

**VICTORY VILLAGE DAY CARE CENTER, INC.
BOARD OF DIRECTORS MEETING MINUTES**

JANUARY 19, 2012, 6:00 P.M.

UNIVERSITY CHILD CARE CENTER, MULTIPURPOSE ROOM

Present: Rachael Bloom, Susan Brown, Joanna Carey Cleveland, Brian Johnston, Mattias Jonsson, Hadley Kifner, Dorrie Lassiter, Dan Lehman, Katie McMahon (Chair), Ashley Nicklis, Jeanne Wakefield

Absent: Jenn Stegall-Zanation

Minutes: Joanna Carey Cleveland

1. Welcome

Katie started the meeting at 6:10 p.m. and introduced a new Hospital representative to the Board, Hadley Kifner. In the absence of Jenn Stegall-Zanation, Joanna volunteered to take minutes.

2. Recognition of and Time for Guests (Teacher Time and Parent Time)

No comments or speakers.

3. Officer Reports

a. Approval of December Minutes

The Board unanimously approved the minutes of the December 15, 2011 meeting with the following changes:

- Under “Modular Classroom update”: last section should state “*Hospital agreed to finance construction.*”
- Paragraph that starts “Liping Song has decided ...” should have “*positions*” replace “*position*” in the second sentence.
- Under “Personnel Committee: Dorrie”: last section should state “*Jeanne will be creating a chart of previous hours and proposed hours within tiers; we discussed how absences affect day care.*”
- Under “Director’s Report: Jeanne”: first section should state “*An existing staff member will replace a teacher leaving the Sparrow Room;*”.

b. Chair’s Report

1) Election of Treasurer

Due to the resignation of the previous Treasurer, Joanna Carey Cleveland was nominated to fill the vacant Treasurer position for the remainder of the year. No other nominations

were received, and, as such, Board members unanimously elected Joanna to serve in this role.

2) Board member vacancies

As noted above, Hadley has been appointed to serve in one of the vacant UNC Hospitals Board positions. There is still one UNC Hospitals vacancy. We also have a vacant parent position and two parents have expressed interest. Katie has emailed them to explain the potential for an election and to confirm their interest.

c. Treasurer's Report¹

Jeanne distributed the current budget information. Board members discussed costs associated with dental insurance, and Jeanne confirmed that it is all employer-paid (\$20/month per employee) and was renewed in January. Board members expressed a strong preference for trying to coordinate all insurance renewals (ideally tied to our fiscal year).² Jeanne agreed to ask our insurance agent about a switch.

Board members also discussed requesting a payment from the Reserves Account for replacing the freezer and ice maker. The consensus was that this expense seemed to meet the definition of a building expense under the contract, and we want to be able to utilize the Reserves Account for the purposes for which it is intended. Even so, Board members agreed that Jeanne will talk further with Dan before making a formal request to UNC Hospitals.

4. Committee Reports

a. Personnel Committee

Dorrie confirmed that the teachers had not yet submitted a formal proposal to address changes in leave accrual as was discussed at the December meeting. Jeanne noted that the change in the implementation date (to align with anniversary dates) has helped address some teachers' concerns. Board members agreed that any proposal from the teachers should be received no later than January 31st if they want the Personnel Committee to review and consider further changes, but that the proposal does not need to be a formal narrative – bullet points would be sufficient. Jeanne will share this update and deadline with the teachers.

b. Fundraising Committee

No report.

¹ Due to a Board member needing to leave, the Board actually discussed "Health Insurance Renewal" under New Business items prior to completing the Officer Reports. In the interest of tracking the agenda, the minutes report discussions in that order.

² See related discussion in Section 5.a.2) ("New Business, Health Insurance Renewal") below.

c. Building and Grounds Committee

1) Modular Classroom Update

Jeanne met with the architect and civil engineer. They brought plans that showed ramp and stairs encroaching on the outdoor classroom by about eight (8) feet. Jeanne has affirmed with them that this is not acceptable and they agreed to redesign. They have also proposed siting the retention pond close to the existing storm drain rather than next to the building.

Wendy Hillis in the Facilities Planning group at the University has emailed Dan and Ashley regarding leasing. Ashley is planning an in-person meeting with one of the University attorneys on Friday to explain the proposed arrangement. Jeanne noted that the Auditor also has a question about the proposed lease arrangement.

We hope that the timing of adding the modular classroom won't open up a reassessment (e.g., ECERS, ITERS, star-rating) for the entire Center.

5. Other Business

a. News Business

1) Director's Report

Jeanne highlighted a couple of items from her report (*see* "Director's Report" handout).

First, she has received notice that she can proceed with adding the outdoor music space as part of the "Music & Movement" playground grant.

Second, she noted the audit being conducted now by our outside auditors. They will be present at the Center for one week and will be checking our financial systems/processes. They have also contacted Katie (current Chair) and Joanna (past Chair) with questions.

2) Health Insurance Renewal

Jeanne noted that it was time to renew our health insurance plan, with the caveat that benefits coverage is becoming tougher and more expensive every year. We currently offer two tiers of coverage – VVDCC, Inc. pays the premiums for employee coverage for the 80/20 plan ("Tier 1") and then eligible employees can "buy" up to a second tier for approximately another \$75/month ("Tier 2") (*see* "Analysis of Health Insurance Renewal 2012" handout from Jeanne). We also receive a reimbursement of \$2,200/month from TEACH.

The proposal we received to mirror the current Tier 1 would result in a premium increase of 11.7%. This is an industry-wide trend (about 15% annual increases), which most employers are addressing through plan design and premium payments. Board members acknowledged that we cannot continue funding model and that we should contemplate

setting a baseline amount that we will provide for coverage with some set annual increase in order to facilitate effective budget planning.

Board members also discussed the feasibility of introducing some wellness initiatives, but we would need to see what our claims experience is and whether it would result in any demonstrable savings given the small group size. Board members discussed the consequences of having employees start contributing to their individual premiums as was implemented by the State Health Plan (the plan covering University and UNC Hospitals employees).

Board members supported requesting information on our claims and using that information to start assessing which components of coverage we may be able to adjust to better tailor our plan to employees' needs and our budget constraints (e.g., how many employees use eye exams; adjusting co-pay amounts for certain services such as chiropractor and ER visits; capping lifetime maximum benefit to \$5 million rather than unlimited). Jeanne will request that information and see whether we can identify any immediate savings that would affect the premium amounts.

Upon review and discussion of the three options presented (*see* "Victory Village Daycare Medical Proposal, Effective Date: February 1, 2012" handout, Board members unanimously approved proceeding with option "POS C28" as written with hopes that premium can be reduced based on the issues identified above, with an effective date of February 1, 2012. The Board also unanimously approved introducing an employee premium payment of (up to) \$22 and Victory Village Day Care Center, Inc. will pay the difference. Board members also endorsed developing a formula for insurance payments that will be used for budget planning purposes.

6. Adjournment

There being no other business, the Board meeting was adjourned at 8:10 p.m. The next Board meeting will be on February 16, 2012 at 6:00 p.m. in the Multipurpose Room at the Center.