

LIVE OAK CHARTER SCHOOL
100 GROSS CONCOURSE PETALUMA, CA 94952 • (707) 762-9020

Minutes for the Regular Meeting of the Board of Directors Live Oak Charter School
June 25, 2020
6:00pm

This meeting will be by teleconference pursuant to Executive Orders N-25-20 and N-29-20.

The Board of Directors (“Board”) and employees of Live Oak Charter shall meet via the Zoom meeting platform. Members of the public who wish to access the Board meeting may do so at: <https://us02web.zoom.us/j/82664869204?pwd=QWRDMnVhUFBjNlFZTVRhMk1ib3kvZz09>

You may also call in using the Zoom phone number:
669 900 6833 US
Meeting ID: 826 6486 9204
Password: 6uavW6

Members of the public who wish to comment during public comment sections at the start of the meeting or after presentation of items on the agenda may use the “raise hand” on the Zoom platform. Public comment is limited to three (3) minutes. If an interpreter is needed for comments, they will be translated into English and the time limit shall be six (6) minutes. The Board may limit the total time for public comment to a reasonable time. The Board reserves the right to mute or remove a participant from the meeting if the participant unreasonably disrupts the Board Meeting

Access to Board Materials: A copy of the written materials which will be submitted to the Board may be reviewed by any interested persons on the Live Oak Charter School’s website along with this agenda following the posting of the agenda at least 72 hours in advance of this meeting

Disability Access: Requests for disability-related modifications or accommodations to participate in this public meeting should be made 24 hours prior to the meeting by emailing kim.anderson@liveoakcharter.org. All efforts will be made for reasonable accommodations. The agenda and public documents can be modified upon request as required by Section 202 of the Americans with Disabilities Act.

LIVE OAK CHARTER SCHOOL
100 GROSS CONCOURSE PETALUMA, CA 94952 • (707) 762-9020

Minutes for the Regular Meeting of the Board of Directors Live Oak Charter School
June 25, 2020
6:00pm

Present

Sarah Grossi (SG), Board Chair
James Jenses (JJ), Board Treasurer
Josh Kizner (JK), Director
Erin Wrightsman (EW), Director
Chris Fox (CF), Director
Daniella Baker (DB), Director
Stacy Ito (SI), Board Secretary
Justin Tomola (JT), Executive Director
John Azzizzi (JA), Business Manager

OPENING 6:01 pm

PUBLIC COMMENT

- 1) Deb Fox, speaking for Robert Bunce, both working with and members of the Foundation Board of Directors, formally ask if a school board member would like to work jointly on a task force to support Live Oak during the transitions caused by the COVID-19 pandemic and numerous budget cuts that impact programming. Together they envision a committee composed of Foundation board members, school board members, faculty and administration to meet the communication needs of the community. 3 goals include 1) adequately capturing parent feedback, 2) presenting survey results, and 3) allowing space for community response. Anyone interested may reach out to Deb Fox or Robert Bunce.

OPEN SESSION

A. Approve the agenda

1. Amendments and Deferrals
 - a. SI moves to defer B1 to the next regular meeting, 2nd CF, Aye all.
 - b. DB moves to amend item C1 to include the COVID-19 Operations Report, which will be presented with the budget for review and approval, 2nd SI, Aye all.
2. JJ moves to approve agenda as amended in A1a and A1b, 2nd EW, Aye all.

~~B. Consent agenda~~

~~All matters listed under Consent Agenda are considered to be routine, and all will be enacted by one motion and vote. There will be no separate discussion of these items unless a Board member requests items to be removed from the Consent Agenda for separate action.~~

- ~~1. Board minutes for June 11, 2020 Regular Board meeting; June 18, 2020 Special Board meeting~~

C. The board will consider the following for discussion and approval

1. Consideration and approval Live Oak Charter 2020/21 operations budget and COVID-19 Operations Report
 - a. Due to ongoing and currently unresolved budget negotiations between the State Legislature and the Governor, and thus great uncertainty in the level of funding Live Oak will receive for the 2020/2021 school year, the school budget approved tonight by LOCS will need to be revised in 45 days. The budget presented and passed tonight is a functional, provisional budget to start our school year, but will need possibly significant revision as the State decides and modifies its funding levels over the next several months.
 - b. The budget as presented is a break-even budget across all three years (2020/21, 2021/22, 2022/23), but to achieve a balanced budget, fairly drastic measures were needed to be employed, including loss of classified staff, salary freezes, and minimal programming.
 - c. There are several impacts to revenue included in this year's budget, including \$206k cut to LCFF funding for 20/21, \$106k anticipated loss in funding from the Foundation, and several other cuts, totalling a \$300k drop in revenue, as well as a \$93k deficit from the 2019/2020 school year.
 - d. As of 6/22/20 the State has agreed to fund next year's LCFF funding based on 2nd Interim ADA levels. This means that enrollment will not be a budgetary concern for 2020/21, as schools will be held harmless for changes in enrollment. This is a \$187k increase to our budget.
 - i. However, this LCFF funding is expected to be deferred significantly, with payments for the 20/21 school year being pushed as far as Nov 2022.
 - ii. These significantly deferred payments will create cash flow problems for LOCS and have a real possibility of turning into cuts that will never be paid.
 - e. LOCS desperately needs to increase its reserves, with a goal of getting to 25% of expenditures.
 - i. \$114k of Prop 39 funds are currently in our reserves, which must be returned to the State soon, which will decrease our reserves.
 - ii. \$463k of PPP/SBA loan are in our reserves, but come with caveats for use. Without these funds in our reserves our school would not be able to survive, they are needed to keep our cash flow working and our school operational.
 - f. Public Comment
 - i. Does that mean we would effectively cut staff now, approve this budget, and then add staff back later with a revised budget?
 - ii. What an incredible and huge relief that we will have ADA funding based on last year!!
 - g. Board Comments and Questions
 - i. Will 2019/20's ADA numbers last for all of 20/21 or just a portion? Yes, any funding that has to do with ADA funding for the whole of the 20/21 year will be based on 19/20 levels.
 - ii. Our ADA number for last year was 278. Will increasing enrollment past 278 benefit us? No, not currently, but this is a question that is being discussed and may change.
 - iii. What are our next steps with revisions? Let the dust settle, but also

remember that all this funding is predicated on federal funding coming through--if it doesn't then these deferrals can become cuts. The Finance Committee and administration will need to look deeply at priorities and strategies.

- iv. Do we have any sense of the level of confidence in the federal money, expected in October? Hard to tell, there are so many unknowns. Everyone is betting on being in Phase 3 or higher by then, meaning that schools will be open and thus the economy open. But how confident are we that that will be true?
 - v. Due to that, I'm in favor of where we stand with our budget right now, because of the uncertainty of federal money coming through or not.
 - vi. The amount of effort of all the parties involved in creating this budget is pretty significant, and due to that commitment and work, I stand behind this budget. It feels confident that we're making solid decisions for the sustainability of our school. Can we get an idea of when the community will see how that looks in terms of staffing? Yes, we also need the dust to settle. Our priorities are #1 shoring up deficits, #2 having reserves, #3 HR. We are looking at how to systematically get people back into our budget, but right now this feels risky.
 - vii. Comment to the Board of Directors: Strongly resist the pressure to spend the ADA funding money. We have to think of the next 4 years, not the next 12 months. We need to have long term thinking, not short term. For example, we need to keep the additional 4 students in kindergarten, we need to keep a solid distance learning option, we will need the enrollment, maybe not next year, but we will need it. Our new goal needs to shift from a balanced budget to increasing reserves.
 - viii. At PCS, Chris Thomas (CBO) was also saying to focus on the long term, not the short. Also we need to be aware that classroom learning requirements, once decided, will drastically impact our programming and therefore our financial burdens.
 - ix. Will all 3 specialties (Handwork, Movement, Music) continue next year with this budget? Yes!! We hold strong that these aspects of our school are integral to our Waldorf education. Preserving specialty programs was one of our budgetary priorities at Live Oak, and we're going to integrate them as much as possible into the students' schedules as we can.
 - h. COVID-19 Operations Report
 - i. This is a compliance document that all schools are required to submit with their budgets. It describes what Live Oak did during the Spring semester with the COVID-19 pandemic impacts.
 - i. JK moves to approve the budget, including COVID-19 Operations Report, 2nd DB, Aye all.
2. Receivables Factoring Agreement with Charter School Capital (CSC)--Discussion and possible action on entering into an agreement for future sales of receivables should the need arise.
- a. Background: Receivables loans are essentially payday loans for schools. What happens is that LOCS' receivables would be bought and paid out to us

immediately, at approximately 80% of receivable. However, we do not pay this back, as in a payday loan. We are paid outright on funds we are expecting to receive, but at a lower rate. It's not ideal, the cost is high, but we want to have this available to us for an emergency situation. If we run into a crisis, this gives us a backstop.

- b. JJ moves to approve the Receivable Factoring Agreement Resolution, 2nd CF, Aye SG, DB, EW, SI, JK.
-
3. Consideration and approval of Executive Director's contract
 - a. The Board Chair recommends
 - i. Execute Employment Agreements for the 20-21 school year with the E.D. and C.D. and maintain salaries at 2019-20 levels (no salary increase / salary freeze);
 - ii. All other terms and conditions remain the same as the previous agreements.
 - iii. Should the budget situation improve substantially the board will consider retroactive salary increases for the 20-21 school year.
 - b. CF moves to approve the board chair recommendations for employee contract for E.D. and C.D., 2nd EW, Aye all.
4. Consideration and approval of Business Manager's contract
 - a. C.D. is the Consortium Director/Business Manager
 - b. The Board Chair recommends
 - i. Execute Employment Agreements for the 20-21 school year with the E.D. and C.D. and maintain salaries at 2019-20 levels (no salary increase / salary freeze);
 - ii. All other terms and conditions remain the same as the previous agreements.
 - iii. Should the budget situation improve substantially the board will consider retroactive salary increases for the 20-21 school year.
 - c. CF moves to approve the board chair recommendations for employee contract for E.D. and C.D., 2nd EW, Aye all.

ADJOURNMENT 7:51 pm