

**Children's Day School
Board of Trustees
March 19, 2019
Meeting minutes**

Carl Schneebeck, Board Co-Chair, asked that the meeting come to order at approximately 4:07PM.

Attendance:

Carl Schneebeck (Board Co-Chair), Jeanette Perez (Board Co-Chair), Tina Syer (Co-Vice Chair), Jen Hamilton (Co-Vice Chair), Ryan Kluff (Treasurer), Stephanie Holland (Secretary), Mylene Acosta-Mercado, Joe Connolly, Patricia Kao, Kami Kinkaid, Tracy Kirkham (Trustee Emeritus), Liza Ramrayka, Michelle Schoen, Ben Spero, David Strandberg, Rishi Varma, Diane Walters, Lindsay Woollerson, Vivien Zraick.

Non-Trustees present: Shelly Luke Wille (Head of School), Rebecca Kroll (Assistant Head of School), Antonette Greene (ECP Director), Ed Rhee (Middle School Director), John Castro (Facilities Manager), Andrei Ferrera (Director of Communications), Paul Gavin (Director of Finance), Lindsay Hershenhorn (Director of Curriculum & Program Innovation), Diane Larrabee (Director of Enrollment Management), Susan Munn (Interim Director of Finance), Rico Tan (Director of Technology), Chris Teare (Extended Program Director), Anthony Witte (Director of Inclusion), Jeanna Yoo (Director of Advancement), Patricia Jameson (Assistant to the Head of School), Chris Bunga (PTTA President).

Documents made available prior to the meeting include: [March 19, 2020 Meeting Agenda](#), [March 2020 Head's Report](#), [BOT Talking Points on Covid-19 Closure](#), [2020-2021 Trustee Nomination Slate](#), [2019-2020 Q2 Financial Statements](#), [Cash Flow Impact of School Closure](#).

Welcome & CDS Experience: Shelter in Place & Distance Learning Updates / Impacts

Shelly shared information about the impacts on our community of the SF Shelter in Place Order and the status of distance learning, which started this week. Highlights included:

- Our enrollment contracts require tuition to be paid even in the case of a pandemic. Nevertheless, we're trying to provide support on a case by case basis to CDS families that have been particularly impacted by the Shelter in Place order.
- We continue to pay our hourly employees (including aftercare teachers) their usual wages.
- We've agreed to pay our cleaning contractor as usual until April 20, 2020 because we want those workers to stay home and healthy. We will reflect on whether to continue to do so or not as we approach April 20.

- Regarding next year's admissions, our preschool is expected to enroll fully. Today we sent out offers for admission for K - 8th grade. We're not yet sure how Covid-19 is going to impact our admission acceptance rate.
- High school offer letters go out to 8th graders tomorrow. Our preliminary information is as follows:
 - Our 8th grade students will be accepted at 25 different schools (including 6 boarding schools).
 - 31 of 40 of our 8th graders applied to a variety of independent & faith based schools; many will get multiple offers.
 - 7 out of 9 of our financial aid students will be getting financial offers in the 1st round of acceptances; 2 financial aid families will be getting offers from parochial schools.
 - Amanda Richard (CDS's High School Transition Counselor) has received general feedback from high schools that our candidates are incredibly strong.

Consent Agenda:

As the January 30, 2020 Meeting Minutes have not yet been uploaded to the trustee portal, we will vote on accepting those minutes into the record at our next regularly scheduled Board Meeting.

Lindsay Woolerson made a motion to accept the consent agenda (consisting only of the Head's Report). Rishi Varma seconded. **Motion passed unanimously.**

COT: Vote on New Trustee Slate

Liza Ramrayka and Lindsay Woolerson presented COT's proposed trustee slate for next year. The recruitment process consisted of:

- Gathering potential nominees from the Board;
- Looking for specific skill sets (e.g., advancement, construction, diversity work, futurists, local government, real estate, neighborhood relationships, etc.);
- Reaching out to prospective Trustees & gauging interest.

The slate of Trustee candidates are: Angela Alvarado, Carolyn Laub, Megna Subramanian, Brad Terrell. Each is deeply involved w/ CDS. Angela chaired the annual fund this year & is a CPA. Carolyn has done a host of diversity, equity & inclusion work, has sat on numerous boards and brings governance experience. Megna has been a CDS classroom liaison, a CDS tour guide, the PTTA faculty appreciation brunch coordinator, and is a lawyer by trade. Brad is a new parent who jumped in and worked on the facilities committee this past year.

Hearing no questions about the proposed slate, Tracy Kirkham made a motion to accept these 4 nominees as Board Trustees. David Strandberg seconded. **Approved unanimously.**

Finance:

Hearing no questions about the second quarter financial statements that were made available on the Board portal for this meeting, Treasurer Ryan Kluff made a brief presentation regarding the short and long term viability of CDS given the Shelter in Place order and the School's move to remote learning.

- Immediate impacts of school facility closure (next 8-10 weeks):
 - We have good information and feel confident we know what the impacts will be.
 - Our tuition contracts are a legal obligation that require tuition to be paid even in the case of a pandemic.
 - We expect that we will be paid nearly 100% of tuition due for this academic year.
 - Nevertheless, we are working with a few families who have been particularly impacted and have reached out to CDS, asking for help.
- Longer term impacts (11+ weeks from now):
 - Involve more unknowns, so harder to forecast.
 - Some scenarios include (i) the possibility of not having summer camp (and summer camp revenue) b/c of extended quarantines, (ii) the need for additional sliding scale disbursements, (iii) potential reduced enrollment next year.
 - We should have a good idea by late April about projected enrollment for the upcoming school year (June 1 is the deadline to back out of the enrollment contract).

DFO Paul Galvin summarized the financial model that he and Ryan Kluff put together. Its assumptions include:

- Potential loss of \$91,976 in hourly billings for aftercare between now and the end of the year remote learning continues for the remainder of the school year;
- Potential loss of \$52,8966 of revenue from summer camps & enrichments;
- \$170,000 surplus due to Annual Fund exceeding fundraising budget expectations this past fall, additional tuition due to exceeding budgeted enrollment numbers, etc.;
- \$225,000 in unbudgeted expenses associated with ECP design & concept phase (architects, permits, etc.) that we expect to spend between now and the end of the year;
- \$69,000 loss on Bid & Bash due to having to cancel it this year (the impact would have been larger if the Advancement Office had not solicited silent donations to offset Bid and Bash fundraising losses);
- Potential loss of tuition payments in March & April (although, currently, there's no indication that families will withhold payment);
- Potential savings of maintenance/custodial worker costs (about \$24,000 per month);
- Possible refunds of annual care that was paid by some families in advance and already collected.

Highlights of the discussion about the foregoing modeling assumptions included:

- The budget approved by the Board for the next school year assumes enrollment of 476 students. However, because of a strong application season, we had anticipated to enroll 510 students. So every student enrolled above 476 provides us some financial cushion. For every full tuition we collect, we set aside 19.8% of that to allocate to sliding scale. If

we were to enroll 510 students next year, we would have about \$200K in undistributed sliding scale tuition available for families that may need additional sliding scale.

- For our April Board meeting, we will have and use updated enrollment information to run different budget scenarios for next year, e.g., a 10% enrollment drop, and/or having to increase sliding scale to 2009 levels of about 25%, etc.

Facilities Update:

We learned this week that two sides of St. Joseph's Hall (SJH) have a skin coat of asbestos, which appears to have been applied in the 1920s or thereabouts. Also, the outside of SJH has low levels of lead-containing paint. The lead paint and the asbestos both will require abatement by two different trades.

We also learned that our roof contractor is not allowed to do non-essential work during the Shelter in Place, which would include work on our School. As such, we may want to consider postponing the roof project for a year. If we were to put it off:

- It gives us some flexibility because (1) we wouldn't have to tap into our financial reserves this year; (2) it would allow us to run summer camp on our own campus rather than having to lease the Millennium school (assuming the shelter in place order is lifted by summer) -- the Millennium contract lease is about \$32K for the summer; and (3) because of the Shelter in Place, there could be construction delays that wouldn't actually allow us to get the roof project done by the end of summer even if we tried.
- If we postponed the roof project until 2021, the 1 year delay wouldn't impact the safety of the building because the work (including voluntary seismic work) is not required by SF.
- Regarding the asbestos, preliminary information is that, as long as we're not pulling the paint off, the risk of delay in abating the asbestos is low, but we will get more data on this to be sure.
- As a reminder, the roof project cost was budgeted at \$2.3 million, most of which would come from reserves. The roof replacement portion of the project is \$1.9 of the \$2.3 million.

David Strandberg made a Motion to accept Shelly's recommendation to postpone this summer's construction on SJH. Kami Kinkaid seconded. Michelle Schoen and Diane Walters abstained. All other Trustees agreed. **Motion passed.**

Meeting Process / Feedback / Closing Remarks:

Co-chair Carl Schneebeck adjourned the meeting at approximately 5:46 PM.

Respectfully submitted,

Stephanie Holland, Board Secretary

Jeanette Perez, Board Co-Chair OR Carl Schneebeck, Board Co-Chair