

ORDINARY GENERAL ASSEMBLY MEETING OF DECEMBER 11th, 2017 REPORT

This Assembly was convened by Mr. Mohamad Darawsha, President of the Management Committee (hereafter the MC) of the Lycée Français de Jérusalem (hereafter the LFJ), for the vote on budgets 2017 & 2018.

<u>Present</u>	<ul style="list-style-type: none"> • Mr Denis Bittmann, Principal of the LFJ • Mr Jean-Luc Lavaud, Head of cooperation (COCAC) • Mr Francis Arroues, DAF of the LFJ • The 9 members of the Management Committee • Students' parents
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It began at 18:30. The reunion lasted 3 hours.

After the count of the numerous proxies, the information was given that the quorum (one tier of possible votes plus one) was reached with 166 participations and therefore it will be possible to vote on the budgets at this meeting.

Mr. Mohamad Darawsha, President of the MC, welcomed the participants of the Assembly and informed them about the agenda.

After a presentation of the current situation the General Assembly will be able to vote on:

- Appointment of the auditor & commissioners
- The closure of budget 2017
- The proposed budget 2018

Mr. Darawsha introduced the newly elected MC and the priority working groups:

DARAWSHA Muhamad (President) STEWART Joumana (Vice-president) GUILLAUD Cédric (Treasurer) SAHAR Hana (Vice-treasurer) FRIEDEL François (Secretary) VATELOT- GEMIN Marie (Vice-secretary) VESCO Nathalie MASSON Frédéric KHATIB Ihab	Working groups organization: <ul style="list-style-type: none"> • Budget & Financial issues • Staff status negotiations • Cleanliness & Maintenance • External communication & Fund raising • Internal communication • Renovation of the nursery school
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Discussion

1. Appointment of the auditor & commissioners

Mr. Arroues proposed to renew Mr. Naouri Hava, certified accountant, auditor of the LFJ for the last 3 years because his work provides satisfaction until now, his fees are reasonable (9200 ILS) and he is French speaker.

Q: It has been asked to provide more than one option for next year General Assembly in order to vote on various choices for the auditor.

For the commissioners, who should be students' parents not part of the MC, some participants volunteered for the positions.

Vote by show of hands on:

Auditor:	Mr Naouri Hada	Unanimously elected
Commissioners:	Mme Boulier Mr. Abu Atat Mr. Jadoun (substitute) Mr. Shouffani (substitute)	All unanimously elected

2. Presentation of the current situation

- The evolution of the number students since 2010 and its analysis was presented. There was a pick in 2014-15 with 319 students and we face today a decline in number for the last 3 years. This tendency was explained by the running out of the effect of the bilingual program and the poor state of premises that affect the attractiveness of the LFJ. In addition, it was explained that, with currently 299 students (and “only” 295 students on first January 2018 – there is 6 departures), the prevision of 320 students in 2017-2018 could not be reached.
- Mr. Bittmann detailed as well the good results at the Baccalauréat exam and explained that this was reached without dismissing the “weak” students at the first class of the Lycée, a common practice in other institutions. The LFJ is proud to accompany its students from the nursery school to the Baccalauréat with an average of successful results of 91% to the Brevet (83% with distinction) and 94% to the Baccalauréat exam (73% with distinction) for the last 5 years.
- It was also recalled the importance of the “Assises” and its list of parents’ recommendations that has been adopted by the MC and the School Council as main guidance for priority actions. All of the parents have to feel concern by that and provide appropriate means for those.
- Mr. Bittmann evoked the 50th anniversary of the LFJ, a great moment, proof of the solid base of the LFJ and its role for the local and expatriate population. The participation of the AEFÉ General Director, Mr Bouchard, was important. And the launching of the Association of the Former Students was mentioned as a great opportunity to link the LFJ with the society and look for potential support and funding.
- Mr. Asin Coso & Mr. Darawsha presented the future project of expansion and renovation of the nursery school (modernization and expansion of the courtyard, work shade and covered courtyard, removing of the toilets, creation of a new classroom and new toilets) to enhance the attractiveness of the LFJ. The project will cost about EUR 150'000 and will be financed through a financial plan agreed with the AEFÉ (AEFÉ subvention + a little free-interest loan), it means that it won't impact the 2018 budget. The AEFÉ support is

conditional to the capacity of the LFJ to balance its 2017 and 2018 budgets and to the implementation of their recommendations made during the Audit of April 2017.

Q: Is the LFJ able to assume an increase of nursery school students later in the premises of the elementary school and high school? In principle yes, as the objective is to get 25 kids more within the 3 levels of the nursery school for 2019-20 that should impact the elementary school 2-3 years later and the high school only 5 years later. The LFJ have time to adjust.

Q: Concerns were expressed about the success of this project regarding our capacity to limit the expenses link with the potential increase of students. The risk of a “none ending story” (more students, more investments, more costs, more money needed, etc...) was mentioned.

Q: What is the ideal number of students that correspond to the break-even point to balance the budget? Mr. Hanna Sahar answered that 320 students should provide enough incomes to balance the volume of expenses but not sufficient to sustain the depreciation capital.

3. Budget 2017

- Mr. Arroues & Mr. Guillaud presented the budget 2017 with its current deficit of NIS 178'264 and propose to balance the budget with an exceptional contribution of 600 NIS per student at the maximum cost of 3 students per family.
It was recalled that the mentioned deficit voluntarily did not include the yearly depression capital of NIS 600'000. This deficit is explained by the lack of the 20 students expected (the budget 2017 was made on the basis of 320 students). The current deficit is less than planned (400.000 ILS), thanks to the Provisor and its team who worked to limit this deficit. The budget 2017 is still not approved by the AEFÉ, because it was presented unbalanced last year.

Q: To respond to the lack of understanding about the depreciation capital, Mr. Arroues proposed to send the depreciation calculation method to the participants in order to remove any doubts concerning this point.

Vote by secret ballot on:

Budget 2017* with the increase in 2017 school fees for an amount of NIS 600 per child and for a maximum of 3 children per family.

Decision endorsed with 128 YES and 38 NO

*annex 1

4. Budget 2018

- Mr. Arroues & Mr. Guillaud took again the floor to explain the necessity to reverse the trend of the past years which have absorb almost all the reserve fund of the institution with recurrent deficits. The year 2018 appears already as a very difficult year because it is illusory to think of having more students (it means more incomes) for the next intake. Only a courageous increase in the school fees would allow the LFJ to pass the year while making the necessary investments to find an attractive school in 2019.

- Mr Guillaud explained the true reality of the context and constraints which have been considered to elaborate this budget:
 - Budget based on 300 students, which means that the amount of the 2017 deficit will also exist and increase the differential between incomes and expenses in 2018
 - We have been informed that the AEFÉ reversion will pass from 6% to 9% in 2018, which correspond to NIS 198 000
 - The staff salary increases, part of the recent negotiation to end the past contracts that indexed all salaries on the Israeli guaranteed minimum wage until 2019.

The total gap to be filled in to achieve a balanced budget is about 493'000 NIS. The only levers existing today: getting more students (medium and long term) and acting on the school fees (short term). A sum that the MC projected to meet with the following propositions:

- **Harmonisation actions between the different tariffs**
 - Increase of 2% of school fees for locals (AEFE request). To feel the gap between local fees and French fees, the MC proposes to smooth it over 5 to 7 years with 2% increase each year.
 - Increase of 5% of the school fees for the "Lycée". Today, the lycée costs much more than the existing fees.
- **General increase of the school fees of NIS 2'635 per student**
- **An additional contribution in Sept-Dec 2018 of NIS 800 per student.** This proposal was made to minimize the impact on 2019 school fees

Together with this ambitious proposal, a list of priorities to stop the degradation of the premises was also presented.

- In anticipation of a possible refusal on the MC proposal, a list of cuts in services was proposed to balance the 2018 budget together with a more modest increase of the school fees. Among the conceivable options was mentioned a number of destaffing initiatives (nurse, FLE teacher ...) and the transformation of the 3 classes of the "lycée" in a distance learning alternative (CNED).

Q: The prudence in the negotiation with the staff was criticized. Unrealistic options were suggested like the replacement of expensive experienced teachers with new entrants much economical.

Q: A question was asked if it would be possible to smooth the weight of these increases over several years. The respond emphasis on the fact that 2018 will be most difficult year and a distribution of the amount over some years will not allow the LFJ to balance its 2018 budget.

Q: One parent added that, after the experience of 5 French Schools in the world, it seemed to her illusory to think that tuition fees could go down in the future. Life is more and more expensive and it is also the case for the LFJ.

Vote by secret ballot on:

The submitted 2018 budget* with the new school fees that includes the harmonization actions, the general increase and the additional contribution.

Decision endorsed with 86 Yes, 77 No and 1 Null

*annex 2

The meeting was long, intense and controversial but was respectful of everyone. The votes were validated by obtaining the quorum.

We thank all the participants for their presence and involvement in the debates.

The Management Committee