Spring Garden Waldorf School

Joint Board-Faculty Meeting minutes

October 10, 2022

Attendance: Bridget Ambrisco, Gabrielle Aryeetey, Stephanie Bailey, Vikram Bedekar, Daren Brake, Joanna Caley, Tricia Cottrell, Miriam Daniel, Joyce Gordon-Shapkaliska, Darrin Griggy, Amy Hecky, Brenda Leighton, Rocky Lewis, Julie Marchetta, Kristen Oberhaus, Jen Vereb, Kyle Yoder, Patricia Candela, Julie Gannon, Michael Gannon, Edward Grimes, Andrea Haberny, Alyssa Humes, Olga Lyuksyutova, Kate Miller, Sarah Miller, Diane Miskinis, Caty Petersilge, Sarah Shorten, Molly Sullivan, Kelli Wright, Dionne LaRue

- Meeting called to order at 6:35pm with the reading of the Opening Verse

Introductory Activity

YEAR-TO-DATE BUDGET

Julie Marchetta, Director of Finance, gave a brief overview of the budget document for Faculty and those new to the Board. Items highlighted in orange were funded by the 2022 Auction Paddle Raise. Items highlighted in yellow are budget requests that are on hold. An administrative costs reimbursement payment is expected in November and some donations for the Annual Giving Campaign have been gathered. The YTD budget shows a Grand Total of -$6543. Julie also provided an updated Certificate of Liability Insurance to Board members.

COMPENSATION TASK FORCE PRESENTATION

Bridget Ambrisco, Board President and Co-chair of the Task Force, provided some background information about the Task Force and its work. She introduced the members of the Task Force and mentioned that SGWS also hired an outside consultant for non-profit organizations to support the process. The compensation plan developed by the Task Force and ultimately submitted to the SGWS Board will be integrated into the budget this November when the Board sets tuition, salaries, and approves the overall budget for the next school year.

Bridget also summarized the findings of the Faculty Survey. At the outset of the Task Force's work, Toby Ann Weber, consultant hired by SGWS, surveyed the Faculty and Staff as to their priorities for improved compensation. The majority of respondents prioritized salary, healthcare, and retirement, in that order. Additionally, tuition remission remains an issue because those who are not able to take advantage of it are not given a proportionate benefit. Despite this, the Faculty would like to retain tuition remission for those who can use it. Amy Hecky, Director of Administration, asked Faculty members to consider their initial compensation priorities and decide after the presentation if they changed or remained the same.

Healthcare

Kelli Wright, Task Force member, provided a handout explaining the options for healthcare benefits. Kelli is a small business owner and is familiar with the options and regulations of healthcare coverage. SGWS is a small business because it has fewer than 50 employees.

Kelli began by describing a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA). With this plan, employees would secure their own health insurance and SGWS would reimburse the employee for their insurance premiums. This recurring reimbursement could be easily managed by SGWS with its current payroll. A more expansive QSEHRA could also reimburse employees for other qualified healthcare expenses. The more expansive QSEHRA would require SGWS to pay for third-party management of reimbursements, a cost of approximately $5000/yr. One benefit of a QSEHRA is that all employees would receive an allowance for reimbursements, therefore, the benefit can be used by all employees, not just those who need to purchase health insurance. SGWS can increase the dollar amount of QSEHRA coverage when funds become available and can cancel the QSEHRA at any time to switch to traditional group health insurance if that becomes affordable and desired by employees. SGWS would maintain an account for each employee in which to deposit a monthly amount to use for reimbursements. Amounts not used are rolled over each month and can be rolled over at the end of the year, subject to certain limitations.

The most likely option that SGWS would be able to provide initially is a single (not family), premium-only QSEHRA in an amount that should cover the cost of an individual, silver-level healthcare plan. This plan would not require payment to a third-party for reimbursement management.

Kelli went on to describe a potential scenario for traditional, group healthcare. SGWS would need to work with a broker to secure coverage and the cost of this service would be included in the group insurance cost paid by SGWS. Initially, SGWS could offer single coverage only and pay 90% of the premiums. Employees who do not need health insurance through SGWS would receive no other benefit. Further, the cost for a silver-level plan is much higher for SGWS ($764/month/employee with a $5400 deductible) than the cost to an individual employee who purchases through healthcare.gov ($423/month/employee average with a $5000 deductible).

The Faculty was reminded that information is being provided now to inform a decision they will make at a later time.

Salary & Tuition Model

Joyce Gordon-Shapkaliska of the Finance Committee and Task Force, provided a handout showing four possible scenarios for applying tuition dollars to compensation. The pertinent figures in the scenarios presented were gleaned from a much more detailed version of the Model that she and other Finance Committee members created for the Task Force.

Joyce began by stating that the money SGWS has available for expenses overwhelmingly comes from tuition. Additionally, SGWS has operated with a year-end budget deficit but has been able to sustain that because we still have money from the Payroll Protection Plan. Although a deficit is shown at the beginning of each year's budget, the actual deficit by year's end is often much less than predicted. This happens for different reasons that cannot usually be predicted or budgeted for. Ideally, SGWS should retain 3-6 months of expenses in cash reserves. To implement compensation increases, our target is to keep 1 ½ months of expenses in cash reserves.

In the first compensation package increase scenario reviewed, the income generated by increased tuition was balanced between the priorities previously set forth by the Faculty and Staff Survey: increased wages, health benefits, and retirement benefits. Salary employees would receive a higher wage increase than hourly employees because hourly wages have been periodically raised recently, while salaries have not risen at a similar rate. Some administrative salaries are raised by the same percentage as Faculty salaries, but a couple administrative positions are excluded because they have been more "right-sized" very recently. This scenario also assumes a health benefit of a single coverage, premium-only QSEHRA with the maximum reimbursement amount increasing each school year to expand coverage. This scenario provides a steady IRA contribution amount of $1100. The actual amount would vary slightly for each employee as it would be calculated at 2-3% of their salary.

Some Board members stated that they felt the enrollment figures presented in the Salary and Tuition Model were too optimistic. The enrollment figures should be adjusted, and a plan made in the event enrollment does not increase at the predicted rate.

In response to a Board member question, Joyce stated that the Financial Aid figures shown in the Model are based on current Financial Aid numbers with no increase. In response to other questions, Joyce stated that the Model takes into account spending on facilities improvements and an annual increase to non-compensation expenses.

Three other scenarios are represented in the handouts: one balancing additional income to salaries and healthcare, but no retirement benefit; one showing smaller salary increases, group healthcare, and no retirement; and one investing additional income to salaries only with no health or retirement benefits offered.

Again, Amy asked the Faculty to consider their priorities for increased compensation and complete an anonymous poll with their answers.

Parent Survey

Amy stated that the response rate to the online survey was 36%, which she said is high for an online poll. She went on to summarize the responses gathered by the short survey intended to gauge the impact of substantial tuition increase on families' budgets and the likelihood that families would discontinue enrollment. Twenty percent of respondents said their family had to reduce basic living expenses to attend SGWS. If tuition was raised by 10%, 30% of families would have to reduce basic living expenses. If tuition was raised by 15-20%, approximately 20% said they may leave SGWS. This figure is similar to the rate of attrition caused by the COVID pandemic.

The survey showed that a $100-150/mo increase to tuition seems affordable to most. Some families expressed concerns on the impact of increased tuition because they have multiple children. Many families expressed their belief that the Faculty should be compensated much better than they currently are.

The point was made again that there will be more time to consider, discuss, and adjust the compensation plan before the budget is finalized at the November 14th Board meeting.

Non-board members were excused at 8:10pm to allow the Board to address new business.

NEW BUSINESS

Donation of Property

Joanna Caley, Director of Development, informed the Board that an owner of land adjacent to SGWS property would like to donate the parcel to SGWS. She provided the Board with an aerial photo of the subject property and a detailed report. She and Amy visited the property as well.

The 3.89-acre parcel is currently owned by Tony Nassif. It is primarily wooded with some wetlands and a seasonal stream. The parcel is east of the Sportsmen's Club and North of SGWS property. South Plainview Drive provides the Eastern border of the parcel and access to it. The current owner installed a culvert and a gravel driveway before he learned that was in violation of zoning restrictions. Usage of the property is governed by Article 15 of the Copley Township Zoning Resolution. There are no other structures or improvements on the property. Because he cannot develop the property as he intended, Mr. Nassif would like to donate it to SGWS before the end of 2022. Mr. Nassif has stated his intent to donate the parcel to SGWS regardless of any tax benefits to him. In consideration, he would like SGWS to pay the property taxes for 2022, which will be due in 2023. After transfer to SGWS, the property will be tax-exempt.

Kyle Yoder moved that the Board approve of the following recommendations presented by the SGWS Administration, SGWS should:

- *proceed with the discussion with Mr. Nassif about accepting donation of the property.*
- *contact an attorney to review the information available for the property, review the pertinent tax codes, and provide information regarding the process for the transfer of the deed. The Administration will make every effort to obtain this legal advice pro bono.*
- *offer to have our attorney file any necessary paperwork to transfer the deed.*
- *as a good faith gesture, Spring Garden offers to pay the property tax owed on the parcel for 2022 (until the time of property transfer) which will be due in 2023 – approximately $400.*
- *once the property transfers, Spring Garden will evaluate the use of the property for activities.*

Kristen Oberhaus seconded the motion.

The motion passed unanimously.

Meeting adjourned at 8:30pm with reading of the Closing Verse.

Dionne LaRue
(she/her)
Board Secretary

Next Board Meeting: (tentative) November 7, 2022, at 6:30pm