

2021 02 16 Tuesday – final reviewed (04/20/21 meeting).

HLA board meeting – by Zoom.

Present: Bernd Liesenfeld, Sharon Sperling, Jacqueline Swank, Bettianne Ford, Sheila Crapo, Non-BOD present
Principal Borganelli, Amber Matts, Rebecca Carr, Karen David,
Started / Ended: 4:00pm called to order. Adjourned 5:24 pm.

Old Business and continuing

- Reviewed January 2021 meeting minutes.
 - Sharon **moved to accept Minutes**, Jacqueline seconded. All approved.
- Staff insurance follow up: a survey was executed of staff, and only a small percentage uses insurance (vs. stipend). The overwhelming majority does NOT want the stipend altered to insurance, and the minority agrees that the stipend is probably the most equitable mechanism to support the staff.
- Governance training for Mike Collins. SB to investigate credentialing and duration of validity for all board members, and get training package to Mike Collins (meaning purchase license to the training and certification course).

- School improvements executed and noted.
 - New improvements
 - Fence issues to east of school – Christmas eve storm damage. Repairs complete.
 - Locks on the gates: completed.
 - A few door repairs and handyman items are outstanding – none of major financial consequence.
 - Outdoor lighting to be added from Clay Electric. Archer electric to be responsible for lights in back – still to be completed (part of ‘Hardening’ grant for SAFER schools).
 - Picnic tables are in bad shape, and need replacing. About \$595 for highly durable models, and HLA needs 15 of them. Fundraising for that is planned to commence in March – for next school year use.
 - Discussed fundraising plans: Go Fund Me worked really well. Idea of providing donor plaques for benches seems really appealing. With social distancing needs, more and larger picnic tables are required to accommodate the student body.

Operational for school, including budget

- Currently 86 B&M students and 20 DA. = 106 total.
- There is increased testing and tracking to show where the students are making progress and where they are lagging. HLA expects to do well by comparison to county, but there are still some deficits to where the students would normally be within HLA’s own comparative framework.
- On the state level, FSA has been confirmed, but testing windows are not yet defined. Concern is getting the DA kids back on campus for testing. There are about 14 DA kids in the upper grades that are subject to FSA.

- In order to facilitate learning catch-up there is now a full-time aide in 1st grade as well as in K. That’s helping to work with small groups to catch up better.
- **Budget items:**
 - Principal Borganelli circulated an amended budget to compare to the board-ratified budget from June 2020, which was originated in spring 2020 with (in retrospect) deeply limited insight into the scale of pandemic adjustments that would be required. Some points of comparison are noted, as well as financial impacts that were discussed, and questions that were raised. The items below are roughly in order of overall fiscal impact on the budget.

- Capital improvements. Compared to the original budget, there were \$50k more of capital outlays (QB acct 7400) that were actually expended, for necessary upgrades to kitchen, soffits, and then roof (as was determined necessary part way through the Soffits job). Note that these funds have all already been spent, so the HLA cash position for February reflects these expenditures.
- The after-care program. This program is REALLY needed by those who use it, but fewer people are using it because more are working from home. Also, the expense of after-care is magnified by pandemic-required strategies of separating grades. It appears that the aftercare program is slowly regaining more members, but is still running a deficit, and will probably continue to do so for the remainder of the academic year. Note that HLA made a conscious choice to support this program with PPP funds to prevent valuable staff from having to seek other positions, especially during earlier phases of pandemic. Since then aftercare has been regaining participation, and many parents are realizing the benefits offered by the homework tutoring availability. In purely numerical terms, the aftercare program was expected in original budget to yield revenues of about \$80k, while the amended budget projects just under \$50k for the year. This deficit is slightly offset by operating costs that are about \$10k lower for the reduced participation. Subsequent budget revisions will update this further – the actual deficit may decrease.
- Basic Instructional Costs. Additional staff members to supplement the grade level teachers have been implemented, notably in 1st grade, where a full time classroom aide is supporting the learning needs of the students, which are more varied this year than usual. This results in an increase in about \$15k for aides' wages. Other budget items include pandemic related supplies for about \$9k. Most of the supply cost is expected to be offset by increased funding by CARES and ESSER grants.
- Cleaning expenses are up sharply. For obvious reasons. At this stage, guidelines have been revised and the cleaning schedule can be relaxed from 5 day a week to 3 day a week services, so there is a reasonable expectation that cleaning service costs will get lower again in subsequent revisions.
- Overall budget revised vs. projected. The revised budget projects a negative income of about \$23k for the year. The original budget projected a positive income of about \$37k, which represents a swing of \$60k. This is due to above items described in detail. Outside of the extraordinary capital outlays, the operating income is close to \$25k (to the positive). The silver lining is that all the capital outlays have already been paid, and the cash balance is about \$80k in February, with all bills paid already.
 - Next budget steps. The next planned activity is to generate a cash flow plan to identify any low points in cash balance. HLA had previously experienced a negative audit when cash balance fell below a threshold defined by a lending document. A review of current lending documents is underway and there do not appear to be covenants that dictate minimum balances. The desired cash reserve is an equivalent to two months of expenses, which will dictate the conservation strategy required by HLA.
 - Budget for next year. The next year budget work is being started. The above extraordinary items will NOT require repeats, so even if expenses and incomes remain same HLA would have a net positive income. HOWEVER, there is meaningful uncertainty about TSA funding and similar state support revenues, so discussion was begun on how to budget within an uncertain financial environment. One suggestion was a year-end bonus program for staff IF the budget situation does not permit meaningful raises. Or even if it does and HLA is able to meet its reserve targets.
- Board liaison report follow up:
 - Complaints: re – staff members that were not wearing masks appropriately. Management addressed and resolved the issue through education without any negative confrontations.

- **Board meetings planning.** For the foreseeable future all meetings will be conducted remotely by Zoom or alternate platform.
 - Next board meeting planned for
 - **Mar 16th 4pm.**
 - **April 20 (budget draft needed)**
 - **May 18 (budget approval). Do we need to plan staff salaries by then to ratify in June meeting?**
 - Note that school calendar goes to June 18th this year, so longer than usual.