

Bloomington Montessori School Board of Directors Meeting Minutes

December 14, 2021, 6:00 pm, Online via Zoom

Board Members Present

- Allison O'Boyle
- Janelle Terkhorn
- Phuong Thang
- Amanda Cook
- Christine Lovelace
- Russ Clark
- Bridget Stomberg
- Rob Danzman

Staff Members Present

- Quinn McAvoy
- Jess Davis
- Teresa Mandell
- Cyndi Williams
- April Waxler
- Nick Beatty

Preliminaries

Allison O'Boyle – President – **Time: 6:02 pm**

- Introductions and Welcome
- Approval of Minutes from November 2021 Board Meeting
 - **Phuong Thang moved to approve the minutes from the November 2021 Board meeting. Janelle Terkhorn seconded the motion. The motion carried with no objections or abstentions.**
- Call for Issues Not on the Agenda
 - Phuong said she wanted to discuss a proposal from the Finance Committee to reinvest the money from the school's expired Certificate of Deposit (CD). Allison said it could be added to her treasurer's report.

Treasurer Report

Phuong Thang – Treasurer – **Time: 6:03 pm**

Profit & Loss Sheet

- Phuong noted that November's finances were pretty steady, and there were not a lot of surprises.
- The school's ordinary income was \$7,000 higher than what was budgeted for, because Aftercare income was \$3,000 higher. There was also an increase due to revenue from the National School Lunch Program.
- The school's net ordinary income was higher than what was budgeted for, and November's expenses were steady with a couple of exceptions.
 - The school's insurance expenses were higher, because in November, the school's umbrella and commercial insurance coverage was paid. Our coverage is for a full year from October to October, and it was paid for in November.

- The kitchen expenses were higher, because we replaced a refrigerator for a new one that cost around \$5,000.
- These higher expenses were offset by the other expenses remaining steady.
- November's net income was \$15,290, which is \$7,000 higher than we budgeted for.
- Winter may bring some surprise expenses, like snow removal, but for now, we're staying on track with our budget and coming in better than we expected.

Balance Sheet

- Phuong said the school's checking and savings accounts for November looked really healthy.
- We have \$857,000 in checking/savings due to the second Paycheck Protection Program loan that helped cover staff payroll during the summer. That kept us from needing to dip into our Money Market account.
- Our Certificate of Deposit had \$503,000 at the end of October, but it expired in October. The money was transferred to our IUCU Fundraising accounts. The Finance Committee proposed reinvesting that money into a new CD.
- Phuong said most of the other balances remained consistent from month to month or are being amortized monthly, such as depreciation or certain liabilities.

First Reading of Fiscal Year 2023 Budget

- Quinn shared an Excel sheet and a Comparison sheet showing the budget proposal for Fiscal Year 2023.
- Phuong explained that for the past couple of years, the Finance Committee has tried to be conservative in regard to enrollment numbers. The fluctuation in those numbers impacts a big chunk of the school's expenses, which is salaries. Most of our expenses remain fixed.
- The committee tried not to overestimate our enrollment numbers with the continuing pandemic situation. They wanted to remain conservative, but also wanted to present the optimal scenarios budget-wise.
- The Worst Case Scenario budget anticipates we'll still be under COVID restrictions with limited classroom capacity. The enrollment numbers in that budget are based on our current situation and numbers.
- The Best Case Scenario budget anticipates the pandemic rules for social distancing will be lifted, which would increase our classroom capacity more to pre-pandemic numbers.
- In both scenarios, the committee embedded a 3% tuition increase and a 2.5% salary increase, which is consistent with what we've done in the past.
- The Worst Case scenario will result in a net loss of -\$28,366.00. The Best Case scenario will result in a net income of \$42,337.00. The difference of \$70,000 is based on enrollment numbers and an increase in staffing to accommodate the higher classroom capacity in the Best Case scenario.
- Bridget asked if the new lunch program will be extended into next year.
 - Quinn said they don't know yet. They were made aware of the program in the summer before the beginning of the school year. If the program isn't extended to next year, we'll go back to what we were using for our lunch program.
 - Phuong said the committee didn't want to assume the program would continue from a conservative standpoint. If it continues it will help us in the Worst Case scenario. Currently, what we have in both scenarios, the difference is an increase in students and higher food costs because of that increase.
- Russ mentioned the IU Surplus Store as a good resource for cheaper equipment and furniture.

- On the Budget Comparison document that Phuong shared, she pointed out the info that was used to get the numbers in the Excel file.
 - In each scenario, they accounted for the 6 scholarships. We would have 187 paying students in the Worst Case scenario versus 210 paying students in the Best Case.
 - She reviewed the numbers for each classroom and said there was still a buffer of 7 or 10 spots left open in the Best Case Scenario. With our current enrollment and a large wait list, the committee felt those were reasonable numbers to use.
 - The enrollment numbers also impact our lunch revenue and Aftercare income.
 - We had a successful summer camp this year, so the committee kept the same numbers for both scenarios, which was what we achieved in the summer plus the 3% tuition increase.
 - For salaries, the difference is due to increased staffing. Higher enrollment numbers means needing to hire additional assistant teachers/staff.
 - In the Worst Case scenario, the committee embedded the holiday bonus in the budget but not the year end performance evaluation bonus. Last year, because of the pandemic, the committee decided not to include the performance evaluation bonus in the budget. They wanted to wait and see what the financial situation of the school would be at the end of the year. We were able to pay the bonus to our staff.
 - For next year, the Best Case scenario is embedded with both bonuses with a 1.5% max based on staff's performance evaluation for that bonus.
 - All the other expenses in the budgets remain consistent with a couple of slight increases.
 - Our "association business expenses" will be higher because the accounting firm that did our financial compilation this year will be going a step higher and doing a financial review for us next year. The cost increase will be \$5,300 total.
 - We will be incurring more expenses due to certain building operations, so the committee decided to increase the budget to accommodate those.
 - We hadn't thought much about capital improvements in the past in a short and long term perspective. This year, the committee decided to take them into consideration. Quinn went through some old documentation and identified items that will eventually need to be replaced.
 - New kitchen stove and freezer: \$10,000
 - Magnolia flooring (which was postponed due to the pandemic): \$28,000
 - This is a long term capital improvement and will be capitalized. It will get amortized over the life of the asset, but it is still an out of pocket expense that needs to come out of our checking.
 - Sweetgum outdoor cabinets: \$3000
 - April said the outdoor cabinets continue to degrade and erode over time due to the water running off the roof in that area of the school. She said it makes more sense to get a quote for repairing the roof first and then deal with the cabinets later.

Proposal to Reinvest Money from Certificate of Deposit

- Phuong said the \$503,000 from our old CD was added to our Fundraising Account. Cyndi researched rates for current CDs, but they were not great
 - 0.5% for 13 months at IUCU
 - 0.75% at Capital One for 36 months. The committee didn't think it would be a good idea to put the money away for that long.

- The committee recommended not putting the money in a CD for longer than 12 or 13 months. She said they would reconvene and see if there are better rates coming up. We want to keep the term as short as possible. She said sometimes, the banks will advertise at a higher percentage, but after plugging in all the school's information, the percentage they finally give you is not the one they advertised.
- With the capital improvements added to the budget, the committee proposed keeping \$28,000 of that money in our savings or Money Market account and reinvesting \$475,000 in the IUCU CD at 0.5% for 13 months.
- Rob suggested the committee look into other vehicles for reinvesting, like Vanguard, which has a section that works with non-profits. He said they offer ESGs (environment, social, and governance and sustainable investing), which fits with our mission. The rates are around 7 – 10% and pretty consistent. He felt we could expand and think of it as an endowment.
- Phuong thought it might be worth looking into. The committee could come back next month with what they find and reassess.
- Allison said she would love for the Finance Committee to discuss Vanguard, but felt it would make more sense to reinvest in the short term option with the current conditions and not knowing if we'll get any more assistance from the government.
- Bridget pointed out the possible tax implications for non-business income. Cyndi said the school's IRA is with Fidelity. It would be changing the philosophy of the school to go into a riskier investment. She would need to talk with the accountant about possible tax implications.
- There was discussion on the benefits of waiting to reinvest the money while we researched other options versus reinvesting in Vanguard or some other vehicle right away for a better interest rate and possibly more income.
- Allison said she was fine with tabling the CD reinvestment question for a later date, but wondered if the Board could still leave out the \$28,000 for capital improvements. If we reinvested and pulled out money from any vehicle, there's going to be a penalty.
- **Russ Clark moved to hold back \$28,000 from the CD reinvestment money to be used for budgeted capital improvements. Phuong Thang seconded the motion. The motion carried with no objections or abstentions.**

President Report

Allison O'Boyle – President – **Time: 6:50 pm**

Committee Update

- The Executive Committee worked on the Pandemic Emergency Operations Plan (PEOP) and COVID management with Quinn. They modified the vaccine declaration status to include vaccinations for children. Communications to families about that form will be sent out in January.
- When the Indiana State Department of Health (ISDH) makes recommendations regarding pediatric vaccinations, we'll update the PEOP. There will be changes in quarantine and testing requirements.
- The Development Committee prep meeting happened on December 3rd. The committee changed certain membership requirements. They made suggestions for parent members and created a timeline for committee setup. In the spring or early summer, the committee will assemble a comprehensive development review, focusing on current development efforts, cost-effectiveness, and return on investment. Quinn and Cyndi will be able to get much of that information from QuickBooks.

- Some members of the Executive Committee helped admin with GivingTuesday and annual campaign materials.
- Strategic planning and review of the Technology Policy will happen in January.
- Jess had a question about mapping hours spent on fundraising and development goals. Cyndi said it can be estimate of hours spent working on fundraising, a percentage from month to month.

Final Reading of Policy Handbook Revisions

- Allison said edits to the policy handbook fell into two components: the inclusion of “and Board members” to certain sections, allowing us to expand the pool of potential Board members to people not directly affiliated with the school; and the addition of a more structured Disciplinary Policy.
- The committee submitted the revised disciplinary policy to Christine Bartlett for review. She made significant edits to the policy. The Executive Committee read those edits at their last meeting and approved the policy for final approval by the Board.
 - The policy kept the original goodwill statement at the beginning.
 - Christine added a statement about applying “gradual discipline to address employee misconduct” in most cases.”
 - She added “suspension with pay,” “suspension without pay,” and “termination” with the types of discipline that could occur.
 - She provided wording to outline specific examples that would warrant exceptions to gradual discipline.
 - She removed the sample “written warning” form. Quinn has a sample from the HR firm that worked with her old school.
- The Executive Committee felt comfortable with those edits and approved them to be sent to the Board for full approval.
- **Janelle Terkhorn moved to approve the changes to the Policy Handbook. Amanda Cook seconded the motion. The motion carried with no objections or abstentions.**

Governance Report

Janelle Terkhorn – Vice President – **Time: 7:01 pm**

Committee Update

- The Governance Committee met and discussed the structures and goals needed for a Board self-evaluation. They decided a hybrid model of surveys or smaller Q&A sessions with larger sessions devoted to questions sent ahead of time would work best for our Board.
- The main goals of the self-evaluation would be to cover areas of governance, financial oversight, and the strategic plan.
- The committee hopes to develop orientation material for new Board members based on what is discussed in the evaluation sessions.

Nominating Committee

- Two people have shown interest in applying for next year. One has already filled out an application. The committee will work on getting other applications after the Winter Break.
- Janelle will send another call out letter to the community for those who might be interested in joining the Board. She asked those present to let her know if anyone is interested in applying.

Final Reading of Bylaws Revisions

- Janelle went over the revisions to the Bylaws for one more reading. One change that was made prior to the meeting was to the membership of the Development Committee.

- For lead teachers, instead of requiring one of them to be a member of the committee, one of them can choose to join the committee or not. An admin is required to be a member, but another staff member can serve on the committee as well. One member of each of the governance and the finance committees is also required.
- The changes to the Development Committee section were taken from the *Trustee Handbook*.
- An age minimum of 18 years old was added as a requirement to serve on the Board. There were a few changes to some of the Director sections as well, mainly the Treasurer and Secretary roles.
- Janelle Terkhorn moved to approve the Bylaw changes. Russ Clark seconded the motion. The motion carried with no objections or abstentions.
- Janelle said the group would be discussing Board evaluation in Closed Session.

Operations Report

Admin Team – Quinn McAvoy, Jess Davis, Teresa Mandell, Cyndi Williams – **Time: 7:09 pm**

Table of Enrollment Numbers as of November 2021

Classrooms	Actual Enrollment 2021-2022	Class Capacities 2021-2022	Difference
Half-Day	48	48	0
All Day	44	44	0
Lower EL	53	59	-6
Upper EL	44	48	-4

- In the table above, “EL” means “elementary,” and “Half-Day” and “All Day” refer to the Early Childhood classrooms.

Enrollment

- Two students remain on sabbatical.
- We’re looking at three students coming back in the second semester, but waiting for more news of that.

Staff

- Hiring for Upper Elementary non-lead teacher, Hickory AM assistant teacher, and Spanish lead teacher continues
- Tonya McCray was hired to fill the Office Assistant position.
- Three staff are leaving after this semester.
- Quinn said she just interviewed a candidate for the Upper Elementary non-lead position.

Curriculum

- MCUM (Monroe County United Ministries) Holiday Food Basket service project arrangements
- Partnering with Sam for his transition to Lead teacher with curriculum planning and resource development.

Student Services

- Attended MCCSC team meetings for ISPs (Individualized Service Plans) for students and led in-house accommodation plan team meetings.

AMS

- AMS (American Montessori Society) accreditation qualifies us for automatic Validation by the United Montessori Schools of Indiana. Jess has completed the paperwork and the certificate is on its way.

Advocacy

- Montessori legislation work has been picked up by Senator Raatz for the 2022 session, and Jess is working with an LSA to draft language to make Montessori a recognized school category in the state, complete with exemption from conflicting childcare requirements. The legislation still could not go through, but we are beginning discussions with FSSA (Family and Social Services Administration) about what the “rule-making” would look like for the legislation.
- The state level accreditation is a Validation program. If a school becomes AMS certified, it is automatically validated in the state of Indiana. Jess is the Chair of the Validation Committee for the state, and she made sure BMS was validated.
- Jess is also the Chair of the Legislative Advocacy Committee for the State. If the legislation she’s been helping with passes, Montessori Early Childhood programs could then become registered licensed exempt, like a ministry, which means Montessori schools will get to teach their own way with more freedom. Health and safety will still apply. Schools will also have to be state validated to qualify.
- Jess said just getting the law passed doesn’t do a lot. There’s a rule making process afterward. She would like Montessori schools to achieve what ministries enjoy: they follow health and safety, but have the freedom to teach their own way as well as participate in Pathways to Quality. This would qualify eligible Montessori schools for Build Back Better funds and other funding.

Professional Development

- Quinn continues Ph.D. course work on Educational Leadership
- Jess continues an IU master’s program: Teaching, Learning, and Curriculum.
- Jess and April will be attending the AMS annual conference to be held in Nashville, Tennessee, in March 2022.

Administrative

- Enrollment
 - Tours
 - Inquiry follow-up phone calls
- CTBS standardized testing materials have been ordered
- PEOP (Pandemic Emergency Operations Plan)
 - Continued to attend Department of Education and Indiana State Department of Health briefings weekly
 - Continued updates (community transmission considerations, local provider requirements, etc.)
 - Tracking and documenting all illness absences per PEOP protocol.
 - Updates to contact tracing procedures (schools now responsible for contract tracing within the school setting and reporting this through the state portal)
 - Researched and attended COVID testing training
 - The next update to the community will be on January 7th about the student vaccine declaration forms.

Community Partnerships

- City of Bloomington Martin Luther King Jr. Commission “One Community” social justice curriculum
 - Many schools in the county are interested and we are recording training videos and recruiting volunteers.
- MCUM All-School Food Drive

Facilities

- MAINTENANCE
 - PENDING:
 - Nothing currently
 - Installation of AED from funds from the Take a Hike Challenge

Technology

- Support for Cyndi (cutting checks)
- Maintenance of Listservs (adding and deleting people, investigating bounced messages)
- Updates to all laptops in Sycamore (6), Chromebooks (24 in use, 13 not in use), all Lead Teacher laptops (7), kitchen (1), and all admin (3)
- Learning more about Google Apps and upcoming developments
- Currently participating in the Nominating Committee
- Modifications to the .ORG site for the new fundraising campaign: created a button and modified the pages necessary
- Coordinated the transfer of our domain lease to GoDaddy with Morgan of GoMontessori. Followed-up with our old Reclaim Hosting site.
- Support with printing for April and Alice
- Met with Quinn for an update on future tasks and projects (weekly one-on-one meetings)
- Giving Tuesday (re-encoded our videos to work with playlists, created a spreadsheet with organization and built-in buffers for videos, provided support for Quinn to set up the event, learned more about OneStream.Live)
- Investigated the use of Vimeo for our Giving Tuesday event. After review, we decided that we were better off just going with what we knew as the cost comparison was quite large between OneStream and Vimeo Pro.
- New Scholarship Application added to website and link provided to Quinn
- Addressed listserv issues Jess had with Sycamore list
- Investigated listserv issues with Quinn regarding lunch and aftercare emails not being sent, learned you must address one email listserv at a time
- Attended FACTS training for Inquiries (always new things coming through; main focus was on trends, reporting of inquiries, and creating events)
- Attended Vimeo "Webinar Confessionals"; the main take-aways for Teresa were always do a dry run, always script out your interview, always run dual sessions of the webinar/event; this was after GivingTuesday
- Quinn said GivingTuesday went much smoother this year.

Development/Fundraising Committee

- Giving Tuesday, November 30th: raised \$13,240
- Annual Campaign underway
- Board Fundraising Committee creation underway and met December 3rd

Communications

- Bi-monthly Newsletters, emails to community
- Facebook posts
- Event Flyers
- Website updates

Finances as of November 30th, 2021

- Main checking: \$196,946.61

- Money market: \$120,400.38
- Fundraising: \$543,879.35
- Café Account: \$6,863.90
- Fiscal Year 2023 budget draft created and up for first reading
 - Best and Worst Case Scenarios provided dependent on COVID protocols
- Tuition delinquency: \$11,432.41; a family with 2 students are behind on payments; if they don't make payment arrangements by the start of the second semester and start making payments, their spots will be released to families on the waitlist
- IUCU Loan balance: \$659,528.37
- Enoch Scholarship funds received: \$1,300
- Unemployment Account: credit of \$2,069.74
- Aflac account established, began December 1st, 2021, for interested employees

Closing

Allison O'Boyle – President – **Time: 7:17 pm**

- Allison thanked the Board for contributing to the match opportunity that is currently ongoing.
 - The Board is offering a up to \$5,000 match to donation this month.

Meeting Adjourned: 7:18 pm

Respectfully Submitted by Amanda Cook, Board Secretary