



Board Meeting Minutes – June 1, 2022

Present: Paul Fields, Dan Smith, Erika Schwartz, Rachel Gardell, Patrick Wrobel, Eric Robertson, Michael Hsu, Kristen Bauer, Wendy Ricketts, Rick Larson

Absent: Lori Silverman, Shannon Dale, Matty Berryessa, Rachel Gitner

Paul Fields calls meeting to order at 5:32 p.m.

Approval of April Minutes: Rick motions to approve April 2022 minutes, Eric Robertson seconds the motion. Unanimously approved as submitted.

Finance Report (Dan):

- April Financials: Reviews April 2022 financial statements. April was not as unprofitable as budgeted. We are continuing to be mindful of spending. We have cash reserves to get us through this period and the next fiscal year. We received the ERTC check from the IRS, so the cash balance is over \$2M.

Questions & Comments:

Rick asks if staff paychecks are paid throughout the calendar year or school year; will we owe the 10/12 employees money? Mark shares that we have 12/12 employees, 10/10 employees, and 10/12 employees. The 10/10 employees have the option to work during the summer this year and some of them may become 12/12 employees. Dan shows the balance sheet line that indicates reserves set aside for 10/12 payroll; it has been accounted for.

Paul asks about consolidated statement p.17 showing an accounts receivable deficit compared to last year. Dan explains that this is due to an ERTC payment that was coded to the wrong account. This mistake will be corrected by the next budget meeting.

FY 22/23 Budget Proposal (Mark):

- Budget Proposal: Team has been working hard since January to present the board with the most realistic budget possible. Presenting 3 budgets with different enrollment scenarios. Hiring has increased and enrollment has increased; we are trying to get to 70 students by the end of the school year. 37 students approved for ESY, which is a historic high.
- Reviews budget scenarios: 77 students, 85 students, 94 students.
- Open enrollment for benefits will affect the budget and when the period closes, the benefit expense will be clarified.
- Our budget is simple, based on enrollment.
- We have heard good news about referrals and are sending out new district contracts that reflect a 6% tuition increase with no negative feedback.
- Planning to start the school year with 70+ students based on ESY enrollment.
- Mark cautions that we are still facing Covid with student and teacher absences.

Questions & Comments:

Paul asks if hiring referral benefits will be offered. Mark shares that referral benefits have been offered all year (\$1000 for minimum 6 months longevity).

Erika asks why we are hiring certified teachers for PE and Transition when paraprofessionals have been doing those jobs. Mark explains that the positions have historically been covered by existing staff who have an interest in PE/transition and those staff have left within the past two months. Transition is one of our 4 pillars, so hiring a certified teacher for the position will help us focus on that area.

Patrick asks about the timeline for budget approval. Mark answers that once open enrollment is complete, the budget can be finalized and ready for approval by the next board meeting, on 6/21/22.

Wendy asks about the difference between the deficit difference between 77-94 students. Mark explains that we require full staff for 85 students, so there is not a huge difference in staffing expenses when we increase enrollment to 94 students.

Rick points out that we are anticipating a \$580K loss with two of the budget scenarios. Mark explains that it's hard to predict what enrollment will be at the start of the school year and the deficit will be higher the first few months of the school year until enrollment increases. Rick wants to be cognizant of what starting the year at a deficit will do to our reserves by the end of next school year. Dan shares that we are expecting another \$500K from the IRS for ERTC, which will change the cash position.

Kristen asks if there is a chance we would not get the ERTC money. Mark feels very confident it will come because it has been approved already.

Development Report (Mark & Erika):

- Successful 21/22 Four Pillar Campaign: \$480K raised and another \$10K expected from OnPoint. This exceeds our goal of \$400K
- Fundraising Next Year: Brainstorming ideas for larger fundraising events, including the possibility of a gala. The Garden Party will be a good test of what an in-person event feels like for Serendipity.
- Alumni Engagement: Possibility of alumni committee. There is an active alumni group who engage frequently with Serendipity's social media. Brainstorming ways to involve them in fundraising.
- July 16th Garden Party: Please invite friends and family, we will be adding them to our mailing list but not asking for a commitment of a donation. Board members should be ready to invite 10 people. This is a community event, so local businesses/neighbors will be invited too.

Question & Comments:

Patrick asks if the garden event will be dog-friendly. Mark will find out.

Kristen asks if a date for a gala has been set. No, this is early in the brainstorming process.

Committee reports

Capital Committee (Rick): Committee did not meet, no report.

Donor Engagement Committee (Erika): Legislative tour next week to continue building relationships with legislators who have been champions in the past and/or are replacing past champions as they retire. Paul shares that we are courting a realty firm called Knipe Realty, will be touring soon. Dennis' 7 Dees has also expressed interest.

Programs Committee (Michael): Committee did not meet, no report.

Nominations and Equity (Wendy): Wendy is touring the Ballmer Institute next week. 2 new nominations to contact.

Data and Outcomes (Paul): Very good progress, focusing on outcomes now and continuing over the next two years.

Executive Director Report (Mark):

- Enrollment is looking positive.
- Covid continues but we have continuously worn masks and practiced social distancing, so we have managed fairly well. Not having to return to CDL is a huge success.
- 1:1 board member meetings are wrapping up. Mark thanks board for their service
- This has been a challenging nonprofit development year and we exceeded our fundraising goals.

Questions & Comments:

Wendy asks about summer programming; is Nicholas going to hold the corporate work parties? Mark shares that Fridays are non-student days in the summer and Nicholas can host garden parties for corporate donors.

Rick asks about graduation logistics. We have 7 graduates this year and 8 were eligible (the 8th plans to graduate in the summer or fall) . Wendy shares that it's a typical graduation and Board members are welcome. Attire is business casual. Each graduate picks a staff member to talk about them. Board members serve cake at a reception in the courtyard. Expect 2 hours.

Board Chair Report (Paul):

Current Board bylaws include term limit rules. The rules were adopted 2 years ago for a 3 year term allowed three times, but the Board member must take a year off after 3 terms. Paul suggests beginning the Board tenure rule when the bylaw was adopted so that we can maintain continuity for transitions in Board positions rather than phase out several long-serving Board members at once this year.

Meeting adjourned at 6:30 p.m. with the reading of the Serendipity mission.