 per student from the state, the actual cost is around \$4.50 per student for Subway meals, resulting in a net cost of about \$4,000. Michele also clarified that special education expenses vary significantly depending on student needs, with costs potentially exceeding \$45,000 for students with acute needs, though many years see significantly lower expenses.
- Michele discussed the accounting treatment of principal payments on debt, explaining that while these payments don't appear in their financial books due to being classified as below-the-line items for non-profits, they should be included in budget planning as they represent actual expenditures.
- Michael discussed the challenges with the current audit report presentation, highlighting the discrepancy between net income and actual financial position due to non-operating income and debt payments. He proposed creating a dedicated rainy day fund, potentially 5% of total income, to address unexpected costs, particularly in special education. Michael suggested moving \$70,000 quarterly into a capital account for debt payments and proposed revising the strategic plan to include a financial plan component.
- The group discussed budgeting and financial planning for the school, focusing on managing surplus funds and ensuring flexibility for unexpected expenses. The group explored ideas for long-term financial planning, including potential investments and the role of the foundation, and considered involving external experts for guidance, including Erika Brown at the MPCSA.
- Ben mentioned that salary increases would effectively be around 7% due to ladder adjustments, which is significantly higher than the projected revenue increase from DESE. Michele discussed an increase in mortgage interest costs of approximately \$25,000 annually due to the loss of a federal subsidy, and proposed adding principal payments to the budget as a debt payment “below the line” for transparency. Michele agreed to update the budget to include debt payments and scheduled a review for May, with a budget vote planned for June on the DESE calendar.

- The conversation ended with Tracy making a brief mention of needing to align treasurer duties with the bylaws in the next meeting.

IV. Update on Refinancing Project

- Michele shared that the application has been submitted to MassDevelopment for bond issuance. She noted that she and Ben have interviewed three potential mortgage lenders and that the choice has been narrowed to Cape Cod 5 and Eastern Bank. She noted that the goal in May is to submit all pre-approval paperwork to the lenders and await their proposals.

V. Next Meeting May 18, 2026

- #### VI. Vote to Adjourn - Ben made a motion to adjourn. Michael seconded. Unanimously approved at 6:04pm.