

MINUTES
VSWEA BOARD OF DIRECTORS MEETING
WEDNESDAY JANUARY 15TH, 2019
HIGH SCHOOL ENGLISH ROOM, DESERT MARIGOLD SCHOOL
6210 S 28th Street, Phoenix, Arizona

MEMBERS PRESENT:

Clayton Hopkins – President
Gregory Schneider – Secretary
Jessica Jarrett – Treasurer

John Tanner
John Elling
Matthew Walker
April Sauer

MEMBER ABSENT

The President, Secretary and Treasurer were present and a quorum was reached. Member Julie Haines was absent.

GUESTS

Christie Kriegsfeld - Acting Executive Director.

Members of the public. For a complete list, see files maintained in the school office.

OPENING VERSE

Meeting was called to order at 6:34 pm

INTRODUCTIONS

Board Members introduced themselves and review of meeting procedure occurred.

MINUTES

MOTION - to approve minutes from 12/18/19 Regular Board meeting – J.J. moved, J.E. 2nd – no discussion, VOTE: 7/0/0

YEA: Unanimous.

BOARD PROCEDURES

C.H. – Review of procedure for Public Comment.

PUBLIC COMMENT

The following individuals gave public comments:

- Sophie McCurley: Spoke regarding communications about materials fees and the inconsistent and confusing nature of the same. Numerous families reluctant to donate based on lack of coherent set of goals instead of just blended into general operating funds. She and her family have not received acknowledgement of previous materials fees donations. Also spoke to the need for an experienced director, or at the least an experienced donations officer on the staff.
- Michael Reid: Here to express concern about decisions made at the school. Feels that staff members are not treated or looked upon equally, or an inconsistency in treatment. Concerned about treatment of teachers based on their certification status. Concerned about status of the garden, which is the heart of the school. Would like to know more about the status of Waldorf

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certification, whether the garden is still biodynamic, and the financial aspect of the school.

- Kellee Schlink: Wasn't planning to come today until she saw vines in the garden "being destroyed." Never been in a school where she felt less welcomed as a parent. Share sentiments about fundraising, including concern board is not involved enough in the same. Feels there is a void in leadership at the school. Leaving teachers to make leadership decisions may not be wise. Calls on board to actively start searching for a Waldorf principal or administrator.
- Mario Casillas: Concerns about a lot of issues. Here to learn about what goes on here. Issues standing – one is attendance. This impacts our funding. Hard to get his kids here at 8:10, concerned many other parents have similar trouble, and change school hours to encourage better attendance. Would like to see more participation in the school. Need to get more people involved.
- Adeline Carrera: It's time to see a posting for a Waldorf trained director on our website, on Waldorf today, etc. Why is this not posted on our website? Makes her feel as though school may not be around long and attendance and enrollment may dwindle even more.
- Barb Cunningham: Where is the job posting for the Waldorf executive director? Where is the feedback survey that was supposed to go out to take the pulse of the community? Figuring out the most important thing is the most important thing. Calls to see these actions taken.
- Harper Rose: Worried community is working from a place of a fear rather than positivity. Asks everyone to contribute in ways that they can, including taking proper attendance, supporting the teachers. Offers a verse from Rudolf Steiner.

REPORTS

Executive Director

M.W. – Can you explain more about the DHS meeting occurring next week?

C.K. – We have addressed problems DHS identified over the last three years and we are not anticipating any issue with renewing our license.

M.W. – nice to see all the activity around the 100th day celebration.

High School transition plan

Expecting two new students to start this month. High school information night planned coming soon. Inviting parents from 10 area schools. Goal is to increase enrollment by 20 students for the 9th grade next year. Also planning to encourage shadowing opportunities for 8th grade students. Will also plan on sending a survey.

C.H. – will you be tracking the recruitment efforts in a quantitative way?

C.K. – yes, we will, and we have a time to do that.

C.H. – do we have a plan for addressing gaps in college readiness and counseling in the high school?

C.K. – Yes, Paula Cummings is filling that role and will do so for the rest of the year.

Administration Reports

Have 163 applicants for next school year. We are getting to roll over the wait list for the next year. Currently in preparation for re-enrollment for the next year.

Enrollment and Student Support Services

Getting ready to do next round of Galileo benchmark testing. AZ merit coming up in a couple of months. Getting materials and training ready for staff.

Parent Council Report

January workday cancelled. February workday possibly cancelled. If it is cancelled, looking to change that to a rummage sale. Parent council leadership meeting with the LDC tomorrow to work on how we can help bring the community together.

Winter Faire wrap up occurred several days ago. Humble Hive cancelled for this coming Saturday. One in February and March still going forward (third Saturdays).

Book club is on Zoom on Friday evening.

S'Mores bonfire is January 31 in the evening.

Next parent council meeting is on February 4 at 6:30 p.m.

- J.J. will attend this meeting.

Service Mark Update

M.W. – Provides background on seeking approval of the service mark. M.W. has been talking to the Alliance for Waldorf Education. The Association for Waldorf Education owns the rights to the mark. The Association granted the rights to the Alliance to create a membership program for schools, including the right to use the term “Waldorf.” This is why we are dealing with the Alliance, not the Association.

Alliance program has three levels of membership. Main differentiators are fees, interaction with Alliance, and how you can use the term Waldorf in a public way.

- Initiative Level: School is new and just getting started. Fee is \$5/student and provides access to certain materials. Permits use of phrase “Registered with Alliance for Public Waldorf Education.”
- Developing Level: Fee is \$10/student. Can participate in committee work. Can say “Developing Member of the Alliance for Public Waldorf Education.”
- Full Member Level: Fee is the same. More interaction between school and alliance. Can say school is a “Full Member of the Alliance for Public Waldorf School.” Once a full member, you can apply to use the name “Waldorf” in the name of the school, but it is not automatic.

Only two schools in the U.S. that are full members. We have applied to be the third. Some criteria are objective, some subjective. Core is that principles of Waldorf education are fully integrated throughout the school.

When DMS applied to become a full member, per Ms. Bevin of the Alliance, the school was experiencing substantial changes (as discussed at previous board meetings), and Alliance was concerned, including departures of Waldorf trained administrators/teachers, and the extent the curriculum is aligned with Waldorf principles. M.W. believes this is mostly a lack of communication to the Alliance and concomitant lack of understanding what is happening on the ground at DMS. The Alliance is willing to help us work through this process. Are we amenable to that help?

Discussion ensues regarding status of process. Encouraged to obtain clarity on what the Alliance is actually looking for at this point and a timeline for completing the process.

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C.H. stresses that this was nearly a done deal years ago and this is not something we should be starting from scratch. Documentation from the past is on the Hive.

Laura Alvarado-Coady offers to assist M.W. in the Alliance of process.

BUDGET AND FINANCE

Financials, finance mgmt, and approval of invoices

Net profit for December is -\$86,408.10. If we are able to collect the past due fees and materials donations we will not be in a negative profit. Net profit for the year is \$-87,774.07.

Current past due balances for private PreK, private Kinder, and Circus Club are over \$41,000. We are not getting responses from many people.

Materials donations. We have received \$10,000 so far this year in materials donations.

Too much spending, lower enrollment, invoices for private services not being paid, costly facilities repairs (such as mold and a/c outages), and poor planning of cash flow led to this situation. We need help from the community to address and solve this problem.

Charts of cash balance and net income over the past few years months displayed to the audience.

Chart of enrollment each month for the past few years displayed to the audience.

What does AZ pay for? Per child we get the exact same money as a public school. But we don't get ANY money for facilities or transportation. We have to find other sources of funding to compensate for this difference.

We currently have an operating deficit of ~\$15,000/month without covering the following: utilities, facilities repair, etc.

If everyone paid suggested materials fees we would collect approximately \$109,000. Crayola crayons are ~\$0.60 per pack, whereas Stockmar crayons are \$20.

Fundraising committee is working on increasing fundraising, securing corporate donors.

A.S. – Are we paying the gardening contractor, Maya?

J.J. – No, we do not pay them.

M.W. – Have we set up separate bank accounts for various purposes?

J.J. – Having trouble getting Chase to provide her proper access so that she can create those accounts. It is a work in progress. But she has a system in place to track the funds and they have all been put into a savings account.

Audit

C.H. – Results of the audit were not good. We are still working out implications. We may have to do more reporting to the charter board. Our loan providers also may require additional reporting based on the

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results. It was unfortunate but it was a pain we had to go through after having the same audit firm for 17 years, which led to lack of adequate oversight.

Refinancing

Fundraising efforts, status and planning

G.S. – We have raised approximately \$15,000 since December of last year. We need and hope to raise much more. We have many tools in place now that we did not have in place before to track donations, to contact donors, and to thank donors. We are working on getting the fundraising apparatus functioning more smoothly, but it is unfortunately moving slower than we would like. But we are making progress and are optimistic that by this time next year we will be in a far better position.

A.S. – We are also working on incorporating photos from Reg Madison into marketing materials. We are also gathering statistics about the school and students so that we can use in marketing materials to focus our brand, give information to donors about what their money will go toward.

Hiring a Bookkeeper

C.H. – We need to hire a bookkeeper to do this work professionally that J.J. is doing on a volunteer basis.

J.E. – Can we afford that?

J.J. – Hard to justify right now, as the person managing the school's finances.

C.H. – The school has too long sacrificed professional accounting to appease various stakeholders. We need to bite the bullet and make sure financial management of school is done consistently in a professional way.

M.W. – This is not an indictment of J.J. It just has to be part of a long-term responsible financial management plan. Also potential conflict of interest board member (oversight) performing a role they are potentially supposed to be overseeing. But we still have a practical problem of can we pay anyone? Or can anyone volunteer?

C.H. – We are \$3m+ organization. We can't have a volunteer doing this.

J.E. – Is pulling Aspire back enough to fund another position?

J.J. – No, it's not enough.

C.H. – Funding the position is a short term problem. We need to think about the big picture here so that we do not run into bigger problems down the road.

[Repeated interjections by public guest M.C. are addressed by the board.]

A.S. – Definitely the big picture matters. And we need someone in the office tracking down accounts receivable.

M.W. – Is it possible to hire someone who could essentially pay for themselves in their ability to get money we need coming in the door?

C.H. – Very unlikely that it will pay for itself.

G.S. – Can we have a plan in place to fill the position in six months?

C.H. – We have ongoing regulatory compliance issues that we need to take care of immediately. Waiting six months is inadvisable, especially given the risk to the organization of failure to comply.

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J.J. – Audit is not as bad in the last six months, and we are correcting the procedures. But we literally don't have the money to pay another person. Who do we stop paying to fund an accountant? Our vendors – including toilet paper – are threatening to cut off services for lack of payment.

M.W. – Without money, why don't we push it out a few months to find more money and see how the next few months go?

J.T. – Taking another month to see how it goes makes sense. But we need another layer of protection.

J.E. – Would love to get a person, understand the need and the urgency. But how do we justify going deeper in debt to fund it right now?

G.S. – What if we just post for the position and collect resumes so we can be better positioned to act in 1-2 months?

M.W. – Still not a good idea. We just went through layoffs. Very bad for morale of community. Not taking any irreconcilable positions by waiting a month or two.

C.H. – We will wait. But this is a horrible decision.

BOARD PLANNING, POLICIES AND DISCUSSIONS

Goals & Objectives

Discussion regarding various goals for the Executive Director that were developed approximately six months ago.

C.H. – What can we pull out as a priority? Some may be priorities now, e.g., hiring of teachers, marketing plan for high school, administrative operations and adjust as appropriate.

G.S. – Should we add a goal to get financial house in order? Cash flow neutral, stretch goal of cash flow positive, identifying the key support staff that will help these goals.

J.E. – Audit should also be part of this goal. Should be an unqualified report. How do we get there, to a clean audit?

M.W. – Creating the financial plan should include the steps to get to a clean audit. Part of the cash flow neutral goal has two components, managing expenses and finding ways to increase revenue. Other than the audit, are there compliance issues? We want internal and external compliance to be satisfied.

C.K. – This needs to be a collaborative effort between board and admin – this is not something that is achievable in the next six months.

M.W. – Shouldn't this be a plan that we ask the executive director to develop over the next six months?

C.H. – How do we measure this goal?

C.K. – This is achievable as developing a plan – implementing will take longer.

C.H. – Restated: Financial House in Order. Have a plan in place to achieve: Cash flow neutral. Stretch goal is cash flow is positive. And we want securing funding to staff administrative positions. And a clean audit. And compliance with internal and external regulations. (will work on cleaner verbiage.)

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J.E. – Do we need a goal for recruitment/enrollment?

C.K. – This is in the works.

Strategic Plan

Tabled until next meeting.

ANNOUNCEMENTS

Next board meeting February 19, 2020.

Parent council: January 31 is the S'Mores event.

100 day: Wednesday January 22, 2020.

MOTION - to adjourn meeting – M.W. - 2nd – J.J. no discussion, VOTE: 7/0/0

CLOSING VERSE

Meeting was adjourned at 8:45 pm

Prepared by G.S. on 01/15/2020 and revised on 1/21/2020 with suggested edits from M.W., A.S., and J.J. incorporated herein.