

## **TCGIS Finance Committee**

Minutes: April 14, 2011

**Attendees:** Christian Engelbrecht (GAI), Annika Fjelstad (School Director), Kimberly Kompel (Board Chair), Renee Moelders (Treasurer), Leslie Kasel, Michael Dorneich, Andrew Oxenham and Molly Illes.

Meeting called to order at 6:40 p.m.

March minutes will be approved at the May finance committee meeting.

### **Review of March Financials**

The committee reviewed March financials with Leslie and Renee. Items of note:

- Revenues and expenditures are tracking at or under expected for the year.
- The payroll deductions line item on the liabilities section of the balance sheet is back at normal levels due to the refund received for FICA taxes on 2009 – 2010 employees.
- On the course code revenue – expense detail report, many grants are still under spent. The funds to be spent are for salary, and will come out incrementally as we complete the school year.
- Kim questioned whether the continuing positive net income in the food services program indicates there won't be a loss this school year. Renee stated that we are still uncertain how the lunch program will fare. \$7,500 of GIEF funds were transferred in earlier in the year to offset the cost of amity lunches, so this may be positively affecting the net income. Leslie also noted that families pay ahead for lunches, so the expenses may be behind the income. Leslie offered to do an analysis of our program to break out incoming revenue streams (families, state & federal government reimbursements) and expenses. This analysis has in the past allowed her to identify problem areas, i.e. waste. She will work to have that ready for the May finance committee meeting.
- Michael questioned a note on the executive summary about an over accrual of 09-10 state aid. Leslie explained that as the state finalizes aid calculations after the close of the school year, there are sometimes adjustments. This adjustment reflects an overpayment to the school, which may mean a reduction in our fund balance for the current school year of up to \$5,314.
- The loan from Park Midway reflected in the executive summary is a line of credit of \$50,000. It is available only as we need it. We paid an origination fee and will only pay for the line as we draw upon it.
- On the Detailed Payment Register page 8, the returned item fee to Park Midway Bank is for a check written to the school that did not clear their bank.
- Leslie will provide a cash projection in the May financials. She keeps a vigilant eye on our cash balance and will let us know a week ahead of time if funds are needed. There have been no significant changes in the assumptions used in the last cash projection.
- There has been savings in salaries and benefits through using staff to handle recess and lunch duties.
- The working budget has been adjusted to reflect an additional \$5,000 in spending on the website for this year (contracted services).
- Annika noted that she will spend \$2,000 of the unspent textbook funds of \$7,000 to purchase curriculum development software. The software is web-based and the license allows all teachers at TCGIS to use it.

### **2010 – 2011 school year budget revision**

Kim motioned to approve the revised 2010-2011 budget and Michael seconded the motion. All present verbally approved. (The revised budget is the working budget reflected in the March 2011 financial statements).

### **Review of the 2011 – 2012 budget development process and approved budget**

The 2011 – 2012 budget was approved by the board at their March board meeting. Next year the committee intends to start the process earlier. The proposed process is as follows:

- December – review the budgeting checklist of expected changes for the upcoming year with the finance committee

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- January – refine financial impact of expected changes with the finance committee. Have a discussion with the board about funding priorities and develop a board wish list.
- February – review budget models that incorporate expected changes and board priorities with the finance committee. Revise as appropriate for the board meeting.
- March – finalize the budget for board approval in March.

Future year (2012 – 2013 school year, 2013 – 2014 school year) assumptions include: continued high textbook costs, performing arts position and performing arts fundraising, \$2,000 library funding, additional 2 FTE for 2012 – 2013, additional 1 FTE for 2013 – 2014.

Michael is concerned that our projection of students is overly optimistic in the 2013 -2014 projection. Renee will work on this issue and propose a correction for the May finance committee meeting. Michael also asked if we are tracking attrition. Kim noted that we are closely tracking student reasons for leaving, and the majority is due to parents moving. Also, some of the kids are only leaving short-term and will be returning.

As discussed previously, recruiting needs to be a high priority in the fall of 2011.

### **Steps and lanes compensation process**

The model that is currently used for hiring is a steps and lanes chart that takes into consideration a teacher's years of experience and level of education. The model assumes a 3% increase for each change in step or lane. Due to the near freeze in teacher compensation, new teachers are being hired at rates higher than their peers currently working for TCGIS. This creates disparity among the staff and is not a good situation for teacher morale.

Looking at our peer schools, some were using QComp to get away from the steps and lanes system. Unfortunately, it looks like QComp is not a priority to the new Governor or the Legislature. There has been a legislative bill proposed that would freeze salaries for all public school teachers, including those working for charters. Many in government feel teachers and schools should use a new kind of model for compensation.

The committee felt it important to get feedback from the teacher community in developing a new system to replace steps and lanes. Renee and Annika will form a task force, with Kim providing input on the legislative process and its impact on the issue. The goal is to get a new plan approved at the November 2011 board meeting so that the spending implications can be incorporated into the next year's budget model.

### **Lease aid application**

The deadline for our lease aid application is May 21, 2011.

The meeting adjourned at 7:55 p.m.

### **Summary of action items pending**

- **Annika** to develop a calendar of fundraising / other asks for funds.
- **Kim and Renee** will bring a contract policy to the March finance committee meeting.
- The deadline for our lease aid application is May 21, 2011 (**Annika**)
- **Leslie** will perform an analysis of our lunch program for the May finance committee meeting.
- **Renee** will analyze the student numbers projected for the 2013-2014 school year and propose a correction at the May finance committee meeting.
- **Renee and Annika** will form a task force to create an alternative compensation model to steps and lanes.