



Community School for Creative Education Board of Directors' Meeting Minutes

Wednesday, July 27, 2011 - 7:00 PM

*Members of the Governing Board: John Lundell, Peter Hanley, Michele Meyer,
Lynne Newton, Jorge Ruiz de Velasco, Cindy Wong, Jim Hollis*

1. Call to Order and Attendance

The following Members of the Governing Board, constituting a quorum, were present: John Lundell, Peter Hanley, Michele Meyer, Lynne Newton, Jorge Ruiz de Velasco, Cindy Wong, Jim Hollis

The following were also present: Ida Oberman, CSCE; Fernando Ayala, CSCE; Gasper Martinez, EdTec

Verse

The Board recited the school verse in three languages – English, Spanish and Chinese

2. Review & Approval of Agenda

3. Public Comments

No members of the public wished to address the Board.

4. Consent Agenda

- a. Approval of Meeting Minutes: Prior year meeting minutes

Vote: The Board voted unanimously to approve the consent agenda.

5. Discussion & Action Items

- a. Financial Update (EdTec)

On a monthly basis EdTec will attend Board Meeting and report on financials year-to-date. This will usually include data on spending trends of the school. Also will discuss state budget tonight.

- State budget: Approved. Kept the funding for educational projects flat relative to 2010 fiscal year, meaning if school was open last year funding remains flat at 2010 level. The state took optimistic revenue projections from 2010 and used them for 2011. If revenue projections do not hit a certain level there is an automatic trigger that will create cuts mid-year. EdTec has calculated this would be a \$350/student hit to CSCE or about \$30K. EdTec has proactively pulled this money from our budget as a precaution. This money can be carried over to the next fiscal year if not used in this year.
- Current forecast vis-à-vis current budget: Last budget projected a positive end-of-year margin of \$119,000. Current review suggest this will actually only be \$91K due to drop in revenue (\$130K = lower enrollment 90 students vs. budget of 114 students, +\$11K increase from new school grant) and decrease in expenses \$91K (After school program adjusted down from \$50 to \$39K, cut books and supplies by \$58K [no spending on furniture, less on computers, lower book expenses], -\$6K due to lower enrollment, -\$11K consultant fees for data input, -\$5K for receivables (spending less at the beginning of the year so less "receivable sale" needed for the cash loan. \$27K vs. \$22K)

- Look at cash flow: Short fall of \$120K vs. \$200K previously. Push things to be paid for until Sept to do the receivable deal. Reasons for not doing it immediately: Revolving loan comes through. Could see this money before end of Sept. or grant that may come through in Sept. that CSCE could borrow against.
- Formula for “receivable sale” example sell \$100K. Loan Company will say we are only going to buy \$90K not full \$100K. Will charge a 3-4% on origination fee + additional interest cost. The closer you are to when you need to sell something more likely they will fund a higher % of total amount requested. It drives down the cost when the loan date is closer to the funds payment date. Receivable run way is generally 2-3 wks but Gasper has completed deals in 2-3 days. Will know beginning of Sept if need to pull trigger.
- Ending fund balance: Carry over \$119K about 7.3% reserves (State mandates minimum 5% reserve). We know that the difference should really be closer to 20-30%. Project reserve is \$90K. Lots of start up money. Look at relative staffing to number of students. Gasper shared a concern that CSCE has one of the highest staff:student ratios among all his clients. Currently at 12 FTE/total enrollment. **Fund end balance needs to be closer to \$200-300K.** Each additional child is worth \$6,300-\$7,000. By simply increasing enrollment margin could be expanded to \$100K solution. Look at expenses. Look at optimal teacher/staff to student ration. Lots of overhead cost associated with the school that we will not achieve economies of scale until we reach a certain student population size.
 - 5 teachers
 - 1 Director
 - 2 Instructional Aids (Teaching Aids)[currently hired only 1 so less \$20K]
 - 1 Business Manager
 - 1 Front Office Admin
 - 2 Ed Consultants (Curriculum Specialists)
- Does not include After-School staff, Special Ed Coordinator, Eurythmest (not hired yet = \$7K), 2 language teachers teaching Mandarin and Spanish (Michelle noted that we do these language programs in Block sections. **Action:** Check with Mills and UC Berkeley, Holy Names, UC East Bay, Saint Mary’s, about using Educational major students in internship program for this.)
- We are at funding rates that are the lowest they have been in the last 6-7 years but can’t be complacent and say it’s a tight start up. CSCE has a lot of start of money. Especially due to Walton grant.
- ADA starts on the first day of school. And 20 days after that we will have the month 1 ADA. State will ask for ADA report to determine if we are on track. If higher or lower than expected it will be recalculated in December and adjusted accordingly with further adjustments periodically throughout the year.
- Stewart Foundation meets on 26th-27th of September. Grant recommendations will be made 30 days prior and we will know before the end of August. President of the foundation has indicated she is inclined to support the CSCE grant request. The only thing that holds Jorge back is that this is a Family Foundation and Jorge is not sure if they approve per the Foundation President’s guideline. If approved, once Board has completed the meeting they call the fundees to let them know. If we know that this is coming we can make the term of the “Receivable Sale” shorter.
- Also in conversation with the Rudolph Steiner Foundation about a bridge loan. Ida has meeting July 28th. Rudolph Steiner Foundation is currently reviewing our budget.

Next Steps

- o Figure out Fund Balance target
- o How to come up with solutions - Gasper can provide scenarios.
- o Put Project to do "Receivable Sale" on Board Agenda for August. Gasper to work with John Lundell on this. Prepare documents for a Sept. 1 submission if needed. The Board needs to approve a package from the Seller. Sept. Board meeting on the 28th is too late so we can start the process in August, approve it in August but not process it until September.

Action: Board Members call a list of students to welcome them to the school.

Action: Need to pass out brochures to the Board Members.

b. Director's Report (Oberman) & Work Plan Review (Lundell)

Governance to ACEO:

Policies and procedures reviewed by Minney (attorney). Currently waiting for PCSGP monies. ACEO has asked we post by Aug. 1. Policies are boiler plate policies from other Charter Schools. Mr. Hanley recommended that the school post them; amendments can be made retroactively. **Action:** Post CSCE policies to CSCE website.

Health and Safety plan: Final draft completed.

Governance Board: Thank Geraldine and Robin in absentia. Key leadership roles vacant: Board Chair and Board Vice-Chair.

Motion: Hanley nominated John Lundell III for the position of the new CSCE Board President.

Second: Hollis

Vote: The Board voted unanimously in favor of the motion; Lundell abstained.

Motion: Hanley nominated Jim Hollis for the position of the new CSCE Vice-Chair.

Second:

Vote: The Board voted unanimously in favor of the motion.

Mr. Ayala agreed to take the minutes and send to EdTec to format.

Motion: CSCE Board Secretary.

Second: Wong

Vote: The Board voted unanimously in favor of the motion.

The Board discussed the two vacancies and whether the Board should stay its current size, or to seek new members. Mr. Lundell noted that it would be easier to reach quorum with seven members. Would like to have a lawyer and accountant on the Board. Is there anyone within the body of parents who would meet these? Can seek an OCO staff to show willingness to include Parent Voice.

Action: Follow-up on two new proposed candidates.

Item #4: Facilities Use Agreement: EdTec has tried to get this from OUSD since May. Last communication said will provide draft copy of FUA over a month ago. Mr. Martinez and Mr. Laub of EdTec proposed meeting to address this within the next two weeks. Maintenance cost exceeds the rent! EdTec to ask for a concession. Need to get someone with a legal background involved. Mr. Ayala has sent Gail an e-mail to request keys at 8 AM on Aug. 18th.

Item #5: Lunch provider: OUSD no incremental expense for reviewing application. Get MOU in CSCE name from Jennifer. With the vendor Revolution Foods, the school would need to set-up its own FSA (Food Service Agreements) and submit the paperwork to the State. Revolution Foods would only be provider.

Mr. Ruiz de Velasco dropped from conference call at 8:37 PM.

Ms. Wong recommended establishing block schedules to allow interns/volunteers to work on short-term basis; to avoid part-time help/teachers.

The Board asked that EdTec separate out the large files from the Board Package in the future. Also, in the future have EdTec send this out on the Friday prior to the Board Meeting.

Marketing Committee: Logo change.

Action: Send new logo to Board to assist in finalizing vote.

Action: Follow-up to determine what meaning of logo is.

Student Information and Data System: Mr. Ayala has taken on responsibility to follow-up on this. Mr. Hollis can team with Mr. Ayala to get this completed.

c. Employee Handbook (Lundell)

- How many sick days - currently 5 days given. Other option is 7, or 10 days. Staff recommends we start with 5 until we are financially strong. Expense is cost of substitute @\$125/day. No roll over.
- Question around proportional benefits to part-time staff: Staff recommends the school give benefits at this time to only full-time staff (37.5 hrs wk). When financially more stable, the school can offer benefits to part-time staff.

Motion: Hanley moved to extend benefits to staff working more than 30 hours per week.

Second: Hollis

Vote: The Board voted unanimously in favor of the motion.

- Now only offering Kaiser for the employee; they can purchase for their spouse/dependents.
- Also, encourage a policy to have employees with spouse that works for larger companies that provide insurance use that policy and CSCE will pay back \$2,400 based on proof of insurance elsewhere. Need legal form to have those employees waive their CSCE healthcare benefits? **Action:** Check with Kaiser to see if they provide the waiver. See if there is a boilerplate.

d. Nomination & Approval of Board Chair & Board Vice-Chair (Newton; Wong)
See Item 5b above.

e. 2011-12 Calendar & Bell Schedule (Lundell)

Motion: Hollis moved to approve the 2011-12 calendar.

Second: Meyer

Vote: The Board voted unanimously in favor of the motion.

Motion: Wong moved to approve the bell schedule.

Second: Lundell

Vote: The Board voted unanimously in favor of the motion.

OCO press conference is on Wednesday the 17th at 10 AM.

Ribbon cutting is Wednesday 27th and will coincide with school inauguration.

Action: Assemble invitation list. Should include county superintendent, superintendent of schools, any local officials, Consortium of Waldorf Sister School and Alliance.

6. Closed Session

- a. CA Gov. Code Section 54957: PERFORMANCE EVALUATION: Consultant

7. Reconvene to Open Session

a. Report Out of Closed Session on Any Action Taken, Including Votes

Verse

8. Adjournment

Motion:

Second:

Vote:

THE ORDER OF BUSINESS MAY BE CHANGED WITHOUT NOTICE

Notice is hereby given that the order of consideration of matters on this agenda may be changed without prior notice.

REASONABLE LIMITATIONS MAY BE PLACED ON PUBLIC TESTIMONY

The Governing Board's presiding officer reserves the right to impose reasonable time limits on public testimony to ensure that the agenda is completed.

SPECIAL PRESENTATIONS MAY BE MADE

Notice is hereby given that, consistent with the requirements of the *Bagley-Keene Open Meeting Act*, special presentations not mentioned in the agenda may be made at this meeting. However, any such presentation will be for information only.

REASONABLE ACCOMMODATION WILL BE PROVIDED FOR ANY INDIVIDUAL WITH A DISABILITY

Pursuant to the *Rehabilitation Act of 1973* and the *Americans with Disabilities Act of 1990*, any individual with a disability who requires reasonable accommodation to attend or participate in this meeting of the Governing Board may request assistance by contacting CSCE at 516 Taylor St., Alameda, CA 94501, (510) 517-0331.

FOR MORE INFORMATION

For more information concerning this agenda or for materials relating to this meeting, please contact CSCE at 516 Taylor St., Alameda, CA 94501, (510) 517-0331.