

**Washington Yu Ying Board of Trustees Meeting Minutes
July 13, 2021 (via Zoom)**

BOT Members In Attendance: Liza Douglas, Paige Hoffman, Marcus Hurley, Amy Lee, Darren Riley, Wendy Rueda, Jose Sousa, Michelle Stuntz, Abigail Sze-Levine, Lemar White, Jevon Walton, Kelly Yee,

BOT Members Not in Attendance: Robert Anderson,

Others in Attendance: Maquita Alexander (Staff - Executive Director), Cheri Harrington (Staff - Chief Operating Officer)

Guests: Geoff Brown, David (Ed-Ops), Leanne Fredericks, Jerry Levine, Brad Olander,

The meeting was called to order at 6:31 p.m. EDT by Kelly Yee.

The meeting commenced with an overview of the public agenda.

ITEMS REQUIRING VOTING

Approval of June Minutes

A motion to approve the June 2021 minutes was raised by Lemar White and seconded by Darren Riley. All Board Members present unanimously voted to approve the minutes.

Committee Updates:

Finance Committee Update - Amy Lee

The Finance Committee met to review and finalize options for the swap and review budget for sy21-22.

For May 2021 the result is not available yet and will be shared with June 2021 financials via email. Amy, Geoff, and David will be available to answer any questions.

Governance Committee Update - Darren

No updates– the next meeting will be July 15.

Strategic Growth – Kelly and Cheri

No updates at this time.

Questions from the Public

None.

Public Commentary

None noted.

OTHER INFORMATION/BUSINESS

Swap Presentation – Cheri Harington

The board received an overview of Yu Ying's debt structure, beginning with the financing in 2011 to purchase the current campus. The goal of the presentation was to share the net effect on the schools finances of moving forward with transitioning the debt from a floating to a fixed rate with Truist.

Risks of locking in swap: The risks of moving forward with locking in the swap is that WYY will owe 2.80% for the next 16 years; if the school decides to refinance, or gets a donation, the school would face an early termination fee if they pay of the debt early. For instance, if the school decides in 1 year to terminate, they would have to pay the present value of all cash flows over the 16 years as one payment. To mitigate this risk, they have explored looking at different percentage swaps, so they could potentially pay off some of the debt and don't have to terminate the requisite portion of the swap.

The goal of the swap is not to make a rate bet – but to focus on the fact that the school should not manage interest. By locking in the rate, the school will be better able to budget as they will not have to worry about LIBOR changing and the uncertainty of new interest payments.

Swap Recommendation

- Yu Ying swaps up to 75% of the loan if the fixed interest rate is 3.25% or less, or swaps up to 60% if the rate is 3.26 - 3.50%.
- The Board of Trustees gives the COO the authority to decide not to swap at closing if there's an unexpected spike in the rates, and reconsider the matter post-loan closing.

Option 1: Why swap up to 75%

- Leaving 25% unhedged will provide flexibility to pay down a portion of loan without incurring termination costs of the swap
- If YY chooses to pay down a portion of debt, we currently have funds in reserve (unallocated ~ 2.5M) if we want to reduce interest costs
- Swapping a majority of the loan allows YY to take advantage of low interest rates
- Right now, interest rates are at historic lows, there isn't much room for rates to decrease further

Option 2: Why Range?

- Gives flexibility and provides YY with flexibility to close on swap without having to close and take additional time
- It is possible that it will go up to 3% and having the range gives Cheri the opportunity to make the best decision based on the rates at the time of closing.

The presenters also shared what conditions would determine if WYY held off on establishing the swap at closing. For instance, if rates increase because of something taking place in the market, then Cheri would work with advisors to finish the loan agreement but not move forward with the swap until things stabilized.

Jerry Levine shared that they anticipate closing with the lender and title company the second week of August but do not have a final date as there are several other contingencies in the process.

Kelly Yee noted the finance committee is being conservative with what they are budgeting as the current swap is 50% at 3.65. The proposal to go from 50-75% is in recognition of rates being so low.

The presenters shared most clients hedge 75-80% of debt and leave the buffer in case they have to pay off the loan or if rates stay low.

Cheri clarified the implication of the second campus on this decision. If we assume we build within 2-5 years, and we will need to secure finance there are a number of options from refinance everything together, or financing the campuses separate. However, the current loan is expiring in October 2021 and we want to make the best decision for where we are now and still plan for the second campus.

Questions from Trustees

Lemar White asked for the rate of the swap. In 2014, the rate was 3.65%; today the swap would be 2.8%.

Marcus Hurley asked if we were to look back in history, when have LIBOR rates been this low? LIBOR has been around since the 1980s and it was 25 basis points in '09/'09. Ten years before that it was as high as 6-7%. Depending on what is happening with the fed, it can go up and down. The lowest rate it will ever be is 150 basis points. The worst-case scenario for the school is to lock in 280 today, and rates move lower.

Liza Douglas asked for clarity about when reserve funds could be used to pay for interest and/or debt. Cheri clarified that we could pay down the floating portion with the reserves. Brad Olander shared the nuances for what banks are looking for as it relates to generating a surplus vs. digging into reserves. It is okay to pay down the balances.

Marcus Hurley asked for other opinions on the board for what members think the overall risk is relative to rates going up given the historic LIBOR rates? Jevon Walton agreed the rates are historically low and wondered if the only other risk is the school securing another loan for a second space. He approved of a 75% swap.

Questions from the Public

None Noted.

Public Commentary

None Noted.

A motion was raised by Liza Douglas to approve swapping up to 75% of the loan if the fixed interest rate is 3.25% or less, or swaps up to 60% if the rate is 3.26 – 3.5% and to give the COO the authority to decide not to swap at closing if there's an unexpected spike in the rates, and reconsider the matter post-loan closing. The motion was seconded by Amy Lee. All Board Members present unanimously voted.

Budget Presentation – Cheri Harington

Fiscal Year 2021 Overview

Strategic Priorities:

- Post pandemic recovery is important for the community to address trauma, as a result of loss, financial hardship, and the psychological effects of the pandemics
- Budget is aligned with need to help students grow and learn
- In alignment with the school's equity focus – there are 3 pillars:
 - Chinese immersion – motivating students to want to speak Chinese with a focus on oral language
 - Learning environment – physical and cognitive components
 - Social emotional learning – building a sense of a belonging and relationships

Chinese immersion: The school is proposing adding an additional specials teacher in “Integrated Arts” who will incorporate Chinese language, music, and therapeutic practice for students. The school will also expand the 75/25 language model that is currently in K to 1st grade to increase the amount of Chinese and English language instruction students receive.

Learning Environment: The school will hire a humanities teacher to explore how learning can be more equitable and embrace humanities through a lens of critical race theory. The school will also move garden arts outside.

SEL: The school will add a Pre-K4 teacher to lower the teacher to student ratio; The addition of additional classes as noted above will help students understand their emotions, allow teachers to build more relationships with students, and enhance planning time for teachers.

FY22 Total Revenues:

The school is budgeted at 12.6M – 90% of revenue comes from PPF; 5.6% in Earned Fees from before and after care; 1% in private grants and donations; 5.6% in federal funds (IDEA and COVID).

Revenue is expected to increase by 5% in FY22. PPF is decreasing because of an anticipated enrollment drop of 1%; Federal is expected to increase by 24%. We are also expecting the majority of the increase to be driven by earned fees because REEF will take place.

Enrollment: We are expecting 568 students; realistically will get 570. Anticipate 58 students will identify as students with disabilities and 77 as ELLs. There will also be a slight increase in at-risk from 48 to 50.

A motion was raised by Darren Riley to approve the SY21-22 budget as presented. The motion was seconded by Lemar White. The motion was approved by all board members present.

Education Updates - Maquita Alexander

The pandemic gave us a pause in institutionalized schooling and prompted us to reimagine school. Racial equity cannot be a public policy until it is a private practice and the school is committed to practicing it. We've increased the frequency and amount of positions to help create allies and provide more planning time.

Anticipated challenges

- Operational logistics and financial implications of covid testing
- Lack of space for offices and student support
- Making sure folks follow cdc and covid guidelines
- Experiencing pandemic fatigue

Wins

- 100% of English speaking hires have been people of color – doubling number of latin x and added 2 male teachers
- Extending reef hours to help meet needs of families
- Added murals to help showcase origin
- Playful schools network – teachers trained to be lead play teachers
- Applying for at-risk preference as of July 30th

Questions from Trustees

- Are the new positions ongoing?
- Liza Douglas: If 75/25 model works, would we replace the 50/50 model for the whole school?
- Riley: Question about using the term “critical race theory.” CRT applies to the study of law and how it impacts people of color and how it has been used to impact the status of certain communities.

Questions from the Public

None Noted.

Public Commentary

None Noted.

CLOSING ITEMS

The board moved to a closed session to discuss compensation and performance.

No new meeting agenda items were introduced. A motion was raised by Kelly Yee to close the meeting and seconded by Darren Riley. All board members voted unanimously. Michelle Stuntz abstained.

The meeting was adjourned at 9:08 p.m. EDT.

Washington Yu Ying BOT Meeting Agenda (DRAFT)

September 14, 2021 6:30-8:30 (via Zoom)

BOT Members In Attendance: Robert Anderson, Liza Douglas, Paige Hoffman, Marcus Hurley, Amy Lee, Darren Riley, Wendy Rueda, Jose Sousa, Michelle Stuntz, Kelly Yee,

BOT Members Not in Attendance: Abigail Sze-Levine, Lemar White, Jevon Walton,

Others in Attendance: Maquita Alexander (Staff - Executive Director), Cheri Harrington (Staff - Chief Operating Officer)

Guests: N/A

The meeting was called to order at 6:33 p.m. EDT by Kelly Yee.

The meeting commenced with an overview of the public agenda.

ITEMS REQUIRING VOTING

July Draft Minutes

No changes to the minutes were proposed. A motion to approve the July 2021 minutes was raised by Darren Riley and seconded by Liza Douglas. All Board Members present unanimously voted to approve the minutes.

COMMITTEE UPDATES

Finance Committee Update – Amy Lee

Last year, the school started with a tight budget and went through several challenges that had a significant impact on operating expenses. For example: The school had to add a Pre-K class to address high turnover in the upper grades, unexpected tree removal cost, expenditures associated with COVID. Additionally, there was \$0 revenue from REEF. All of this led to an anticipated budget shortfall, but several grants came through which mitigated the issue so at the end of year school finished the year with a net income of \$538K. At the end of the school year, there was 392 days of cash (approx. 11.9 M).

The bond was reissued on September 2, and WYY finalized the swap agreement with a swap rate of 2.537% the original rate was 3.65%. The school anticipates savings of \$60K per year with the new rate.

Board Questions:

Now that we are in a new school year, when will we look at the budget for this year? Trustees will review financial budgets for FY22 by the next board meeting.

Governance Committee – Darren Riley

There are no updates as the committee did not meet during the Summer Break.

Strategic Initiatives – Kelly Yee

There are no updates as the committee did not meet during the Summer Break. The committee is currently planning to hold a board retreat by the end of the calendar year.

1. Public Comments: This is the time for attendees to make comments that are not related to agenda items below. Additionally, attendees can make a comment on the agenda item below if they cannot wait until the item is raised under the regular agenda. If necessary, attendees will be limited to 3 minutes of public comment. Trustees will take the public comment into consideration but they will not answer questions directly at this meeting unless the topic raised is included in the agenda item below.

2. Regular Agenda Items:

A. Covid Education

Maquita Alexander reviewed the goals for this year: 1) Provide in-person learning for all students in a safe nurturing environment, 2) Continue with our robust safety measures and protocols to help reduce the spread of germs on campus and 3) Identify and stopped COVID from spreading on campus. WYY continues to have one of the most diverse school populations in the city.

Maquita Alexander reviewed COVID-19 Testing Updates. WYY will receive a sub grant for covid 19 testing from OSSE (80K). This will help to offset the costs of on-campus COVID testing. The school is testing most of the staff and students each week using saliva, pooled testing. The school tests different groups of staff and students on each day based on grade band, vaccination status, and results from the previous samples. The school has a new testing system that is less of an operational lift, but challenges persist: some students find producing drool (not spit) challenging, it takes 7-9 people multiple hours and days to complete testing, tests can be rejected for multiple reasons which means students have to retest, staff and families have safety concerns about the testing process and if students miss testing or don't turn it in, there is no quick method of finding out.

WYY updated their vaccination policy for all staff in early September. All staff are required to be vaccinated unless they have a medical or religious exemption. All staff must have their first shot or a confirmed vaccine appointment. Medical and religious exemptions must meet Yu Ying's requirements. Any staff member who chooses not to get vaccinated will be dismissed.

WYY is grappling with several operational challenges this year. Admin spends majority of time dealing with COVID processes, and all duties take more time. There are also more duties because of COVID that must be covered (e.g., COVID testing, hallway and lunch duty, etc.). While we are 100% in person this year, WYY does offer a virtual program if the student has a medical exemption or if the student is quarantining because of a COVID related reason. The virtual option is limited because the school could not stand up 2 options. In the virtual option, there is a virtual morning meeting with Chinese teacher and workbook activities for the student. If the whole class quarantines, then the teacher goes virtual and the teacher provides a full day of virtual learning because everyone is quarantining.

Another challenge is that attendance has been made more complicated around arrival and dismissal given that OSSE went from 3 to 8 attendance codes. Additionally, the school is understaffed in the REEF program and there is now a waiting list for it.

There have also been a number of personnel shifts – the HR Director and HR generalist moved. The COO is resigning at the end of September.

To address these challenges, the school would like to add additional new positions: Meal associate (hourly to support meal operations as lunch transitions), REEF teachers, In school support (to prioritize high impact tutoring).

Questions from trustees

- What challenges are you finding with unvaccinated staff? Organizationally, unvaccinated staff members are a liability – if you are vaccinated and a close contact, you look for symptoms, and take a COVID test. Unvaccinated staff must quarantine for week and then the school has to find replacements. With the new vaccine mandate, the school is seeing a smaller number of unvaccinated staff.
- What are you learning? On the wed testing of younger students, what are you learning there? Is there a need to have a discussion about alternate testing for younger students? We were in discussion with other schools before starting the year, testing year students is difficult. They tried to test all in schools and it was challenging, so we decided to send it home. The CDC requires all PCR tests and so when families travel, they have to take that. Parents also have to use PCR during quarantine. The whole testing operation takes multiple people 7-9 hours. Some staff and families have concerns about safety because students have to remove masks to take the test, so we are having them do it outside or space 6-8 ft apart.
- What percentage of tests are rejected? 47 out of 1014. 8 individuals have tested possible; over 100 individuals are in quarantine.
- How many staff are at risk for being dismissed because of vaccination status? There are 3 staff who could be dismissed because they are not communicating about next steps.

We expect vaccination numbers to grow – this includes reef and contractors/school personnel.

- What are the vaccine requirements for 5 and up? We are waiting for OSSE guidance.
- In the unfortunate even staff is terminated, there are plans in place to address that position? Yes, there are.

Comments from the public

N/A

Discussion and feedback from trustees

N/A

A motion to move to close the meeting to discuss a personnel transition was raised by Darren Riley and seconded by Liza Douglas. All Board Members present unanimously voted to move to a close session.

A motion to move to reopen the meeting was raised by Darren Riley and seconded by Liza Douglas. All Board Members present unanimously voted to reopen the session at 7:45 p.m. EST.

A motion to vote to approve adding a chief of staff and COVID-19 Manager with an estimated cost of \$124,000 to this year's operating budget was raised by Michelle Stuntz and seconded by Darren Riley. All Board Members present unanimously voted to approve the addition to the budget.

CLOSING ITEMS

No new meeting agenda items were introduced.

The meeting was adjourned at 7:48 p.m. EST by Kelly Yee.

Note: This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.