

# Sacramento Waldorf School

## Minutes of Board of Trustees Meeting

Thursday, October 25, 2018

7:00 p.m. to 9:45 p.m.

*"Our highest endeavor must be to develop free human beings who are able of themselves to impart purpose and direction to their lives. The need for imagination, a sense of truth, and a feeling of responsibility—these three forces are the very nerve of education." – Rudolf Steiner*

**Present:** Andrew Jensen, Eric Brickson, Marcela Iglesias, Esteri Hinman, Marianne Gray, Lawrence Olson, Brian Bertossa, Jason Sigel, Tammy Duncan, Paul Steinberg, Tim Carmichael

**Absent:** Prashant Goteti, Michael Fields

**Guests:** Erica Beernink (11<sup>th</sup> and 2<sup>nd</sup> grade parent), Wendy Gittleman, Janice Gafken (9th grade parent), Tom Hedtke (9th grade parent), Amy Hedtke (9th grade parent), Lori (Campbell Taylor), Natalie Myers (Campbell Taylor), David Sokolowski (7<sup>th</sup> grade parent), Colin Crane (1st grade parent)

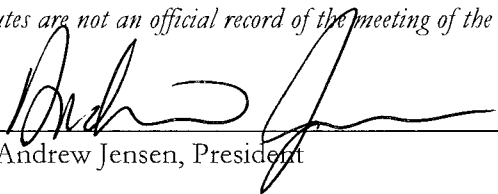
Topic/Presenter	Discussion	Decision/Action	Owner	Date
<p>Welcome/Approval of Minutes – Decision</p> <p style="text-align: center;">Andrew Jensen</p>	<p>Lawrence - move to approve September Minutes, Eric 2<sup>nd</sup>; Motion approved.</p>	<p>Approved</p>	<p>Andrew</p>	<p>Done</p>
<p>CPA Report – Inform</p> <p style="text-align: center;">Lawrence Olson</p>	<p>Lori/Natalie – The audit contains three documents – a governance letter, the financial statement and a recommendations letter.</p> <p>Natalie met with Lawrence and Wendy to review documents together and go over recommendations. The outcome was a good, clean audit with many prior issues having been improved and cleaned up.</p> <p>The governance letter confirmed no disagreements between Campbell Taylor and SWS over preparation of the audit.</p> <p>The financial statement discussion was led by Lori. One notable point: Expenses went down due to improved oversight by Administration and Finance.</p>			

	<p>The recommendation letter with last year's recommendations and an update on progress discussed. Great strides made on last year's recommendations. New comments for this year: adherence to investment policy - possible need to revise investment strategy as it has not been updated in many years; IT controls - door to the server room is frequently open. Discussion of ongoing recommendation (not yet implemented) to record monthly the depreciation expense. Natalie notes the non-recording is a non-cash event and does not hinder any reporting or decision-making.</p>			
<p>Finance – Inform – Lawrence Olson</p>	<p>Budget is based on enrollment of 420 and we are at that number. Gross tuition is tracking, but overall tuition revenue is tracking low due to an increase of \$25,000 in tuition assistance awards. The cost of the architect's work on the plan for a Meristem replacement and the cost of installing new locks show up in the variance report. Right now (four months in to our budget year) we are tracking to end the year with approximately a \$50,000 deficit.</p> <p>Discussion of motion on how to invest funds previously invested for sub-market return with Rudolf Steiner Funds (RSF). SWS has two investment policies, a conservative policy from 2008 that focuses on protection of principal and thus suggests conservative investments (mostly CD's) and a second policy applicable to the Endowment which seeks a more aggressive return on investment.</p> <p>Motion by Lawrence, 2nd by Jason: BOT to direct Finance Committee to invest up to \$200,000 of money formerly invested with RSF under the investment policy currently applicable to the Endowment; investments to be made through SWS's current investment advisor. Motion</p>	<p>Finance Committee to direct investment of up to \$200,000 formerly invested with RSF under</p>	<p>Lawrence</p>	<p>ASAP</p>

	<p>approved.</p> <p>Finance Committee to undertake a review of existing investment policies and make a recommendation regarding investment policy going forward. A possible outcome of this review could be multiple investment strategies applicable to different pots of money e.g. short-term liquid, medium-term liquid and long-term funds (Endowment).</p> <p>Current investments are divided into Operations and Endowment. Former RSF funds represent \$200,000 of a total operations reserve of approximately \$700,000.</p>	<p>investment policy currently applicable to Endowment funds</p> <p>Finance Committee to review existing SWS investment policy and present recommendation for revision.</p>	Lawrence	November BOT meeting
<p>Tuition Setting – Discussion Andrew Jensen</p>	<p>The discussion of next year’s tuition is occurring earlier than in the past to permit earlier and more accurate budget planning. Assuming enrollment of 415 students and roughly the same expenses as budgeted for 2018-19, a 3% tuition increase is projected to result in an \$81,000 deficit budget; a 5% increase is projected to result in a \$36,000 surplus budget. Enrollment issues discussed: international students, TA.</p> <p>Jason suggests a need to raise tuition 10-15% to reflect our values e.g. increasing faculty pay. Discussion of recent history of tuition increases and SWS’s price compared to competing schools.</p> <p>Ad hoc tuition-setting committee formed (Lawrence Olson, Jason Sigel, Tim Carmichael volunteered to participate) and will meet weekly prior to next BOT meeting when BOT will vote on 2018-19 tuition.</p>	<p>Tuition-Setting Committee formed to meet weekly prior to November BOT meeting</p>	Lawrence Olson, Jason Sigel, Tim Carmichael	Report to BOT at November BOT meeting

Strategic Planning Charter – Decision  Esteri Hinman	Ambrish Sundaram will not be on the committee; Esteri would like to replace him preferably with a strategic planning subject matter expert. Ari Magruder has agreed to stay on as a COT representative. Motion to approve the Strategic Planning committee charter - Jason; 2nd - Eric. Motion approved.	Strategic Planning committee charter approved	Esteri Hinman	Proceed with gathering committee members and holding meetings
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*These Minutes are not an official record of the meeting of the Board of Trustees until signed by an officer of the Board.*

Signed:   
 Andrew Jensen, President

Date: 11/26/18