

Archbishop Murphy High School

Board of Trustees Meeting Minutes

August 29, 2018

Present: Sue Adams, Rich Bacigalupi, Brett Carlton, Jeff Cymbaluk, Jessica Gurley, Mark Howley, Millie Judge, Deacon Dennis Kelly, Mary Knox, Talia Mahnke, Larry Moore, Brian Murphy, Shannon O'Kelley, Bridget Rauvola, Steve Schmutz, Pat Sievers, Kathy Wartelle

Absent: Fr. Hans Olson

Deacon Dennis led the meeting in prayer. Steve Schmutz read the roll and declared a quorum was present.

The Board meeting minutes from June 2018 were reviewed and approved unanimously. There was no meeting in July.

Governance report:

- Millie Judge discussed Amendment #3 to the chapel loan agreement between AMHS and Jeff Cymbaluk. The original agreement of the chapel loan was for the school to credit the Cymbaluk's for the remaining tuition owed for their daughter through her graduation date and, after subtracting that amount from the loan balance, repay the remaining balance in equal installments within six months following completion of the chapel. The Finance staff estimated these payments would be approximately \$15,000 per month. The campaign did not raise enough funds to repay the loan following the construction and the Board authorized the Chair and President to attempt to renegotiate the loan terms. The Cymbaluk family agreed to amend the original agreement (Amendment #3) to extend the payment at no interest. The loan repayment will begin in July 2019 over 48 equal monthly payments through July 2022. It is estimated that the payments will be just over \$7,000 per month. Mary Knox noted that the outstanding campaign pledges exceed the current Line of Credit balance which must be repaid as part of the Chapel construction project, and that pledge payments in excess of the Line of Credit balance could be used to pay down the chapel loan. The board unanimously approved Cymbaluk Loan Amendment #3.
- Board members were provided the annual form acknowledging they have read and agree to abide by the Board's By-laws and Conflict of Interest Policy. All members present signed the forms and returned them to Steve Schmutz.
- The board reviewed the list of contracts between the school and vendors in excess of \$10,000. This was done because there is a board policy requiring board approval of all contracts/expenditures of \$10,000 or more. Discussion included a review of the school website vendor, Finalsite. One suggestion was to make sure that future contracts have a cancellation clause. Brett Carlton and Millie Judge will review standard contract forms to ensure the language is beneficial to the school. In the future, contracts or expenditure requests will be presented to the board for prior approval as required by the policy.

- The board reviewed Committee assignments and meeting dates/times and were encouraged to let the Chair know if they wanted to switch committees. Board committees will begin their meetings in September. Committee chairs will continue in their roles as appointed last year.
- The board brainstormed ideas for school house reports for the coming year and suggested:
 - Danielle Appleby to present on the Academic Resource Center (ARC)
 - Jordan James to present on the implementation of the new Spirituality and Wellness program
 - Campus Ministry update on programs for the year, including retreats
 - International students program
 - DECA and the development of a business program
 - Update on the Health Studies program
 - Another recommendation from the group was for the “Nick of Time” group to come and perform heart health screenings for student athletes.

President’s Report

- The school year is off to a good start. School started with an enrollment of 505 students (we budgeted conservatively for 495), which includes 35 international students. The board inquired about the level of tuition assistance for the incoming class. Steve will submit this to the group from the business office.
- Wesco update—the WIAA audit from Karst Brandsma is near completion. Karst has not yet released his report to AMHS for review, but indicated his report will acknowledge the current school leadership and safeguards that have been put in place to ensure compliance and meet the expectations of Wesco and the WIAA. The board received updates on our move into the Wesco 3A league and the need to improve our lower field facilities, as well as, the football 2A league that will be in place for the next two seasons.

Finance report:

- Larry Moore reviewed the updated work done on the proposed 2018-19 budget by Mary Knox throughout the summer. Larry mentioned his concerns about the potential for competition with our international program with the arrival of the new international school for Chinese students in Bothell, as well as, concerns with admissions numbers with the graduation of 12 seniors from the international program.
- Mary Knox reviewed the 2017-18 year-end financials, which will be submitted to the audit team from Vine Dahlen for their audit in September. Last year’s adopted budget anticipated an ending cash fund balance of \$0. The ending cash balance was basically break even with no reserves. The audit results will be presented in either October or November, depending upon how quickly they complete their work. The board discussed the need for financial reserves and the growth of the endowment funds.
- Mary Knox presented the updated budget for the 2018-2019 school year based on enrollment of 495 students (this includes 35 international students). It projects a cash surplus of \$263,000 at year-end. Mary reported on the updates to the proposed budget from

February which included staffing changes and a change with the medical benefits. The group discussed establishing a reserve fund with board approval for the use of the projected surplus funds. The board was reminded that the surplus also serves as working cash which is sometimes needed to meet the school's needs during lean months. The Innovation and Planning committee recommended earmarking money for future facility needs. They will work with the Finance committee to develop a new financial policy and bring it back to the full board. The board unanimously approved the revised final budget proposal.

- Mary Knox presented the amendment for the 403(b) plan involving past employees. Past employees with \$5,000 or less in the AMHS pension plan will be contacted by the Mutual of America to notify them that their balance needs to be transferred out of the plan. This will decrease the number of participants in the plan below the level where an annual audit is required by federal law. The board approved the plan amendment.
- Mary Knox also presented the Premium-Only Plan renewal that would allow employees to pay for dependent health benefits on a pre-tax basis. With the move to a new insurance provider, it was deemed prudent to renew the plan already in existence. The board approved the renewal.

Committee Reports:

With the exception of Governance and Finance, Committees did not meet in August. Committee chairs reviewed the committee descriptions and goals for the year.

New Business:

There was no new business.

Executive Session:

The board held an executive session.

The meeting adjourned at 8:30pm.

Respectfully submitted,

Steve Schmutz