



SAN JOAQUIN MEMORIAL HIGH SCHOOL

BOARD OF DIRECTORS MEETING MINUTES

January 27, 2020

Virtual Meeting at 5PM

BOARD PRESENT

Susie Byers '88, Chair
Michael Thomason '88, Vice-Chair
Neil Angelillo '83
Fr. Robert Borges
Edward Fanucchi '86
Frank Hambalek
Jerry Laval
Kathryn McDougal
Quincy Pondexter '06
Anthony Smith '82
Mona Faulkner, Superintendent (ex-officio)
Msgr. Robert Wenzinger, Rector (ex-officio)
Michael C. Burke, Head of School (ex-officio)
Pete Dalena, Faculty Rep (ex-officio)
Lucina Myers, Secretary

- I. **Opening Prayer** (5:00 pm)
Msgr. Wenzinger said the opening prayer.

- II. **Call to Order – General Meeting Session** (5:00 pm – 5:05 pm)
Board member Kathryn McDougal motioned to approve the October and December Board minutes. Board member Jerry Laval seconded the motion. Motion carried.

Welcome to New Members of the Board:
Board Chair Susie Spencer welcomed John Amendola (not at meeting) and Quincy Pondexter as the new Board members.

- III. **Superintendent's Report** (5:05 pm – 5:20 pm)
Superintendent Mona Faulkner stated January was a rough month for all the schools. Coming back to school January 11 was probably a week too soon but there was no way to tell. Almost all of our schools have had to deal with COVID in one form or another. We have had teachers and principals who have had COVID and have recovered or are recovering.

Board member Neil Angelillo asked if teachers are getting preferential treatment for vaccines. Vaccination will probably be closer to the end of February. We do not pressure anyone to get the vaccine. The Bishop has allowed that we encourage people to consider it, though. None of the protocols change, whether you have the vaccine or not.

Board member Frank Hambalek asked if there will be any kind of reimbursement or tax benefit or grants coming for PPE and/or reimbursement for cleaning, maintenance, etc. Are there any additional supplies coming our way? Board member Hambalek informed the Board that there is a second round of PPP money available, even to non-profits. He asked if there has been discussion at the Diocesan level to request this. The Superintendent believes the PPP money on the second round is being focused on small businesses.

She stated there is another bulk of money, \$2.8M, and all the governor has to do is fill out the application. This money would go to California private schools. Private schools are lobbying hard for this money because it's either PPP or it's EAMS money. You can't have both, but she's afraid we will end up with nothing.

IV. **Finance Report** (5:20 pm – 5:40 pm)

A. Budget Report and Board Vote regarding 2021/22 Budget

Halfway through the budgeted year, 50% is benchmark for this discussion. From an income standpoint, receipts are at roughly 47%. Tuition and other fundraising support are slightly down because we have fundraised in other areas not included in the budget. Head of School Mike Burke explained the only thing under Fundraising that shows up is the Annual Fund. All of our summer appeals, capital campaign and straight donations are not included. In addition, a lot of our receipts came in in early January. Instead of \$18,000, it's more like \$110,000. From a tuition standpoint, we are notably down in December. With respect to international, that is down about \$78,000. In comparison to the budget, enrollment today is at 505, slightly behind the budgeted amount of 525. Therefore, we're slightly down in tuition.

About \$200,000 of the PPP loan was of benefit for this fiscal year. If there is an additional round, it would help the bottom line. As of today, we have drawn very little in respect to scholarship and financial aid monies that we have in our endowment. We have ample cash in our checking account. The plan is to make it to the end of year, before we would need to move any money over.

Board member Hambalek shared a draft of the 2021-2022 budget with enrollment at 475 domestic and 21 international students to include a 2% increase in tuition and fees.

The current 2020-2021 budget has \$900,000 in financial aid. The projected budget includes a 2% increase for next year.

- ##### B. 2021/22 Tuition Vote (Recommendation from the Executive Committee at the December meeting was to raise tuition by 2% (\$275) to \$13,600. No other fees would be changed; this vote was postponed to the January meeting for lack of having had a quorum.)
- The December tuition discussion was to have a commitment to raising tuition 2% every single year, leaving all fees the same. Tuition would be \$13,600 for domestic students for the 2021-2022 school year. The cost to educate a student is more than \$13,600.

Taking large increases in tuition off the table forces the school to put its energy elsewhere. Superintendent Faulkner believes there needs to be a very thorough study of why students don't come here because it's a wonderful school. She spoke of Burlington, Vermont, a city of 50,000 people and they have 550 kids in their Catholic school. We are a city of 500,000 and we have 500 students in our school. We have to figure out why they aren't coming here. Board member Quincy Pondexter asked what the strategy is to

increase enrollment. Last year we started a new enrollment philosophy building relationships with all of our partner schools, where our families would speak up for our school, having a much more holistic environment. Students that come to Memorial can be part of athletics, part of Campus Ministry and get personalized instruction in the classroom. They can be part of the school community. We are not just a private school that teaches religion. That message was resonating with our families. In the last 12 months, however, we have not had a chance to share that message in a meaningful way. We can make every student important in areas that are important to them.

Board member Anthony Smith said he hears students don't come because they consider the campus to be ugly; it's not dressed up enough to look like Clovis schools. Outside the Catholic community, he added, we're perceived more of a private school than a Catholic school. SJM is not perceived the same way it was when he was a student here. Will this new philosophy be a phase or is that sustainable? Head of School Mike Burke stressed that we are trying to be who we say we are.

Board member Neil Angelillo motioned to approve a 2% increase in tuition; Board member Jerry Laval seconded the motion. Motion carried.

Board member Anthony Smith moved to approve the preliminary budget for 2021-2022; motion was seconded by Board member Kathryn McDougal. Motion carried.

V. **Head of School Report** (5:40 pm – 6:10 pm)

A. Proposed Modification to SJM Organizational Structure

(so as to better prepare the school for the future)

Head of School Mike Burke shared the school will be moving to President/Principal model of administration. The 2021-2022 budget includes the hiring of a principal.

The budget will be a balanced budget if we assumed that Auction, or some other – PPP maybe, could contribute \$150,000. \$250,000 would come in from regularly funded scholarships and \$137,499 from investment (realized gains). In normal times, the auction brings in about \$225,000 net. Auction money from last year and this year has not been touched. (Board member Fanucchi said the auction netted over \$300,000 this year.)

Mike Thomason asked if the level of teachers remains the same for next year with 475 domestic students and 21 international students. The current staff is relatively built for low 500s, maybe 515. New Board member Quincy Pondexter asked what the goal of students is for next year. The goal, as a school, is to enroll 130-135 freshmen every year, which would put us at 520 domestic students and 30 international students. The target, as an institution, would be 550. We will not be at 550 next year. Last year we had 115 freshmen in March and the number never went up. This was completely unusual. This year, the number is expected to go up once COVID eases. Freshman applications of 107 as of tonight is a good number. This budget will be a work in progress, as the numbers will change from month to month. Board member Hambalek asked if there are operational components of the school that require ratcheting down, tightening of the belt, enough to close the \$150,000 gap. Head of School Mike Burke thinks it would be a combination of increase revenue and decrease in expenses. The Principal Administrative Position has been entered at the highest level, \$125,000 to \$140,000.

This is really how we have been operating. We have just called it Head of School and Assistant Heads of School. It's hard for our current families to know what a Head of

School is and what Mr. Burke is responsible for vs. the responsibilities of the academic heads of school. Most Catholic high schools are set up in this format around the country. The document is what will be shared with prospective candidates. It will be a national search. We may have an internal candidate; we may not. There will be a search committee made up of parents, teachers, Board members, one of the elementary principals, and alumni. We will start with a ZOOM interview to narrow the field. Mr. Burke is hopeful that there will be 3-4 strong candidates in the pool. There are many administrative openings throughout California in the Catholic schools. Superintendent Faulkner stated Bishop Ochoa moved just to Principal because of financial strains on both high schools at that time. Bishop Brennan still has to approve the move to the President/Principal model. This preliminary budget is extremely important. She needs to be able to present the budget to the Bishop showing sufficient funds for the change.

Mike Burke presented the proposed organizational chart. The President's role is external-where is the school going, finances, and development. It's the corporate side of the school. The Principal is about day-to-day operations—students, learning, etc. The President's role is to make sure the school has what it needs, make sure it has good facilities, and make sure it has resources for teachers to teach with.

Board member Kathryn McDougal expressed concern that adding this position would make it top heavy. Especially with COVID, adding a high-level position and upping tuition, how would this benefit the student experience? Could some of these vice-principals be more like directors to realize some savings? Mike Burke responded that until it's known if the new position is filled internally or externally, he can't reorganize the entire school. However, he is not just going to add another person in. Fr. Borges noted we currently have two assistant heads of school. Looking at the new organizational chart, it looks like an addition of the new administrative position without the loss of anyone. Board member Anthony Smith asked if we shouldn't do an internal search first. Mike Burke believes doing the national search would end up giving great credibility to whoever is the candidate. We can't just add another layer of administration. That defeats the purpose of going to President/Principal. If it's an external candidate, some of the people who are currently in those positions will have new duties. If the right person is not found, perhaps we could have an interim principal from the current staff. Students have to be the focus of our school.

Board Chair Susie Byers summarized the process by saying the end result is to reduce administrative positions, to the extent possible. Some of these roles will actually have more duality than they appear to on the flow chart. Superintendent Faulkner reminded all that you can't add more to the administrative line and still balance the budget that was just approved. Memorial and Garces lost their President/Principal models five years ago because they were structurally top heavy, and the budget couldn't support it. There were sacrifices being made at the teacher level. Board member Anthony Smith is concerned our families will question what is going on. We've gone through so many models in the last five years.

Per Head of School Burke, it is important that the school be set up with the right structure for the long term. Board member Jerry Laval believes the position should be split to get the school to the next level. He believes Mike Burke is going to be pulled in a lot of directions and to accomplish what we want to accomplish, this needs to be done. Assuming it will be approved by the Bishop, Board Chair Susie Byers believes how it's presented to the stakeholders will be very important.

B. Capital Campaign Update

In regard to the Capital campaign, a draft of the brochure will be available to the campaign leaders the middle of next week. Work has been focused on segregating the donor base to match the right donors with the right projects. Major asks will start February 15 and will take rest of 2021 to complete. The biggest chunk of Mr. Burke's time will be devoted to donors to make sure the campaign is successful. February 15 is still the silent phase of the campaign.

C. Monthly Reports: Athletics, Campus Ministry, Development, Enrollment, Student Life

There are 107 applications for the freshman class for next year; transfers usually don't start until June or July. We will be back in the classroom February 1 in hybrid format. In January, there was an outbreak among staff with COVID and the school had to go remote for 2 weeks. Nobody has tested positive since January 20. Prior to this, within a matter of two days, 8 people tested positive for COVID, all with minor symptoms--lots of fatigue, no respiratory issues. Catholic Schools Week is next week.

VI. **Chairperson's Report** (6:10 pm – 6:40 pm)

A. Submission of Items for New Business – No New Business

B. Strategic Planning (leadership teams/reminder) – No Report

VII. **New Business** (6:40 pm – 7:00 pm)

VIII. **Adjourn/Closing Prayer**

Fr. Borges said the closing prayer, acknowledging the recent passing of Dr. Noel and Mrs. Gloria Smith, parents of Anthony Smith.

IX. **Executive Session** (If requested)

NEXT MEETING: February 24, 2021