

Lerner Jewish Community Day School
Meeting of the Board of Directors
Tuesday, June 7, 2016
6:00-9:00 pm

In attendance: Christy Brooks, Sally Brown, Jonathan Dayan, Hollis Gauss, Norma Gindes, Elyza Halev, Tal Lewin-Wittle, Jon Lovins, Grace Marion, Allison Oakes, Marlo Wilcox, Kathryn Wolf

Absent: Richard Goldberg, Norah Goldman, Andrew Janiak

I. Welcome

- A. Consent Agenda and May 2016 minutes approved
- B. D'var Torah by Hollis speaks on Shavuot this week (7 weeks after Pesach) and we move from liberation to revelation. Hollis shares her hope that the Jewish Life will take on coaching

II. HOS Report - Allison

- A. Coming to the conclusion of her 2nd year at Lerner; Allison shares a document with 2-year update talking points
- B. Areas of note: Education and Programming, including re-accreditation, Business, Staffing, Organizational Structure, Admissions/Enrollment, Development, Communications, Community/Relationships, Facility
 - 1. 2017 goal - PS Hebrew Immersion
 - 2. Question about who will provide the afterschool activities - depends on the activities: a mix of vendors, volunteers and internal offerings
 - 3. Staff evaluation tool (non-teaching faculty) - development, admissions, business, office, directors
 - a) Discussion of new tool for professionalism and work behaviors
 - b) Increased enrollment is not currently increasing the need for the number of faculty/staff
 - 4. PR & Communications is currently being run by Allison; proposal for Board member/committee for messaging strategy
- C. Enrollment looking better than what we budgeted for! Spreadsheet update shared; some pendings have already rolled over to enrolled (6-7)
 - 1. Currently 124 with 128 enrolled
 - 2. 135 for 2016-17
 - 3. Discussion ensues regarding known attrition; numbers aren't adding up
 - a) Look at estimate
 - 4. Question: in Kindergarten, how many came from our PS, how many from outside PS?
 - a) 10 from Lerner, 5 from outside (moving in, Israel & other PS/daycares)

III. Finance Report - Etan

- A. Etan shares that his youngest's bar mitzvah is 1.5 weeks away
- B. Year-end update/changes
 - 1. Development - trying to get those pledges in, but unclear at this time (more detail in Development Report in Dropbox; \$10K short)
 - 2. Misc Income; will discuss in PJC Report
 - a) +\$15K from PJC
 - 3. Expense adjustments: substitutes, repairs, ongoing support; up-to-the-minute expenses to be allocated

4. At \$116K instead of \$113K in the red
 - a) Budgeted for \$27K but are at \$116K in the red
 - b) Reported \$113K in the red at Annual Meeting
 5. Question regarding \$78K in Admin
 6. Fuchs-Gelb money came in/restricted funds offset Flexible Tuition; with Rashkis we're \$14K over
- C. Reserve transfers shared - cash flow
1. Current Year End deficit and one time non-operating amounts previously shared
 2. Opening balance deficits newly shared
 - a) \$20K we won't receive from a family that withdrew in 2014-15
 - b) \$16K accounts receivable; owed to the school; had to collect from reserves to cover the costs
 - (1) Most is afterschool payments
 - (2) Discussion regarding afterschool with management of staff, etc.
 - (3) Goal to address afterschool payments for 2016-17
 - c) \$20K Endowment cash
 3. Discussion of \$20K 2013-14 tuition write-down is like an accrual; never written off; was carried over
 4. = lacking cash flow based on anticipated accounts receivable
 5. Reality of collecting the \$16K - families are invoiced for it; fiscal year ends June 30th
 - a) Is there a subcommittee? It's the function of the business office
 - b) Spent year working out business office management
 - c) Norma states for the record: Concern shared that reserves are so low - budget and Reserves presented were incorrect - clarification from Etan: only transferred an additional \$56K from Reserves
 - (1) How did it happen that what we presented was not correct?
 - (2) 6 months of cleaning the books and not being able to address current books, with many months catching up
 - (a) Influx of money July 1st represents cash flow, but it's for 2016-17, not this closing year
 - (3) What is going to be put in place to assure that moving forward we won't be \$116K in the red next year as well.
 - d) Finance Committee is asking for additional budget cuts
 - e) Hollis states for the record that \$56K is still too much
- 6.
- D. Plan to replenish reserves remains - \$16K accounts receivable to go back, budgeted surplus \$35K, and enrollment projections will add an additional \$75-100K, which can go back into reserves (which was removed to make cash flow to pay out)
1. Not a guarantee, projected
 2. Close to target for our income
 3. Need to focus our concern on our expense, not the income
- E. Accounts receivable discussion continues - future policy when in arrears? Continue conversation with Business Office and in Finance Committee
1. Worth looking into accounts receivable from 2014-15
 2. Only came to the Treasurer's attention because we needed to dip into Reserves because of the cash flow problem
 - a) Would the Board know? Would the Business Manager know? Would HOS know?

- b) Has it happened in the past? Was it a big deal? Did we wind up writing it off? - seeking clarity
 - 3. Currently covered with a transfer from Reserves; will it go back into Reserves? Yes, that is the plan.
 - a) Plan to open a savings account because holding money in CD constricts cash
- F. Vision to build up Reserves from Replenishing column AND (based on differences from budget we voted on and now) where do we find an additional \$35K
 - 1. Finance Committee has communicated with Allison prior to the Board meeting tonight to work on Plan B
- G. Enrollment update shared - \$137K behind what we budgeted; pending contracted money will more than cover that amount
- H. Business Office - Meghan business manager has taken another job and will with Lerner for another 2 weeks; Allison picks up
 - 1. Minimized facilities from business office to front office
 - a) Masha is staying in Business Office
 - (1) Will continue volunteer on books for tuition remittance
 - b) Looking for Office and Facilities person; Nofar is moving to Las Vegas
 - 2. Looking for someone who is more than a bookkeeper, but a business manager with accounting experience; Allison is engaging in a search
 - a) Marlo and Tal are supporting Allison in the job description & search
 - b) Discussion regarding posting avenues
- I. POP! Etan's last hurrah!

IV. PJC Report - Hollis

- A. Background information - local Jewish organizations came together to an agreement (for 99 years) and to build the JCC and the Lerner Preschool Pavilion
 - 1. Lerner would pay \$60K per year (based on banks necessary income stream) for rental of rooms
 - 2. And the economy happened
- B. Lerner wanted to relieve ourselves of the \$60K payment
 - 1. Lay leaders started discussing prior to new executive
 - 2. Understood that we would get \$30K back from \$60K rental
 - 3. Not a shared understanding, but now a shared understanding and counterpart
- C. Moving forward, Lerner will continue to pay \$60 and we will receive \$30, EXCEPT for this year (due to lack of shared understanding)
 - 1. This year, we will receive \$15K return, but may receive surplus
 - a) It may not come by June 30th, but we will apply to 2015-16
 - 2. Difference between fiscal years
 - a) Plan to receive \$15K per semester
 - 3. We understood it but previously the board never voted on it; they have now voted on it and
 - 4. \$15K receive by December 30th, perhaps more
 - a) Beginning January 1, 2017, will receive \$15K every 6 months
 - 5. Must reciprocate and vote on it, eventually!
 - 6. Will change next year's budget
 - 7. Need Federation to write a payment plan in order to be able to solidify and put on the table (\$30K and dates)

8. Future other scenarios for the Partnership (Andrew looking into it as an ongoing advocate for this topic)
9. Must pay \$60K per year because of the way the mortgage is held, until the mortgage is paid
 - a) Discuss changing the lease after mortgage is paid
10. Question - \$15K by 12/30, but don't get spaces (do get the gym)
 - a) Relinquish rooms? Who cares? Pay to move again?
- 11.

D. Question regarding contract/lease

E. Want BOTH institutions to succeed

1. Wanted protection to preserve spaces in JCC for Lerner's growing enrollment
2. Must treat our partners as our partners
3. Discussion ensues about protecting all of our interests; we are Federation's biggest allocation and major beneficiary

V. Executive Session begins at 7:48pm with Allison's departure

VI. Adjourn

Minutes taken by Christy Brooks, Secretary

Next meeting: Tuesday, =====, 2016 6:30-8:30PM at Levin JCC Israel Center