

## Minutes of the Board Retreat of the Board of Directors of Austin International School

June 8, 2019; 9am

Calhoun, Thomson + Matza, LLP 9500 Arboretum Blvd. Suite 120

### Board Members Present:

Amy Brown, Michael Carper, Michael Haberman, Holly Johnson, Suman Mallick, Stacey McDougal, Marie Musalem, Claudio Occhipinti, April O'Quinn, Ricardo Sanchez, Francois Waelbroeck, Jacques Weber

**Absent:** all present

**Quorum:** Yes

**Resources:** Jacques Weber, Head of School, some projected PowerPoint slides

Meeting of the AIS Board of Directors was called to order at 9:15am

- I. Amy - Opening Remarks
  - a. Thanks to everyone, very appreciative
  - b. Congrats to JW and AO on their hard work and achievements
  - c. Thanks to Marie for hosting this meeting in her office space
  - d. Lunch @11am
  - e. Distribution of conflict of interest
- April - Agenda
  - Budget 2019-2020
    - Not very different from last mtg.
    - Middle school reflects ball park figures
    - Bourse – negative?
      - April and JW – gov. gives a ballpark in April for years ahead; then gets adjusted
    - Projections are pretty accurate?
      - In August, can expect that some families may withdraw because bourse is not enough support.
    - \$3M
      - Tuition rate increase (~3-4%)
      - \$2.5M need to be trued up, will get with Sandra
    - Expenses
      - Updating teacher devices
        - Increasing IT services too
      - Finance Fee
        - Do include an option to offset for online purchases/payments; more individuals choosing this option lately
      - Fundraising/Marketing
        - Lower due to the help of historical data; know where to put funds that make more sense.
      - Marketing position
        - Part – time
        - No marketing committee right now
        - Room for more marketing
          - Needs for internal marketing
          - Making sure that there are monies to work with, when that position is filled
          - School has leaned on PTO a bit in the past for these needs
      - Classroom needs
        - Need one more classroom for 8<sup>th</sup> grade
        - Losing admin space

- Perhaps revisiting phase 3 of building remodel from when the school building was acquired
  - Exploring options (portables for admin, etc.)
- Field Trips
  - Middle School field trip is being worked on by Emily
- Library
  - Increased due to middle school books
- Professional Development
  - Teachers are satisfied with the level of professional development that the school has afforded them.
  - Looking into a teacher “wish list” (aiming high)
    - Do not want a culture of poverty
    - Do have a budget per student, per grade. In general, everyone is on the same page.
    - Curriculum in the past has been teacher driven, but now school owns
- Budget Conclusions Roundtable discussions
  - When students enroll now, funds go into a deferred account
  - Lots of movement
  - Current year is understated
  - Rather a reconciliation vs. a shortfall
  - Budget is very conservative; do we have room to think bigger; we’ll have higher retention
  - Mindful spending is key
  - Operational procedures in place for the increase in funds
  - Working off wish lists
  - Keeping up the forward momentum in enrollment (212 is max. capacity for right now)
  - Even with some losses in enrollment (12-20%), still in the “normal” enrollment range

Break was taken for lunch from 10:45-11:30am

- Audit Letter – Marie/Claudio
  - Fiscal year ends 7/31
  - Finance met on Thursday
  - Good team is in place
  - Close books every month
    - Minimizes errors
      - Bourse is always tricky
  - Poor planning took place when the school acquired the building
    - Savings up front is hurting us now
  - Reserves are in tack (about 3-4 months in reserves)
    - April will list in the balance sheet moving forward
  - Per the bylaws, to be compliant, we need to acknowledge that negative numbers do exist.
  - Reflecting \$40K in the hole
    - Per the bylaws we can run on a deficit
      - Automatic 1 year or discretion of BOD
        - Need to get back in black
  - Look into more cost-effective ways to manage funds (Wells Fargo has good options)
  - How are in-kind donations monitored and why?
    - April tracks and these are things that the school would have had to pay for otherwise
    - Looks good on annual report too

- Building Roundtable discussions
  - Unknown; will not affect the numbers in the books
    - From an audit level, needs to keep it the way it is
  - Fair market value
    - Stated as \$5.1M in books
    - Something to think about – land value; hot area
      - Could you use land value to acquire a loan
      - Land value is only taken into account upon sell
- Reserves (safe guarding) Roundtable discussions
  - Scenario planning (if we lost 50 students)
  - Reading of the bylaws on reserves and carry over (~\$850k; not in reserve fund currently)
  - Currently monies are in operating accounts; could put a significant amount in low risk investment opp.
  - \$500K earmarked for facilities
  - Current cash flow is stable (from a money loss standpoint)
  - April will be reporting on with more regularity
- Last years board retreat discussions revisited
  - Expansion fee vs. capital building fee
    - Expansion account for middle school and debt service
  - Transparency in that we agreed that we lost \$60k
    - Restrictions were based on dipping into reserves; no rules on that
  - We agreed to invest in this year; address attrition problem; technical deficit that BOD was comfortable with
    - Would be helpful is April kept an account; capital fees; for collections that are not otherwise allocated yet. Minimizes nervousness, good practices; direct fundraising vs. unrestricted fundraising. All while being open about that the purpose for the funds are.
  - Annual contracts for teachers?
    - Attaché requires annual at will employment; penalties for leaving early
- Mission evolution
  - Moonshot wish list (10-20 years down the road)
    - JW shows slide of wishlist items
      - Facility improvements
        - Renovate spaces, professional landscaping, astro turf, add classrooms, art gallery,
      - Science and tech
        - Smart lockers, badges, makerspace, lab equipment, increase bandwidth
      - Programming
        - Music, two track middle school...
      - Staffing (robust budgets, competitive pay increase...)
        - More specialist, deans, counselors, coaches, language specialist
        - Advancement team, nurse, admin asst.
      - Long term growth
        - Accredit council of international school
        - Gold to platinum seal of transparency
        - Multiple building and sports facility
        - Grades 2yrs to HS (French and IB)
        - 700-800 students (taking HS out, Elem and MS ~500)
        - Cooperate legacy partners (naming rights)
        - School endowment
        - Large financial aid pool; increase socioeconomic diversity; potential partnership with charter school
        - Exchange program
    - Classroom needs (furniture, interactive projectors, libraries...)

- Community feel but still growing; don't want to lose community vibe
  - Moonshot with the current curriculum model?
    - Secondary is more of the change, still true
- 20<sup>th</sup> Anniversary Planning
  - Review mission and vision statements
  - Creation of new strategic plan ('20-'21) slide
    - Report from ISAS is very helpful
    - Plan for bringing in new students, more actionable items
    - Might be very different than what we see today; BOD needs to think about
- Round Table discussions
  - Secondary track would be helpful.
  - What can we derive from other schools to make our school more desirable?
  - Location of school not optimal; value of school more compelling in central Austin
    - Traffic issues inhibits
    - Geography constraints
  - Revisiting discussion on appraisal value of campus
    - Buy another campus? Closer to downtown.
    - Develop partnerships? (UT...)
  - Revision, mission, core values (2019-2020) slide
    - Story collection and sharing
    - Cause, action, and impact
  - Massive attrition in one class; perhaps due to special education services or lack thereof
    - Special education needs; interventionist
  - AIS should be a hub for welcoming people from everywhere; needs more visibility
    - Collaborations with likeminded groups, community members; partnerships
    - Need Big Donor!!
    - Apple?
  - Investment of \$400K right now, or what can be done with this amount?
    - Action plan; more tactical wish list; haven't revisited long term plan in a while
    - Hire an advancement person?
    - Need a committee for long term plan; doesn't seem achievable with just people on BOD
  - Master planning process (handout AIS Strategic Plan 2016-2021)
    - Guided process
    - More robust publication
    - ~300-700 student school
    - Spending too much time o revocation of current building in not the answer
    - Rope in people in new facility more central than MS/HS at Adelphi
    - There is concern that school hasn't solidified claim on THE International School of Austin
    - How to get there?
    - Assessment of where we are and where we want to be?
    - Invest in a marketing study?
      - 1 students tuition would pay for this
      - Skeptical of the results of the last market analysis
      - Has been done, but should probably be done with more frequency due to the ever-changing demographics, population, needs, etc.
      - Perhaps look into a smaller separate school downtown
        - Middle school program
      - Would need to inform the French Gov. on offering second language track
      - Align with a French preschool in Austin?
  - Phase 3
    - What does enrollment need to be in order to move forward?
    - Need an assessment of landscape

- Talks with Magellan (although have not been receptive in the past)
- Perform market analysis
- Need to have critical and honest conversations
- Solidify our quality curriculum and teachers (sets us apart)
- Goal within the next 5-8 years – 250-300 students w/renovation
  - Community still not confident in middle school prog even as of last year
- Next Steps
  - Get serious about next strategic plan, more structured
  - Perhaps look into an external facilitator
  - Revisit vision, mission and core values

Retreat adjourns at 2:30pm

Approved on: 2.25.20

Signed:   
*Board Secretary*