

Board of Directors' Meeting Minutes

March 9, 2021

6:30 pm – 9:30 pm

Via Zoom video Conference

Present:

- Alisha Michiels, Director
- Amanda Stevens, Director
- Doug Laginskie, Treasurer
- Julia Bloom, Director
- Karen McIlroy, Vice Chair
- Lori Prospero, Executive Director
- Paul Botros, Director
- Sarah Willey-Thomas, Chair
- Teresa Godglick, Director
- Xenios Ioannou, Director

Regrets:

- Tracey Murray, Secretary

Guests:

- Erin Mikha, Board Nominee
- Jennifer Tieu, Board Nominee
- Jessica Ronzio, Board Nominee
- Julia Klann, Board Nominee
- Tim Sothern, Auditor, BDO Canada

1. Welcome & Call to order

- Sarah welcomed everyone to the meeting. Sarah appreciates everyone's feedback about how the meetings have been running over the last year, and recognized the extraordinary circumstances of the past year. The meeting was called to order at 6:32 pm.

1.1. Confirm Quorum

- Quorum was confirmed

1.2. Confirm minute taker.

- Alisha was confirmed as the minute taker.

1.3. Identification of Conflicts of Interest

- No conflicts of interest were declared.

2. Approval of the Agenda

- No discussion arose from the agenda
- **MOTION:** *It was moved, seconded and carried that the agenda for this Meeting of the board of directors be approved, as amended.*

3. Closed Door Session (Board Only)

- **Motion:** *It was moved, seconded and carried that the board of directors move to a Closed-Door Session at 6:38 pm regarding confidential employment matters and to receive an update from the Finance & Audit committee regarding its In Camera session with the auditors.*

Lori left the meeting at 6:38 pm

- **Motion:** *It was moved, seconded and carried that the board of directors return to Open session, including the Executive Director at 7:14 PM*

Lori rejoined the meeting at 7:14 PM

Board nominees Erin Mikha, Jennifer Tieu, Jessica Ronzio, and Julia Klan joined the meeting at 7:15PM

4. Connection Activity

4.1. Sarah welcomed all of the Board nominees to the meeting. All current and nominated members introduced themselves.

- Took time as a Board to connect by playing Kahoots! Trivia

5. Routine Business

5.1. Presentation of 2020 Audited Financial Statements

Tim the auditor joined at 7:41PM

- Doug reviewed the audit process, and took us through the financial statements
- Preliminary work done in October 2020, final work completed mid-January 2021.
- Auditor met with F&A committee on February 23 to review the financial statements – had a clean audit. No changes of significant audit risks. Work did not uncover any risks including fraud.
- One recommendation from management letter is to make changes to payroll process to strengthen internal controls.
- Budgeted a deficit of \$90,072. Year-end forecast was a surplus of \$795,000. Ended the year with a surplus of \$1,017,000. Was truly an unprecedented year.
- Revenues down significantly (does not include CEWS), expenses were down, but less significantly
 - Prior to extraordinary funding, had a loss of 2.2million
 - After CEWS and insurance recovery claim, had a surplus of 1million
 - Cash is up substantially, as well as Accounts Receivable.
- All statements updated to reflect name change to RisingOaks Early Learning Ontario. Several notes updated, including new and updated notes to reflect pandemic
- Recommending several transfers between reserve funds, as well as the creation of a new Pandemic Recovery Fund (Internally Restricted)
- Clarified that \$1 million Pandemic fund amount was chosen as it correlates the \$1M deficit budget for 2021.
 - If there are still monies remaining at the end of 2021, Board would have to determine what to do with the funds, as it is an internally restricted fund

5.2. Policy Revision – accumulated surplus & reserves

- Required to create new Pandemic Recovery Fund. Added to the policies as new fund –

sets out fund balance, what it can be used for, as well as procedures as to how funds can be used

5.3. Funds for playground improvements

- Discussed the current playground improvement plan and upcoming projects to determine comfort level with allocating ~ \$320,000 from the Playground Improvement Fund for use this year.
- Funds are already available and have been earmarked for this purpose already. Supports our mission, vision and values, play-based learning.
- Have a long-term plan, with quotes, for all playgrounds to create natural playgrounds.
- Board is in favour of proceeding with some playground improvements in 2021. Adjustments to reserves will be made at year-end.

Tim left the meeting at 8:08PM

5.4. Financial Approvals

- Revised accumulated surplus & reserve policy
 - **Motion:** *It was moved, seconded and carried that the board of directors approves the revisions to the Accumulated Surplus & Reserve policy & procedures, including the creation of an internally restricted Pandemic Recovery Fund with an opening balance of \$1,000,000*
- 2020 Audited statements, including transfers to reserves
 - **Motion:** *It was moved, seconded and carried that the board of directors approves the 2020 audited financial statements, as presented and including all noted reserve transfers. Furthermore, the board delegate to management to distribute said statements to the members ahead of the annual general meeting to be held on April 13, 2021.*

6. Strategic Discussion

6.1. COVID-19 response

- The board acknowledged that this discussion is part strategic, part operational.
- Reviewed our mission-values to ensure we are making decisions with these in mind.
- The meeting package included some background detail and outlined various opportunities for allocation of additional (unbudgeted) Safe Restart funding
- Will be receiving ~480K in one time funding specific to Q1 (Jan to March 2021).
- Various options were presented for potential allocation of these funds, all with pros and cons.
 1. All to vacancy rates to reduce deficit.
 2. Credit parent fees due to child absenteeism related to COVID (Q1 only, or full year, up to a max# of days)
 3. Additional COVID-19 specific sick days (either by actual use or a certain allocation per employee.
 4. Credit Q1 weather-related closure days.
- Need to consider what precedence these options set and how they will be communicated; be clear that it is just this funding for this period of time. Also need to consider the staffing time required to implement any of these options.
- 2020 saw a strong focus on supporting children and staff throughout the pandemic.

- Some policy adjustments were put in place to provide more flexibility (e.g., interim summer camp cancellation policy, no fees charged during school/centre closure).
- But, in other areas, it has been business as usual (e.g., usual fee increase, completing the branding project, same withdrawal policy).
- Communication around our operations should focus on being personable and in a way that acknowledges the impact on families and addresses the frustration that some have felt.
- The idea of a fee increase freeze was discussed; too soon to tell the full impacts of COVID-19 though at this time. There are many unknown variables.
- Supports have been in place for staff. A cost of living allowance increase was provided in January 2021 and an allocation as made towards variable pay in December 2020 to offset lost Provincial Wage Enhancement due to the extended closure. Need to be mindful that allocations to staff, especially those that are compounded year over year, directly relate to parent fee increases. Need to find a balance to child care fees and professional pay/decent work for staff.
- At this point in time, the Board has approved allocations from the additional Safe Restart Funding to credit parent fees for weather-related closure days in Q1, and the remainder for reducing the deficit caused by vacancy rates. This matter will be tabled for further discussion as the financial picture materializes.
- Management posed several questions for future strategic discussion on the risks and opportunities of being a more family-first organization with our fee structure and policies (e.g., not charging fees when we can't offer a program, more flexible withdrawal and temporary hold policies)
 - Ultimately such changes would require that lost revenue be absorbed into future fees to ensure a revenue neutral position, so there are many considerations.

6.2. Allocation of playground funds for 2021

- In light of the strategic discussion, the board was in agreement to move forward with the next playground renovation.
- **Motion:** *It was moved, seconded and carried (with 1 abstention) that the board of directors approves the use of up to \$320,000 from the Playground Improvement Fund for the playground improvements in 2021; furthermore, such transfers will be confirmed as part of year-end transactions for 2021.*

Julia Klann left the meeting at 9:05PM

7. Routine Business 2

7.1. Governance Policy Monitoring Reports previously voted on electronically

- The following motions were approved electronically and were read into the minutes of this meeting.
- **Motion:** *It was moved, seconded and carried that the Board of Directors reviewed the governance policy compliance report for the:*
 - *General Executive Constraints policy and is satisfied with the evidence/statement of compliance. The Board deems itself and management In Compliance with policy requirements. No further action is required.*
 - *Policy Development policy and is satisfied with the evidence/statement of compliance. The Board deems itself and management In Compliance with policy requirements.*

- **Motion:** *It was moved, seconded and carried that the board of directors approve the revisions to the Policy Development policy, as presented in the meeting package for the January 12, 2021 board of directors meeting.*

7.2. Governance Policy Monitoring Reports

- The board reviewed the three new compliance reports and discussed the evidence of compliance.
- **Motion:** *It was moved, seconded and carried that the board of directors reviewed the governance policy compliance report for the Accumulated Surplus & Reserve policy and is satisfied with the evidence/statement of compliance. The Board deems itself and management In Compliance with policy requirements*
- **Motion:** *It was moved, seconded and carried that the board of directors reviewed the governance policy compliance report for the Board- ED Relations policy and is satisfied with the evidence/statement of compliance. The Board deems itself and management In Compliance with policy requirements.*
- **Motion:** *It was moved, seconded and carried that the board of directors reviewed the governance policy compliance report for the Evaluating the Executive Director policy and is satisfied with the evidence/statement of compliance. The Board deems itself and management In Compliance with policy requirements*

Erin, Jennifer and Jessica left the meeting at 9:18PM

7.3. Board Succession Planning

- Recommended Slate of Nominees
 - Nominating committee co-chairs provide a report on the recruitment and selection campaign to recruit 4 directors and at least two committee members.
 - The Slate of Nominees was presented.
 - **Motion:** *It was moved, seconded and carried that the board of directors approves the Board-Recommended Slate of Nominees, including Erin Mikha, Jennifer Tieu, Jessica Ronzio, Julia Klann – to be presented to the membership at the AGM on April 13, 2021 for election to the Board of Directors for a 2 year term.*
- Committees for upcoming year
 - Reviewed recommended committee membership for the upcoming year.
 - It was noted that the nominating committee will only have 4 members for next year, would like to have one additional member on this committee if anyone is interested please reach out via nominating@risingoaks.ca
- Long-term succession considerations
 - Accounting designation
 - Recruitment sub-committee may be required with non-Board members to assist with recruiting new members
 - Past Chair position will be vacant for a 2nd year. Need to clarify that the chair can be appointed for a final one-year term to serve in this capacity (versus standing for re-election for another full term).
- Board Orientation
 - April 27, 2021 at 6:30pm via Zoom – mandatory for all directors
 - Nominating committee will be planning at the end of March for this session

7.4. Board Evaluation

- Board Director Performance – key themes
 - Deferred
- GEM Assessment Results
 - Deferred

7.5. Leadership Development – CEO Symposium

- Karen to post update to Basecamp

8. Consent Agenda

- **Motion:** *it was moved, seconded and carried that the Board of Directors accepts the Consent Agenda as amended:*
 - *Operations Report – March 2021*
 - *Board In Camera minutes of Feb 26/21*
 - *Finance & Audit minutes of Feb 22/21*
 - *Nominating minutes of Feb 16/21*
 - *2021 Annual Enterprise Risk Management Report*
 - *Governance Minutes of Feb 11/21*
 - *Nominating minutes of Jan 25/21*
 - *2020-Q4 Strategic Plan Progress Report*
 - *2020-Q4 Financial Statement package*

9. Board Meeting Evaluations

- A meeting evaluation will be sent out after the meeting. Results will be shared with the nominating committee for next steps.

10. Action Items

- Alisha reviewed the new action items. These will be added to the board's To Do List.

11. Adjournment

- Sarah reviewed the upcoming meetings.
- The board offered thanks to our departing Directors, Sarah, Teresa, and Paul for their commitment to the RisingOaks Board, especially leading us through this pandemic.
- There being no further business, this meeting of the board of directors be adjourned at 9:31 pm.

These minutes were approved by the board of directors on May 11, 2021 and now form part of the Public Record for RisingOaks Early Learning Ontario.

Original signed by Board Secretary