

Alternatives in Action Board of Directors
Minutes of the Special Board of Directors
April 19, 2016 • 6:30 pm to 8:00 pm
(Administrative Office, 3666 Grand Avenue, Suite A, Oakland, CA 94610)

Board Members Present: Rita Trumbo, Patricia Murillo, Alex Salinsky, Justin Marcoux (via phone), Donna Fletcher, Joe Feldman, Nduka Nwankwo, Shady Shahid, Jay Ryder, Ime Ekanem (via phone)

Board Members Absent: Maria Choi, April Angeles, Beatriz Rojas

Staff Members Present: Jane Sperling Wise, Alexandria Media, Oriana Obligacion, Jessica Lorega (note taker)

Guests Present: Crystal Cheng (Board candidate), Dominic McDonald (Board candidate)

1. Approval of Agenda (Action) Meeting was called to order at 6:35pm.

Approval of Agenda: Nduka motioned to approve the Agenda

Seconded by: Jay

All in favor: Rita, Patricia, Alex, Justin, Donna, Joe, Nduka, Shady, Jay, Ime, Justin

Abstentions: None

2. Approval of Minutes (Action)

- Resolution to approve the minutes of the March 8, 2016 Board of Director meeting, with correction notated below.

Approval of Minutes: Nduka motioned to approve the minutes with changes on page 2, item 5 changing the date 2024, to 2014.

Seconded by: Alex

All in favor: Rita, Patricia, Alex, Justin, Donna, Joe, Nduka, Shady, Jay, Ime, Justin

Abstentions: Ime

3. Public Comment

No public comments.

4. Early Childhood Education Center (Discussion/Action)

- Resolution authorizing staff leadership to use up to \$150,000 of the line of credit for the ECEC facility project.

Discussion:

The March 8th Board of Directors meeting gave a baseline for the Early Childhood Education Center Project budget and timeline. The meeting today is to determine the level of potential debt that the organization feels comfortable taking on, as well as discussing the timeline for potentially using and then repaying the line of credit. The Board has previously approved forward movement with this project. When this decision to move forward with this project was originally made, not all of the information was available, specifically the fiscal implications of the decisions. We are looking at accessing our line of credit to fill the funding gap; other funding sources including Foundation grants are being considered but the line of credit serves as a buffer in case other funding sources do not pan out.

While the Irwin Foundation awarded Alternatives in Action \$175,000 for the Early Childhood Education Center we are looking a deficit of about a \$100,000. Board approval is needed to access the \$100,000 line of credit with the Bank of Marin. Based on data from our preschool program Home Sweet Home, the Early Childhood Education Center program is set to be self-sustaining. It is anticipated that the program will pay back the loan beginning in year two. That does not take into account additional funds being brought in via fundraising in the next few years which can offset the need to use the line of credit.

We have created a three year budget for the Early Childhood Education Center. Year one is construction and opening of the infant/toddler center. Year two, and year three (opens the preschool), is when we begin to pay back the loan. The loan is not projected to be paid back from year 1 program funds due to the startup costs. Since this is a new program in this geographical area, we don't anticipate a full enrollment in year one and possible year two as student enrollment increases by word of mouth. In year 4 we anticipate the Early Childhood Education Center to begin to generate additional revenue. Revenue generation will be fairly consistent and be budget relieving based on past data from Home Sweet Home program.

Questions from Board members:

Alex: The children in the program who are paying fees, if they cannot pay for the fees, are they subsidized.

Oriana: Yes, our fee structure takes into account a subsidized fee structure, with a certain percentage of participants subsidized.

Rita: How many students are we talking about and how many are subsidized?

Ali: 19 for the infant/toddler and 18 for the preschool; Year 1 is only operating with state subsidy as we cannot get funds from HeadStart until our program is fully operational. HeadStart and State subsidies are different.

Nduka: What is the transfers in line item on the budget?

Patricia: Transfer of funds between different programs within the organization. Basically AIAHS will be paying the ECEC to run an early childhood class as part of the career pathway program.

Joe: What is the risk with accessing the line of credit if we have deferred payments in the next three years?

Oriana: I don't anticipate deferred payments from the state in the next few years. We have not had deferred payments in the past year and a half.

Patricia: Our line of credit is \$200,000, and have a current bank loan of \$75,000 which will be paid off soon.

Joe: Can we have the bank increase our line of credit in anticipation of deferrals?

Oriana: Yes, our renewal is being re-signed in the next week. I can put out feelers to see what the response would be to a credit increase.

Shady: In terms of these funds [ECEC Foundation grants], the funds have been secured now, but when can we use the funds?

Jane: It varies by the foundation. It could be a check given, or it could be on a reimbursement basis.

Jay: Phase 3 is not based on real numbers, but on projections. What if the numbers are higher? I don't think we should ask the bank for an increase because it could signal we are not in a good position financially.

Ali: There is a conservative buffer built into the program budget since we budgeted at 11 months, instead of 12 due to summer fluctuations.

ECEC Timeline: Jay projects us to be on track for a summer start (July); July 2017 grand opening; July 2018 Preschool opening

Approval of Resolution authorizing staff leadership to use up to \$150,000 of the line of credit for the ECEC facility project: Joe motioned to approve the Resolution

Seconded by: Donna

All in favor: Rita, Patricia, Alex, Justin, Donna, Joe, Nduka, Shady, Jay, Ime, Justin

Opposed: none

5. Board Comments on Non-Agendized Items

Patricia: We are working on Board Retreat agenda. We have hired a consultant, Steve Lew from CompassPoint. Rita and Patricia will have a meeting with Steve on Monday to discuss the Retreat agenda.

Patricia will be point for the Finance Committee while Oriana is out on maternity leave.

Funding: We received news that we were not fully funded with Oakland Fund for Children and Youth (OFCY). We applied for three grants with OFCY, and received all three but for a lower amount than anticipated. Alameda County Probation, a consistent source of income in the past, has decided to go out on RFP. We are not expecting to receive the full amount of the RFP due to the way it is structured. The impact from projected reductions in both funding sources is that there we are contracting some program areas.

Rita: Anyone is welcome to vote on the slate positions for the executive committee, including the Board Chair position during the Board Retreat.

Patricia: AIAHS Leadership – we have solidified a co-directorship model for the high school for next year. Logan Manning a former Humanities Coach with AIAHS will be a co-director with Phung Lai, the current Interim Director.

Jane: East Bay Gives is a 24-hour period of online giving through the East Bay Community Foundation, taking place on May 3rd. Veronica has sent out a signup sheet for the 24 hour period. Please sign up for a time slot. The minimum donation is \$20, and there is no reason why we should not have full Board participation.

Presentations of Learning are taking place on June 8th. Jane will send out more information.

Acknowledgements

6. Adjourn

Meeting Adjourned at 7:55 pm

Board Minutes approved by:

Alex Salinsky, Secretary

Date