

## Minutes of 2<sup>nd</sup> RCHK Council (Zoom) Meeting 2019 / 2020

4 pm on Thursday 13<sup>th</sup> March 2020

### Present:

Chairman	Albert Cheuk (CC)
Principal	Harry Brown (HB)
ESF Representative	Adam Hughes (AH)
Community Representative	Edward Tang (ET)
Community Representative	Rebecca Chan (RC)
Parent Representative	Eric Wong (EW)
Staff Representative	Katherine Evans (KE)
Staff Representative	Tracy Wnek (TW)
Staff Representative	Sameera Ahmad (SA)
Secretary	Alice Har (ALH)

### Absent with Apologies:

Parent Representative	Edward Lavish (EL)
Parent Representative	Yvonne Tse (YT)

### In attendance:

Chief Financial Officer	Vivian Cheung (VC)
ESF Senior Executive – Finance Control	Ann Chan (ACh)
Business Manager	Samuel Hureau (SH)

## 1. Welcome and Introduction

- 1.1 CC welcome ESF CFO, Vivian Cheung and Senior Executive – Finance Control , Ann Chan to present the draft RCHK budget 20/21.

## 2. Presentation of RCHK draft budget 20/21

- 2.1 VC stated that due to the social unrest situation since Jun 2019 and the ongoing measures for Covid-19, a lot of our stakeholders had been suffering from financial difficulties. After a long discussion in the Finance Committee Meeting previously, with the support from Remuneration Committee the proposed salary increment for senior & teaching staff will be 3% and for support staff would be 3.5% in 20/21. The proposal was made to show great appreciation to all RC staff despite the economic situation in Hong Kong. In light of our parents were also experiencing the economic downturn , proposed tuition fee in 20/21 would be zero increment.

- 2.2 ACh presented the budget (20/21) for RC:

- Tuition fee - zero increment

-Pay increase for senior and teaching staff proposed to be 3% and for support staff (including EA) to be 3.5%

(Post Meeting Note : Update from ESF Board Meeting on 23 Mar - due to the unprecedented circumstances , because of the social unrests and COVID-19 pandemic and that the situation had been volatile and fast changing, the ESF Board needed to delay making any final decisions on staff salaries. However, the Board agreed to continue looking at the issue in the following term.)

- Teaching and Learning responsibility (TLR) allowances would remain as the same.

- No additional hiring in 2020/21 (frozen until further notice)

- Non-staffing cost : no CPI adjustment on operating expenses except the no control over items such as insurance cost, membership fee, etc.

- CPD will be frozen at 19/20 school year level

- ESF Management & Admin Fee : HKD\$6.9M (20/21) vs HKD4.8M (19/20).

The reason of the fee going up significantly because DOA finishes in 19/20 and the annual savings will be around \$10.2m. RC will then become in the “fully-charged” model in 2020-21 , it means school will need to pay in full for time of ESF staff who handle RC matters and ESF Directors. This is aim to help balancing the income and expenses.

- Staffing : Move the cost of one EA from scholarship-funded back to operating budget (around HKD\$0.3M)

- Enrolment : Target enrolment: 2,080 (same as 19/20)

ACH shared the budget summary, she highlighted the tuition fee income in 20/21 is projected to be same as 19/20. For 19/20 (current budget) ESF doesn't see the need to transfer any scholarship fund (budgeted HKD 1M) into income so far, unless there is more withdrawal and school is not able to meet the surplus targeted. Misc income in 19/20 was projected up around HKD 4.9M was due to the insurance reimbursement on Red Door flooding. Misc income is projected to be HKD 0.6M in 20/21. Staff and medical expenses projected to go up around HKD1.13M to HKD7.57 M compared to HKD6.4M in 19/20. Insurance Premium Paid projected to be up due to claims in the past and economic situation. Interest expense for the primary building loan will be paid off partially , left amount will be HKD37M. RC can pay HKD4.9M back ESF after receiving money from the insurance company. This would reduce the interest expense for the school. For capital income, both non-refundable building levy and NR are projected to be stable. Operating surplus /(Deficit) before capital items is 0.8% and surplus after capital items is 5.6% in 20/21.

2.3 SH proposed to the council for RC to make early payment back to ESF HKD4.9M after receiving money from the insurance company in order to reduce the interest expense. The council approved the proposal.

- 2.4 VC mentioned RC is in a strong finance position, both VC and HB agreed that fee for ESF schools and RC should move forward parallelly.
- 2.5 HB proposed to the council for approving the budget. The council approved the budget 20/21.

### **3. Matters arising – None**

### **4. Principal's Report**

- 4.1 HB reported the recruitment for teachers start in Aug 2020 was completed.
- 4.2 HB stated the facilities team in RC has been following the Centre for Health Protection guidelines, including additional cleaning and sanitizing in the campus, in the effort to reduce potential exposure to the coronavirus. Everyone enters the school campus would need to sign and have body temperature taken. Everyone is required to wear masks when entering the school premises.
- 4.3 HB praised all teachers from year 1 to DP level, as they have done a great job for the online learning. Surveys for e-learning to students and parents have been sending out for adjustments. Government predicted that school will be opened on 20<sup>th</sup> April, RC will take direction from EDB for this matter. HB said one of his goal this year would be continue working on the College-Wide Strategic Plan with Jamie and Natasha. The dates might need to be adjusted , as CPD may need to be updated due to the school closures. CEO Belinda Greer has joined a Zoom faulty meeting earlier during the day, few teachers are particularly interested to know about their travel in Easter Holiday. There will be a survey send out to all staff regarding their travel plan on the coming Monday. This can help management team to prepare supply teachers/staff in case of any quarantine needs for the teachers back from their travel.
- 4.4 HB thanks KE and her team for taking care of the enrolments, interviewing candidates and making sure there are tests for them in April.
- 4.5 RC asked if the tour and summer project have been affected. HB explained school tours are arranged by KE and Team as long as the social distancing measures are followed. The summer project for the kitchen refurbishment will be carried on.
- 4.6 ET asked if the surveys only to teachers or both teachers and students. HB said for secondary sector, surveys are sent to both teachers and students. For primary sector, students are being interviewed by their teachers. Year level leaders will report the feedback to Jamie (Head of Primary). Year 7-13 students receive bi-weekly surveys. TW summed up that teachers have checked in with parents to see if they have any concerns in secondary sector. For year 4 to year 6 students, surveys are sent to students. School are using different formats for collecting feedback from year 1 to year 6 students, to check and support students' learning process. The responses are positive so far.
- 4.7 RC asked about EOTC, HB replied year 7 and 9 student's EOTC in May are cancelled. Program for next school year has been looking closely, none has been cancelled yet.

- 4.8 CC asked about the withdrawal situation since the unrest situation last year. KE mentioned up to the meeting day, the withdrawal percentage is 2.7, usually at the end of school year is between 3-4%. KE thinks number of applicants is more the concern. This is not just happening to ESF but other international schools in Hong Kong. HB added that the Nomination Right (NR) for primary school is still good at the moment and reflects that lower primary school in RC is still in at top in terms of school choice.

## 5. Business Manager's Report

- 5.1 Student numbers as of the meeting date is 2064, budget number is 2080. After Christmas break attrition was 2075. (Note after meeting: student numbers is 2056 as of 20/04/2020.)

- 5.1.1 Nomination Right for year 1 is almost completed, as of the meeting date is 28 NR full payment, last school year was 30 NR payment. If we can get 2 more students in year 2 or above, then this year will be the same as last year.

### 5.2 Final P&L for 18/19:

- Final operational surplus of + 6.45 MKHD (the biggest amount since school starts)
  - Zero amount has been taken from the Scholarship as an income
  - ESF will absorb the shortfall of the Red Door Center incident (1.1 MHKD)
  - It takes into account 13.1 MHKD of depreciations
  - 1.4 MKD on loss on disposal of assets (non-cash expenses) mainly linked to the Red Door Center flooding.
- Tuition fee incomes are more important than the forecast (an average of 2,090 students during the first half of the year – budget done with 2,080 students) and no attrition
- Rental incomes are very steady and Interests incomes are rocketing.
- Staff expenditures (70% of the expenses) are very well contained.
- Repair and Maintenance are above the budget (as the incomes were more important this year, some expenses scheduled for 2019/2020 have been done during this summer 2019)
- Training and Curriculum expense are in deficit because of the CIS visit
- Nomination Rights (NR) and Non-Refundable Building Levy (NBL) are still very solid this year
  - NR: 12,05 MHKD (11,6 MHKD the previous year)
  - NBL: 10,855 MHKD (10,69 MHKD the previous year)

### 5.3 2019/2020 P&L Report:

- In the first half year, student number was good, rental incomes were in line with the budget, interest incomes were very solid and salary paid to staff was stable, therefore, the outcome in Jan was good.

- We are working on the figures for Feb, income is expected to be lower than usual , as there is no rental income and bad debt occurred due to economic situation has affected parents, who could not afford school fees. On the other hand, expense is less as we don't need to pay supply teachers and no expense on CPD and overseas travel. SH hopes the situation in Hong Kong gets better soon, then he would like to ask ESF if school can start renting out the outdoor premises. HB said work for the swimming pool in school has been started proactively (usually in Aug), this is aim to rent out the pool in summer.

#### 5.4 Capital Expenditures

- New PA System ( budget : MHKD 1.5) – it's almost finished , earlier than planned schedule due to no school.
- Food Tech Room refurbishment ( budget MHKD 8) – first meeting with the designer is taken place in the coming Monday following the council meeting.
- Toilets refurbishment (budget MHKD 2) – 1<sup>st</sup> phase project (upgrade Y5/Y6 toilets) has started. (Note after meeting: the project is on hold for the moment)
- Canopy at the new Primary block extension – still waiting for the green light from Building Department to start the work. (Note after meeting: the project is on hold for the moment but Building Department submission is continuing )

### **6. Committee Reports**

- 6.1 The minutes of Finance Committee Zoom Meeting ( 10 March) are attached as an annex.

### **7. ESF School Council Report**

- 7.1 AH praised the amazing work done by all staff to our students and parents while school closures. It is a challenge during this difficult time and teachers have tackled it very well on distance learning and teaching via internet to engage and follow up with students. It is a springboard for ESF to a new academic era as remarkable work has come out of this challenge.
- 7.2 AH reported Crisis Management team (CMT) members meet twice a week to ensure all ESF schools are following the up-to-date information from EDB and Hong Kong Government and all messages are being communicated within the community. RC is under Vivian Cheung's (VC) group while each director has a group to represent, all information from RC will be reported by HB to VC and reports back to the CMT team twice a week. The communication has been very effective. Situation in schools will be also reported to principals meeting on Friday afternoon. On a weekly basis, senior management team (SMT) members have regular meetings with heads of schools to follow up the situation in schools and set a plan for the next week.
- 7.4 For exam and assessments, AH said ESF has kept regular contact with exam coordinators in schools to ensure that we have the most up-to-date information. ESF has kept the

students well informed regarding SAT has been cancelled this week .

- 7.5 EDB has announced that year 11 to year 13 students are allowed to come to schools campus to access the equipment they need for their studies and have special tutorials if needed . All activities are supported by the strict health and safety guidelines from Director of Facilities - John Steward. John has been working closely with SH in this aspect. AH greatly appreciated with the measures of monitoring students' continuity of learning progress by our Head of secondary and primary schools. The Year 13 visual art students can celebrate their hard work as the exhibition in RC was finally approved by EDB and it can be hosted as planned with support of the health and safety guidelines and protocols.
- 7.6 ESF has contacted with universities and colleges aboard about the situation in Hong Kong and will discuss and support the students' transitions to the universities.
- 7.7 TW raised a question from a Year 13 student's parent - will exams be held during the school closures? AH will raise this issue (the business continuity plan) in the coming up meeting.
- 7.8 ET asked about the response from universities for year 13 students with the current situation in Hong Kong. AH said they are fully aware and very supportive to the students who has the disadvantage because of the situation.

## **8. AOB**

CC invited all council members to raise questions if they so wished:

- 8.1 RC asked if there is any special support for students with special education needs. HB said SEN teachers have taken this matter personally and done a remarkable job. The SEN teachers are checking their students 2-3 times a day to follow up on their assignments. The team are also following on the students with special emotional needs closely.
- 8.2 EW asked about the situation of Chartwells and Kwoon Chung school bus company while school closures. HB said Kwoon Chung bus is giving 25% of bus fee rebate to parents for February, March and April. SH said Kwoon Chung will keep school bus drivers and bus mothers on payroll. HB said school are trying get permission to let 1618 café open again soon. Some of the staff in Chartwells are on unpaid leave since Chinese new year. SH said school has waived the rental fee for Chartwells in March and in return they should come up a plan to help the staff in finance need. (Post meeting note: Chartwells staff who have no income have already received a one-off hardship fund of 3,000 HKD. Chartwells has applied for the Hong Kong Government Grant successfully to maintain their staff on payroll with basic salaries.)

## **9. Date of Next Meeting:**

- 9.1 The date of next meeting is scheduled for 28 May 2020.

(The meeting was adjourned at 5:16pm)

**10. Post meeting note - HR issue considered by circulation**

- 10.1 HB sent a request by email circulation on 19 Mar regarding two Primary Educational Assistants who would soon reach 60 years of age and like to continue their employment at RCHK. The school policy permits a three-year extension. Both staff have the endorsement of their supervisor, Dr. Jamie Schmitz, Head of Primary. The council was requested to consider and approve the extension. After deliberation, all council members approved the request.