

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
DECEMBER 6, 2014 AT 1:00 PM
AT THE SILVERADO COMMUNITY CENTER
27641 SILVERADO CANYON ROAD, Silverado, Calif. 92676**

Directors

**John Olson- President
Counsel
Kevin Topp - Vice President
Chay Peterson - Secretary
Assist
Phil McWilliams - Treasurer
Deborah Johnson- Director
Bookkeeper**

Staff

**Elizabeth Martyn - General
Laurie Briggs - SCC Director
Bev Mileham - Admin.
Steve Reighart - Caretaker
Meghan Warner -**

MINUTES

(A: Action Item) This document is available in PDF format at <http://www.smrpd.org>

CALL TO ORDER

The meeting was called to order at 1:10 PM by Director Peterson, who acted as chair person.

ROLL CALL

Director Peterson, John Olson, Deborah Johnson, Kevin Topp and Phil McWilliams. Caretaker Steve Reighart, and Admin. Assist. Bev Mileham were present.

PUBLIC ATTENDANCE

Bob Hunt, Pat Hunt, Judie Bruno, Linda May, Linda Unger, Wendy Hayter, Jenny Scott, signed in.

OATH OF OFFICE

Director Peterson led the Oath of office for, John Olson, Phil McWilliams, Kevin Topp and Deborah Johnson, who were sworn in as the new SMRPD Directors.

ELECTION OF OFFICERS

1st ACTION: Director Peterson made a motion to elect John Olson as President of SMRPD. Director Johnson seconded. All Directors voted Aye.

2nd ACTION: Director Johnson made a motion to elect Kevin Topp as Vice President of SMRPD.

Director Peterson seconded. All Directors voted Aye.

3rd ACTION: Director Topp made a motion to elect Director Peterson to continue as Secretary of SMRPD.

Director Johnson seconded. All Directors voted Aye.

4th ACTION: Director Topp made a motion to elect Director McWilliams as Treasurer of SMRPD.

Director Johnson seconded. All Directors voted Aye.

COMMITTEE RE-ORGANIZATION & ASSIGNMENTS

The Board decided to review District Policy documentation before making any new committee assignments.

To be discussed at the next Board meeting.

TRANSFER OF RESPONSIBILITIES

1. Bank Account: discuss and possibly change two signature check requirement.

5th ACTION: Director McWilliams made a motion to adopt Resolution 120614-1 that designates authorized SMRPD Signers for all SMRPD Bank of America Checking Accounts and removes previous signatories. The Board hereby Resolves that all SMRPD Directors, John Olson, Deborah Johnson, Phil McWilliams, Kevin Topp and Chalynn Peterson, are authorized to complete the required Bank of America application to become signatories on all SMRPD checking accounts. A Director's signature shall be required on each check written against the account. The names of all previous Directors shall be removed the signature cards. Director Topp seconded. A Roll Call Vote was taken. All Directors voted Aye.

2. Transmittal Payment Requests

6th ACTION: Director McWilliams made a motion to adopt Resolution 120614-2 that designates authorized SMRPD signers for Transmittal Payment requests submitted to the Orange County Auditor-Controller: the Board hereby resolves that all SMRPD Directors, John Olson, Deborah Johnson, Phil McWilliams, Kevin Topp and Chalynn Peterson, shall be registered per applicable County procedures to sign SMRPD payment transmittals. The names of all previous Directors shall be removed from the signature cards. Director Topp seconded. A Roll Call Vote was taken. All Directors voted Aye.

3. Transfer of Web site, Facebook etc. - no action taken

4. ISDOC and CSDA MEMBERSHIP - no action taken

5. Ethics training - no action taken

FACILITIES

1. Discussion of finding a new janitorial service - no action taken

2. Repair list and priorities - no action taken

CHILDRENS CENTER DIRECTORS REPORT

SCC Financial history

	2012-2013	Fall 2013	Jan-Sept. 2014	Oct 2014	Nov. 2014
Tuition	7,790/mo	6,592/mo	4,270/mo	2,838/mo	3,303/mo
Exp.	9,716/mo	10,112/mo	9,736/mo	9,259/mo	6,345/mo
GAP	(1,926/mo)	(3,520/mo)	(5,466/mo)	(6,369/mo)	(3,042/mo)

Since Aimee left summer 2013, SMRPD has had to subsidize the SCC a total of \$55,600 -reflected on the Quick Report run on 12/02/14. This is on top of already accrued loan obligation of nearly \$65,798 for period pre-dating Aimee's departure. That earlier sum took many years to accumulate, and for 8 years or so no loans made until Aimee left. Total now stands at \$121,398.21. The monthly loan accrual for August-October was 5.2k, 5.5k, and 5k. Average loan amount over last 15 months has been approximately \$3,500 a month, but the amounts of the deficit or gap has been growing since Aimee left, and particularly since Jenny Scott, a long time local teacher, was fired.

Grant money and fund raising money from things such as the chili cook-off have helped, but not close to breaking even. Chart on the board shows three trend lines-Tuition-which is key sign of financial health, and parental support of the program-is in blue. This line shows how much our parents support the center, with their monthly checks for services. Our customer demand. We have gone from nearly 8k to just 2-3k in monthly tuition. Meanwhile, the red line shows expenses per month in keeping the doors open for a licensed facility to care for children-preschool primarily, but also school age.

Even with severe drop off-have a relatively fixed month expense-between around 9.5k and 10k.

November was historic low-\$6,345-only one teacher-our director-and now have new hire. Did not include cleaning fee either.

In the last 16 months, we have received three grants, or large donations, which spike total income, as shown by the dotted green line. Two of these cash inflows are extraordinary-one for 5.7k through Jenny Scott's family-at beginning, and the most recent through the Rooster Club-of which ex-board members Bates and Kearns are members. Don't know of any reason to expect these will be repeated, and the Rooster Club grant of 9k-is restricted-pays only a portion of costs to offer new expanded learning services for an outdoor enrichment program. Will not address the operating gap we have every month.

If I am a businessman looking at this, I am focused on the difference between tuition-my revenue from customers who want the service, and total expenses, all as shown from blue line and red line-what I call the gap. The chart shows at right the trend in this gap.

Spoke with Laurie Briggs a couple of weeks ago-she expected then one additional full time child before the end of the year, and another in January. If each paid the full time tuition of \$800 month, we may still have a gap of over \$4,500 a month. We all know that considerable time and money was spent to clean up the center after Aimee left, but the tuition trend has shown no positive correlation. We have a real problem in age demographics-just do not have the kids we used to have. And we have a lots of very good competition nearby-all of which Debbie will go into in a minute.

Against this worrisome trend, we have the overall year to year finances of SMRPD to consider. What I think we need to remember is that SMRPD is a parks and rec program-and aside from maintaining buildings and grounds, the only rec program we pay for is \$200 a month for nature walks program. Do we want rec programs? Or are we a pre-school day care program?

Concluding remarks-this is going to require some real thoughts-what are the most important underlying interests-can we achieve those w/o licensing? Within a reasonable budget? Can we look to other uses-negotiate with county to expand use clause under our lease? So we can serve seniors, general public? And continue or even enhance rec programs for children?