

**MINUTES  
VSWEA BOARD OF DIRECTORS  
REGULAR MEETING  
WEDNESDAY JULY 15, 2020  
VIA ZOOM**

<https://us02web.zoom.us/j/87553667778?pwd=aG9NeVZSMmhWcktSYnNrNXBXbmt4QT09>

**MEMBERS PRESENT:**

Matthew Walker – President (M.W.)	John Tanner (J.T.)
John Elling – Treasurer (J.E.)	April Sauer (A.S.)
Gregory Schneider – Secretary (G.S.)	Nathaniel Allen (N.A.)

**MEMBERS ABSENT: None**

The President, Treasurer, and Secretary were present and a quorum was reached.

**GUESTS**

Invitees of the Board:

- Christie Kriegsfeld (C.K.)
- Priscilla Garza (P.G.)

Members of the public present via Zoom/Registration through Google Forms:

- Barb Cunningham
- Beth
- Carol Moriarty
- Colleen Pope
- Deborrah Allen
- g
- ginareyes
- Heather Sullivan
- Helena Moriarty
- Jennifer Walker
- JJ
- Juli Curtin
- Kim Baker
- LACoady
- Laura H
- Michelle
- Michelle Kratzer
- Miss Schleigh
- sami
- Sarah Williamson
- Susan Kerr

## OPENING VERSE

Meeting was called to order at 6:33 p.m.

## INTRODUCTIONS

Board Members introduced themselves and review of meeting procedure occurred. M.W. made a statement regarding the uncertainties surrounding COVID-19 and the constantly changing information, plans, and guidance from federal, state, and local authorities. M.W. stressed the importance of DMS being the best source of information regarding the school's plans, rather than secondhand information. M.W. provided an overview of the agenda.

## BOARD PROCEDURES

### Approval of Minutes

M.W. – moved to approve minutes of 7/9/2020 meeting both the public and executive session portions; A.S. second. No further discussion. Yea: M.W., J.E., J.T., N.A., A.S. / No: -- / Abstain: G.S. **Motion passes.**

### Board Calendar

M.W. thanked A.S. for creating the Board calendar and its importance for preserving the Board's institutional knowledge.

A.S. noted that the document will be continually updated with the latest date. Most important item to discuss is the education of the Board. A.S. also created a document called "Board Education" with the hope that each Board member would pick a topic on which we could have someone present at particular Board meetings regarding certain topics. A.S. has contacted Liz Beaven and Abbey Ross already. A.S. invited comments on the document.

N.A. asked what sort of presenters A.S. had in mind.

A.S. said that she foresaw a broad range of topics and was open to any ideas about presenters.

M.W. noted that there was also a way to have meetings as a Board for educational purposes as long as Board business was not discussed. But for now this seemed like a reasonable approach to have a small educational component to the Board meetings.

### Board Operating Manual

M.W. noted current thinking on creating a unified document that contained the Board's policies, procedures, best practices, etc., which would facilitate a single place for containing the Board's knowledge as well as easing knowledge transfer to new Board members. Questioned how to best create such a document.

A.S. volunteered to spearhead the creation of such a document. Mentioned that she would value input from all Board members on its creation, and would like it to result in addition to a hard copy document, a document that could be printed and reside in the office.

G.S. expressed concern about trying to maintain a hard copy as well as digital copy.

A.S. mentioned that it would be useful to have a printed copy for ease of quickly seeing everything in one place.

G.S. suggested compromise could be a statement noting that the controlling version is the one available in the Drive so people know to check for the latest version.

M.W. suggested next steps are for Board members to funnel relevant documents to A.S. and for A.S. to consider how best to create a table of contents for such a document.

### **BUDGET AND FINANCE**

M.W. invited C.K. and P.G. into the meeting. M.W. invited a discussion of the general financial condition of the school. M.W. invited J.E. to address the general financial condition.

J.E. advised he had questions about the condition of the school rather than a statement about the financial condition of the school. J.E. noted that some of the financial documents we have so far do not paint the complete picture because June is the year end, and it takes a significant amount of time to close the financial documents.

P.G. reiterated that June is the end of the fiscal year and a lot of work is required to finalize reports for that month. One payroll period for June is in the report already, but another one is not yet. The Prop 301 money has been estimated in the reports so far but it has not yet posted. The second payment for instructional payment is estimated, and will be set at the final adjustment. For audit prep, we are working on actions that make sure we are ready. Looking at a bad debt accrual of \$32,000. There are new guidance regarding the PPP loan. This new guidance suggests that if forgiveness is met, you can recognize the revenue on the date the loan was taken. This would mean we could book the PPP loan revenue as income in the 19/20 fiscal year. The total income for the school this year has been \$3.1M. The overall expenses is \$2.9M. Adding in other expenses, we have additional expenses of \$285K. That results in a net loss of \$77K, including depreciation expense of \$150K.

G.S. clarified that this was for fiscal year 2019–2020, not the current fiscal year, which just started.

P.G. noted that there are also month-by-month breakdowns.

P.G. next discussed the Budgets vs. Actuals. Our income was \$3.1M actual versus \$3.2M budgeted. The expenses were \$2.9M actual versus budgeted of \$3M. Combined with other expenses, this resulted in a net loss of \$77K.

P.G. presented the Balance Sheet. We have \$317K cash on hand, \$92K in the PPP loan account, and the \$61K in restricted savings.

J.E. asked whether the PPP loan account will be lower because of the payouts already for payroll in July.

P.G./C.K. confirmed that it would be reduced to zero with those payrolls.

P.G. explained that the accounts receivable are uncollected accounts receivable, uncollected Prop 301 funds, and an allowance for bad debt that we've already expensed in other years, resulting in a total accounts receivable of \$27,642.63.

M.W. questioned what steps the school has taken to collect on those accounts.

C.K. – noted that the school has reached its limit in attempting to collect tuition.

M.W. – questioned what tuition this stemmed from.

C.K. – explained this was for the private program and for after care. This number used to be six figures but was reduced by requiring a credit card for auto-pay. The school has also implemented new mechanisms to make sure payments are made simultaneously with service or charged to credit cards on file immediately after service. The financial information is kept confidential.

N.A. questioned whether it was possible to have these different categories of accounts receivable broken out in broad categories so that it would be possible to review publicly.

P.G. explained that it was not possible to do that. P.G. noted that they are now changing the way these amounts are going to be accounted for differently so that it will only be recognized as income when received, and wouldn't be tracked as an account receivable.

M.W. stressed the importance of paying for the services they have used at the school and the significant impact it has on the school's finances. Questioned whether we would have to write off the remaining \$32,000 as bad debt.

C.K. confirmed that the school has done the best it can to collect all these amounts and believed it was time to cut the school's losses and move on.

P.G. confirmed she would mark these amounts as bad debts so that they could be removed from the books. P.G. noted that the total assets of the school on the balance sheet are currently \$2.7M.

M.W. commented that RSF suggested they would require a certain level of liquidity, and thus there could be a reason to maintain a certain level of cash.

P.G. explained the liabilities and equity. As of the end of June, school had \$23K in accounts payable, \$1K in credit cards. Accrued payroll is an accounting entry. Unearned revenue is an adjustment from the state, and we had a few parents who prepaid their August dues. There have been a few deposits for the private program. The short term loan is the community loan that was taken out in December. The long term loans are the Crabtree loan, the RSF loan, and the PPP loan. The total liabilities are \$2 million, and total equity is \$660K.

#### Capital Expenditures

APPROVED 7/29/2020

M.W. explained that we have a list of needed capital expenditures and questioned J.T. on priorities.

J.T. explained that the septic system was at the top of list and needed to be fixed.

C.K. noted that the approximate cost would be approximately \$5,000.

J.T. further noted that anything to do with air conditioning was a priority.

C.K. commented that there were ongoing expenses with the air conditioning units, and that there are specific issues with the units themselves. Mr. Pawlo has noted that some of the units are not the appropriate size for the building and are being asked to cool too much.

J.T. noted these are the highest priority issues assuming we are back on campus. If for some reason school did not resume in person until 2021, we would have more flexibility.

M.W. questioned whether it would be possible to prioritize some of these air conditioners so that we are not looking at an \$80,000 expense all at the same time.

N.A. also questioned whether there was a way that we could spread out the cost of replacing these units, and whether we could have a temporary unit to move into buildings as they fail, then contact the vendor to replace the unit as they fail.

J.T. questioned whether N.A. wanted him to come up with a plan along those lines.

N.A. said that it was more a question for the board about spreading out the cash demands on the school.

General discussion ensued involving M.W., N.A., J.E., J.T., and G.S. the best approach for replacing and upgrading AC units.

M.W. asked what else would be at the top of the list for priorities.

J.T. said the "Level B" priorities would include: the re-keying of the campus so that the classroom doors can be locked from the inside.

C.K. noted that priority was also consistent with needing to address emergency response procedures.

N.A. asked whether locking from the inside would satisfy the door requirement.

J.T. noted that they would not include panic bars, and that there were many makes and models.

N.A. wondered whether it would be possible to get a quote for the panic bars as well.

J.T. confirmed he would seek such a quote.

N.A. questioned whether there was a way to spread out capital expenditures over time so that smaller expenses (like the lawn mower) are not so painful.

J.T. said he would look into that as well.

M.W. questioned the expenses related to COVID risk management and the cost of those items. C.K. noted that there was \$50,000 in the budget for the purpose, and that those amounts could be used to cover those expenses.

M.W. said she should consider the expense related to the septic system approved whenever it ultimately comes in.

M.W. moves to approve expenditure for septic repair not exceed \$7,000, G.S. second. J.T. noted he believed \$5,000 would cover it. No further discussion. Unanimously in favor (M.W., G.S., J.T., J.E., N.A., A.S.). **Motion passes.**

#### Fundraising

M.W. explained that N.A. and A.S. have both expressed interest in fundraising and N.A. had significant ideas about that and invited him to explain.

N.A. explained it was important to consider the context of the school as a charter school and 501(c)(3) organization and wanted to unify the way we as a Board think about fundraising. N.A. discussed a PowerPoint presentation that covered details about how to unify the way we talk about fundraising and ideas for a new fundraising program.

M.W. thanked N.A. for the presentation and has heard something similar called acknowledging “time, talent, and treasure.” Liked making distinctions between day-to-day operational needs versus more capital intensive needs like the wood shop.

A.S. commented that anything is better than nothing and hoped to involve as many as possible to keep something going. Noted important to continue to foster the parent council relationship. Noted the need to be better about having more informal communications from the Board to help connect the community and tap all of the resources available in the community, which could help Board’s relationship with community.

N.A. agreed with the importance of tapping the unusual skills and abilities of the community. Stressed the need to have fun together again and to put the “fun” in fundraising.

G.S. questioned how the fundraising project would be implemented and how time would be coordinated to implement the general vision N.A. presented.

N.A. explained that it was necessary to just get started doing something and that he would do as much as he can.

APPROVED 7/29/2020

M.W. expressed an interest in seeing more definition in the plan and coordination with the school before really putting everything out in front of the community.

M.W. thanked P.G. for her time and excused her from further participation in the meeting.

A break commenced at 8:23 p.m.

Meeting resumed at 8:33 p.m.

M.W. wanted to address a line item on possible capital expenditures and options to address school financial needs. There are no plans to remove animals from the campus. We are not removing animals from the campus. To the extent that there was a misunderstanding about any plans to do so — there are none.

### **COVID-19**

M.W. invited C.K. back into the meeting, and began by thanking her for her extensive hard work on this topic for months. M.W. further noted that there is not a single approach to school re-opening plans and that there are many different possibilities being considered by schools all over the country. We have an advantage because we have a small school. But it also means we don't have the same amount of resources as much larger school districts. It can thus be hard to compare our school with other districts. Also, the environment keeps changing. The rules keep changing, the virus keeps changing. It would be great to be as clear about the timeline moving forward as we can be. Invited questions to C.K. about the plan for reopening.

A.S. had many questions about the school re-opening plans that she had previously conveyed to C.K. by email and invited her to answer as many as she felt able to at this time.

C.K. before answering questions, thanked M.W. for introduction. Also stressed that flexibility is the most important thing here. Everything is changing so rapidly that often by the time they are ready to post something, the environment changes.

A.S. shared that she has many concerns about school reopening in person as of August 17 from a personal perspective, and wanted to know what the parent and teacher survey results are.

C.K. noted the three different scenarios the school was considering — in person, remote, and forced closure. But as that thinking was developing, the COVID situation changed. Initially we were thinking we would offer in-person for those comfortable with it and a remote option for those who were not. But that was before Arizona became a hot spot for COVID-19, before Gov. Ducey delayed the opening of schools generally. There are many considerations to factor in, including how in-person learning would work (cleaning, distancing, etc.) as well as remote (who will deliver it, what equipment necessary, etc.). This afternoon the superintendent noted she was not optimistic about the schools reopening on August 17. The school is adjusting course accordingly. We are now considering whether we should simply do all remote for at least the first semester. If we decide to go all remote then that implicates certain considerations. If we simply delay the start date, then it's highly likely the school year would be extended beyond the usual end of the school year. If we start remotely (and on time), we could avoid that. From the

teacher's perspective, the teachers are pretty evenly split on their concerns about in person teaching, especially if they were to get sick. Next week there will be two town halls. One on Tuesday and one on Wednesday, both at 6:30. They will be split between the grades and the high school. We are going to get feedback from the people at those meetings as well.

M.W. said he was glad to hear the school is soliciting input from key stakeholders. Wanted to hear more details about what distance learning would look like, who would be leading it, what would it look like, and how the Board should be thinking about it.

C.K. stressed that nothing is set in stone right now. But the remote learning that we are considering — if fully remote — could involve live streaming a main lesson virtually, and recording for those who are unable to attend at that time. That is easier to do if fully remote as a school. If we are doing in person, we could try to do a live stream of main lesson and a recording as well. Some of the issues presented are how do we preserve privacy and confidentiality of students. There's also a question about whether we would be violating FERPA if we record student voices during a lesson. One possibility is to ask families to sign waivers. There were some concerns that the remote program would have different teachers. Larger districts are able to dedicate teachers to remote only while still providing in person learning. The deadline to engage in remote learning is limited by submitting a plan for doing so.

M.W. questioned whether the plan would need to be approved before we could proceed.

C.K. responded that no, it did not need to be approved specifically before we could proceed. In addition to having a plan, we are subject to "on-site" visits. If we make changes to the plan, we need to update the Charter Board about the new plan. There are also issues with making sure we are taking attendance in a consistent way and reporting attendance. There is recent guidance on that issue that we are currently working through.

A.S. do we have a target date on when we are going to say this is our plan? The COVID situation is far worse now than it is when we shut down in March. Many times both parents work and they need to make plans for if we are doing remotely.

M.W. believes that whether the school is open for in-person learning is a Board decision — not an administrative one. Expressed that we should make that decision at the July 29 meeting. We need more information to make that decision. The survey results C.K. has mentioned are important to that decision. If every parent is saying no to in-person learning, it wouldn't make sense to open the school for in-person instruction anyway. But we also need to look at the COVID-19 case load in Phoenix and various factors related to the spread of the disease, as well as the school's readiness.

A.S. expressed concern about that timeline and that we would put it to a vote then, and that would give parents and faculty only two weeks to react before starting school on August 17.

C.K. noted that from a faculty and staff perspective and an administrative perspective, we have planning to be able to go remote and have been preparing to flip that switch. From a parent perspective, many schools have a similar timeline so that they can make a decision when they



have the most up to date information. We are prepared for either direction and we appreciate that there are not easy choices or answers here.

A.S. if everyone starts distance learning, then we would have our ordinary teachers leading the curriculum. If we are split, who would be leading the remote versus in person learning?

C.K. without committing to anything, the tentative plan at this point is to livestream during the in-person sessions. If for some reason we couldn't do that, then we would try providing recordings. But we are also trying not to overtax the teachers by making them feel like they are teaching two cohorts of students every day. Then we are also considering supplements to the remote teaching. We are trying to be creative about providing the Waldorf curriculum in a new way.

G.S. expressed interest in providing guidance on a likely general direction this evening to provide some guidance to the administration and the faculty.

C.K. reiterated that the school is preparing for both scenarios, although it would be helpful to have the ability to focus on both. But of course the school would have to be ready whatever the ultimate decision is. It appears the COVID-19 situation is not going to get better over the next month, but it is extremely hard to predict where we will be.

M.W. expressed desire to have objective, fact-based criteria for making the ultimate decision. But had no problem with sharing his current thinking. Invited J.E. and J.T. to provide input.

J.E. stressed the uncertainties we are dealing with. Noted that the best option for students from a learning perspective is in-person. But that does not seem likely given the current situation. Also agreed with having objective criteria for making a decision.

N.A. noted he has lots of experience in clinical lab space and has seen much information from epidemiologists and it is hard to digest all of the data. Very much misses the warmth of interaction with human beings, but this is beyond a difficult decision – it is impossible. Would really like to see the community come together to make an informed decision and is not confident we have enough information to make a good decision yet.

A.S. would really like to hear from teachers and the town hall. Stated she would be in favor of opting for remote learning only at the beginning of the school year. Also liked the idea of objective criteria.

M.W. clarified that objective criteria does not mean a simple formula. It means factors to consider and that there would be a subjective component. One of the other ideas mentioned in C.K.'s report was a health and safety center. Could you explain more what that would be?

C.K. it would involve dedicated people to think about and respond to situations as they rise on campus. It would also have people to respond to emerging health situations and cleaning requirements on campus. It could involve a paid internship through local nursing programs.

M.W. have there been paid internships on campus before?

C.K. not sure if they were paid or not, but we have had interns on campus before in various positions before.

M.W. likes the idea but wondered whether it be feasible to get such a person on campus.

C.K. confirmed that nurses are in extremely high demand, but an internship would provide a way to have someone who is not a full nurse and who would not be as expensive, but someone who at least has some level of training. If we were to fund it, it would come out of COVID funds.

M.W. queried whether anyone had further questions about the planning. No questions. From a timeline perspective, asked C.K. to provide survey results as soon as practicable. The town halls will be next week. The board meets in two weeks. We will plan to make the decision then about whether to reopen for in-person learning. C.K., you mentioned that there are FAQs that may be distributed. When will those go out?

C.K. they will go out soon – they are essentially ready, but I keep wanting to add more to them. Was also waiting for the revised website to go live.

#### **EXECUTIVE DIRECTOR SEARCH**

M.W. to be clear, this work continues. Even though there is a lot going on with the Board and the school. There is a revised timeline to walk through at a high level. Basic steps:

- August 1, 2020 – solicit interest in serving on the advisory panel;
- September 1, 2020 – survey the faculty regarding the faculty and parents who submitted statements of interest;
- September 23, 2020 – Board meeting. Board evaluates applicants and forms the Advisory Panel.
- October 1, 2020 and continuing – Post the job description.
- Through October – advisory panel reviews applicants, keeps Board informed. Board interviews applicants as appropriate. Board decides to whom to offer the role of Executive Director. Executive Director begins work on July 1, 2020.

#### **CLOSING VERSE**

M.W. – move to adjourn, G.S. second. No discussion. Vote: Unanimous (J.E., G.S., M.W., A.S., J.T., N.A.). **Motion passes.**

Meeting was adjourned at 9:37 p.m.

Prepared by G.S. on 7/15/2020 and revised on 7/20/2020, incorporating suggestions from A.S. and M.W. herein.