

Minutes of 4th RCHK Council Meeting (Zoom) 2021/ 2022

4 pm on Wednesday 22nd March 2022

Present:

Chairman	Albert Cheuk (CC)
Principal	Harry Brown (HB)
ESF CEO Link	Charles Caldwell (CBDC)
Community Representative	Edward Tang (ET)
Community Representative	Gideon Ho (GH)
Community Representative	Rebecca Chan (RC)
Parent Representative	Mehul Tanna (MT)
Parent Representative	Irene Wang (IW)
Parent Representative	Audrey Mah (AM)
Staff Representative	Tracy Wnek (TW)
Staff Representative	Anney Chan (ASC)
Secretary	Alice Har (ALH)

Absent with Apologies:

Staff Representative	Sinita Pandya (SP)
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In attendance:

Business Manager	Samuel Hureau (SH)
ESF Finance Officer	Ann Chan (AC)

1. Welcome and Introduction

- 1.1 CC welcomed everyone and invited AC to present the first draft of the RCHK budget (22/23)
- 1.2 AC represented the first draft of the RCHK budget (22/23) included :

I. Draft RC Budget 22-23 (summary)

Income:

Although a number of students left the school, enrolment is maintaining healthy this year. Enrolment was budgeted as 2084 students for 22-23. Interest income was budgeted HKD 500,000. Other Fees income (e.g. application fee) was budgeted HKD 1,120,000. Most of the income are from year one applications.

Administrative Expenses:

- IT Expenditures budgeted as HKD 4,207,000. (The cost of iPads has been moved from Capital Expenditures to Operation Expenditures)

- Finance charge was budgeted as HKD670,000 , it is higher than 2021/22 budget because of electronic payment (e.g. PayPal).
- Training & Curriculum Development and Training Materials were budgeted HKD 1,438,811 and HKD 3,220,000. (same budget as last year)
- Management & Admin Expense was budgeted HKD7,510,100. It was increased compared to the last year due to the amount of time that departments in ESF used in working for school has increased.
- Non-refundable Building Levy and Nomination Right set as an “accrual basis”. They will be used for rebuild projects in the future.

II. 3 Options (staff salary increment & fee rise)

- Option 1: staff salary increment 3% for teaching staff (gratuitable) and 3.5% for non-teaching staff. Tuition fee rise 2.6% (to cover additional salary costs only) – (result in a surplus of HK\$ 0.4m)
- Option 2: staff salary increment 3% for teaching staff (gratuitable) and 3.5% for non-teaching staff. No tuition fee increase. - (result in a surplus of deficit HK\$ 6.6m)
- Option 3: staff salary increment 3% for teaching staff (no gratuity) and 3.5% for non-teaching staff. No tuition fee increase. - (result in a surplus of deficit HK\$ 5.0m)

III. Compare RC and ESF Tuition Fees

RC 2022-23 Tuition Fee

Board Paper 28 March				RC	Compared to ESF Tuition Fees			% above ESF fees	ESF non-subvented	Non-subvented basis
2021-22	2022-23	Increase	Net 10%	2022-23	2022-23	Increase		2022-23	% BELOW ESF fees	
Y1-6	124,000	128,000	3.23%	115,200	119,100	2.85%	7.5%	118,147	-2.5%	
Y7	166,000	169,500	2.11%	152,550	159,300	19.06%	6.4%	158,026	-3.5%	
Y8-11	166,000	169,500	2.11%	152,550	137,600	2.84%	23.2%	158,026	-3.5%	
Y12-13	167,900	171,500	2.14%	154,350	144,700	2.84%	18.5%	168,541	-8.4%	
Average increase (weighted)			2.56%		Average increase (except Y7)		2.85%			
Surplus			\$0.3m							
			0.1%							

School Proposed				RC	Compared to ESF Tuition Fees			% above ESF fees	ESF non-subvented	Non-subvented basis
2021-22	2022-23	Increase	Net 10%	2022-23	2022-23	Increase		2022-23	% BELOW ESF fees	
Y1-6	124,000	128,710	3.80%	115,839	119,100	2.85%	8.1%	118,147	-2.0%	
Y7	166,000	167,990	1.20%	151,191	159,300	19.06%	5.5%	158,026	-4.3%	
Y8-11	166,000	167,990	1.20%	151,191	137,600	2.84%	22.1%	158,026	-4.3%	
Y12-13	167,900	169,910	1.20%	152,919	144,700	2.84%	17.4%	168,541	-9.3%	
Average increase (weighted)			2.25%		Average increase (except Y7)		2.85%			
Deficit			-\$0.5m							
			-0.2%							

Post meeting note: Finance sub-committee met on 19 April to consider the college's draft (V.4) budget for 2022-23 and present the fees and percentages to the ESF Board on 25th April for approval. Minutes of the Finance Committee meeting was approved by the ET (convenor) and shared to CC and members.

CEO has announced that the ESF Board has approved the annual budget for 2022/23 on 26 April. Below is the details for RC:

- Primary: from 124,000 HKD to 127,500 HKD +2.82%
- MYP: from 166,000 HKD to 169,000 HKD + 1.81%
- DP: from 167,900 HKD to 170,900 HKD + 1.79%

This proposed tuition fee would result in a surplus of HKD607K.

The Board has approved a salary increase of 3.0% for teaching and senior staff and 3.5% for support staff, including EAs for the academic year 2022/23.

2. Confirmation of minutes of last meeting

- 2.1 The minutes were confirmed and approved without amendment.

3. Matter arising

None.

4. Principal's Report (HB)

- 4.1 989 in the Primary School and 1078 in the Secondary School = **2067** students College-wide.
- 4.2 New teacher recruitment for school year 2022-23 continues this month. We've had over 20 resignations for next year and have filled most of the remaining vacancies.
- 4.3 Jennifer Whitehair, currently serving as the MYP Coordinator at Victoria Shanghai Academy (VSA) in Hong Kong, has been selected as the MYP Vice-Principal to succeed Brandy Stern who is returning to Canada. Thank you to Audrey for representing the Council and the parent community on the Interview and Selection Committee. Jennifer will start in August.
- 4.4 HR at ESF has encouraged schools to upwardly adjust targeted support staff salaries for the purposes of rewarding outstanding performance and to incentivize continuing employment with ESF/RCHK. Samuel Hureau has been working with me to review individual support staff salaries to make appropriate changes as we can within budget.
- 4.5 The main basketball court has been refurbished. This project was sponsored by RAPT.
- 4.6 School has been operating with a limited staff on campus in an attempt to limit movement across Hong Kong. Classes remain online at least until mid-April following the Easter break.

4.7 TW introduced the Year 6 PYP Exhibition. She invited council to join the annual celebration of Primary students' engagement in the Primary Years Programme (PYP) on Tuesday, March 29th.

4.8 Both the Primary and Secondary phases have been working on elements in the Strategic Plan including how student performance data is used to drive instruction.

5 Business Manager's Report (SH)

5.1 P&L Report as of 31/1/2022 (first document)

1) Incomes

- Tuition fee incomes are above the forecast even with a drop of enrollment in the last 2 months (2,071 as of today – 2,084 in January- budget was done on 2,074 students). There were a lot of leavers going overseas or leaving for reasons linked to the current situation.
- Interest incomes are very low
- Rental incomes are again hit by the campus lockdown and won't see any improvement before April 2022 at the earliest

2) Expenditures

- Teaching staff expenditures are well contained
- Support staff expenses are still showing a small deficit due to the massive number of extra cleaners employed for lunch and snack time during the first half of the year but these expenses are stopped during lockdown.
- The Senior staff salary is compensated by the Interco incomes and is related to the interim of our Primary principal at KJS
- Big gap in Cash allowance
- Other expenses are well contained except for IT expenditures which are always very high at the beginning of the school year but will be within budget at the end of the year.
- Usually, other expenses will slow down during online teaching

3) Interim Result

- RCHK has an interim positive result of 614,454 HKD which is reassuring when beginning a new difficult online teaching period.

5.2 Budget 2022/2023

- Budget done on 2,084 students (compared to 2,074 students this year)
- Budget details will be presented by ESF Finances Department

5.3 Nomination Rights Updates

- 2012/2013: 62 applications (32 full payments): 12.95 MHKD
- 2013/2014: 59 applications (24 full payments): 9.25 MHKD
- 2014/2015: 72 applications (26 full payments): 12.45 MHKD
- 2015/2016: 83 applications (33 full payments): 13.65 MHKD
- 2016/2017: 85 applications (35 full payments): 14.50 MHKD
- 2017/2018: 65 applications (27 full payments): 11.60 MHKD
- 2018/2019: 55 applications (30 full payments): 12.05 MHKD
- 2019/2020: 65 applications (35 full payments): 14.20 MHKD
- 2020/2021: 57 applications (31 full payments): 12.70MHKD
- 2021/2022: 55 applications (38 full payments): 15.50 MHKD

2021/2022: 55 applications – possibly more coming

- 42 applications have been received for Y1 only (37 last year)
 - ⇒ 32 have been paid in full
 - ⇒ 3 have withdrawn or declined (50,000 HKD is kept)
 - ⇒ 7 were unaccepted and refunded
- 13 applications so far for Y2 and above (16 last year)
 - ⇒ 6 have been paid in full
 - ⇒ 3 have withdrawn or declined the offer (50,000 HKD is kept)
 - ⇒ 4 under review

5.4 Capital expenditures update:

Central Playground flooring (completed early February 2022)

- EPDM floor + new basketball poles + new lights
- Budget: 2.2 MHKD + 333,333 HKD from RAPT
- Works completed early February 2022



Toilets refurbishment (2nd phase – summer 2022)

- Upgrade of 2/F floor of Primary and Secondary toilets
- Upgrade of Primary gym toilets (e,g below)
- Budget: 5 MHKD
- Tender in process, maybe more budget necessary

Oil Free Chillers (postponed to Christmas 2022)

- Change of PAC chillers (15 years old)
- Budget: 5 MHKD

Swimming pool sound baffles / acoustic ceiling (summer 2022)

- Replacement of the current sound baffles
- Initial budget: 1.5 MHKD
- Final cost after tender process: 1.2 MHKD
- Artis impression below



5.5 LIST OF EXPENSES ABOVE 200,000 HKD APPROVED SINCE LAST COUNCIL

- Supply and install swimming pool acoustic system HKD1,031,000
- PAC Chiller Replacement Consultancy HKD280,000 (ESF Center)

6. Committee Reports

6.1 There is no committee report.

7. ESF School Council Report (CBDC)

7.1 Staff vaccination rate was as high as 99%. There were only two to three staff who chose not to be vaccinated but amicably left ESF as a result. There were a handful of staff who had legitimate medical exemptions.

7.2 ESF declined permitting staff to work from overseas. This is because ESF needs to make sure schools are ready to open with short notice. Two years ago there were cases

of teachers overseas (mainly in non-ESF schools) who were caught out overseas and this created a serious situation.

- 7.3 Due to the rise of Covid cases numbers, doctors and clinics were extremely busy. Not all staff were able to find medical treatment or even virtual consultations with doctors. As a result, ESF temporarily waived the requirement of a sick note to the end of March. (Subsequently extended to end of school year.)
- 7.4 Staff absence days was minimal during the Covid outbreak. CBDC noted that teaching staff and support staff were very committed. There were many cases of staff continuing to work while either asymptomatic or mildly symptomatic. Being mindful of staff and their family's well-being, ESF introduced "Carers Leave" for staff who needed to look after their dependants who were unwell.
- 7.5 As of the meeting date, attrition rate was 14.7%. Total vacancy number to be filled across ESF was 37. Same time last year, vacancy number was 24 and 12 in 2020.
- 7.6 ESF was also taking measures to enhance child protection protocols for online learning and also planning for exam contingency.
- 7.7 Student withdraw numbers had increased but not alarmingly. Student enrolment numbers remained strong overall. ESF was helping a couple of individual schools to cope with student attrition.
- 7.8 Parents can use the ESF APP to report their children's vaccination status. Overall vaccination rate for secondary students averaged around 75% but lower for primary.

8. AOB

None

9. Date of Next meeting

2/06/2022

(Meeting adjourned at 5:43 p.m.)