

**Strathcona Christian Academy
Elementary and Secondary School Council Meeting**

**SCA Elementary Gymnasium
Wednesday, January 15, 2019**

Meeting Notes

1. SCA Elementary Questions and Answers

- a. Is it possible for the school to charge a fee to help pay for EAs?
A: No. We are a public school. We get the fees from the government to pay for the education. We can't raise money for more EAs or principals fee as this would not align with the goals of public education.
- b. Field trip fees have been consistently \$40 for many years. With inflation, is this enough, does it need to increase?
A: No. The meaningful fieldtrips are always done. When we have in-school field trips, it's because it's a very valuable experience. Any in-school field trips are not chosen to try save on field trip money, it is because they contribute to student learning in a meaningful way.

2. SCA Secondary Questions and Answers

- a. Some of the league fees are covered by the school budget, is that the provincial budget?
A: Yes.
- b. Are other programs supplemented with the school budget or just sports?
A: Other programs are, this year there was some additional Art expenses that were covered.

3. SCA Society Questions and Answers

- a. When the church uses the space of the gym, does the church reimburse the school?
A: EIPS has a lease for those spaces, the rates of those leases is relatively low, provision is that the church can use the space, should it not impact the school.
- b. It feels like SCA society fees are being paid for the gym, but there is no give and take.
A: When the church uses the space, it is with below market rates. Also, when the church uses space from the school, it is not reimbursed, but the church does not charge for overflow space the secondary is using in the rent.
- c. With the capital fee collected, did the church use any of that money to cover the renovations in the sanctuary.
A: Referred to the Capital Fee Breakout slide from the presentation for how fees collected by the society are used. (see "x" above)
- d. Who has accountability for making site improvements?
A: The SCA Society Board.
- e. How do we know that it wasn't used for the church renovation?
A: We have auditors that have ensured the funds were used where they were said.

- f. \$600/student goes to the capital fee. How can parents have influence in the site improvements? Society hears about shaping the grade, who provides input to if that is really a need for parents?

A: In the SW corner of elementary property, in meeting with Mr. Poole, it was decided we could expand the space to have more room. The concern was if we didn't do that, we might run out of room. Putting down the asphalt to pave the "mud pit" was done through meeting with Mr. Poole and letters from school council made the society aware of the improvements needed.

- g. So is it then on us council members to keep the Society better in the loop of what might be needed?

A: Ministry planning begins March, best to work with that process. With ministry planning and capital planning, Mr. Poole has already approached for the playground enhancements at the elementary.

4. Questions from the "yellow sheet" and their answers. The questions copied for ease of reference. (Please note, where follow-up information was required from the SCA Society, it has been provided in parenthesis and added to these notes.)

- a. Who sets the fee amount?

A: Fees are set by the SCA Society board and voted on by members of the SCA Society.

(Follow up information provided from SCA Society:

The Society Members consist of the SPAC Board of Elders. The current membership of the Society Members (SPAC Elder Board) is: Grace Alberts, Trent Forsberg, Rudy Froese, Greg Hochhalter, Randy Liedtke, Ken Marshman, Manny Schmidt, Jim Thiessen, Glen Tjostheim and Val Tower.

The Society Members (SPAC Elders Board) appoint a Board of Directors for SCA Society.

The Board of Directors consists of a SPAC Staff rep, a representative of the Society Members (SPAC Elder), SPAC members and Directors at large from the SCA community that are not members of SPAC.

The Current SCA Society Board (Board of Directors) consists of: Duane Seelochan, Trevor Janz, Wayne Regehr (SPAC Staff Rep) (the SPAC Staff Rep is transitioning to Jeremy Cook), Henry Korthuis, John Peters (Director at Large, Zion Evangelical Missionary Church) and Jeremy Teeuwsen (Director at Large, Heartland Alliance Church). Note that the Society Member (SPAC Elder) is currently being selected and was filled previously by Henry Korthuis.)

- b. In today's economy, would there be an opportunity to decrease the fees?

A: There's always opportunities to decrease fees, but we're on a cost-recovery basis. If there's a cost incurred, we need to cover that cost. Right now, the SCA Society is trying to change the underlying cost structure to address the fees.

- c. How are fees spent? Who decides on what and where our fees go?

A: Referred to slide on where society fees go (see "viii" above) This decision was made by the SCA Society and ultimately approved by Society members (Elders board).

- d. A detailed break-down of where our fees go would be greatly appreciated ... an explanation/walk through of the budget online would be very helpful... including the portion that EIPS pays for the shared lease agreement and operation cost.
A: Fees are in the audited financial statements on the website, link to be provided to Heidi. The financial documents are always available on the church website.
(The following link was provided for further clarity by Wayne after the meeting
<https://spac.ca/Content/ExternalSite/Documents/Congregational%20Meetings/2019/Annual%20Financial%20Report%20-%20Final.pdf>)
- e. Who is the Society a representation of? If parents are the ones who pay the fees, how is their voice represented?
A: The SCA Society serves the parents and children along with partners of EIPS. They are a representative of the church. Parents can talk to their respective School Council or Sherwood Park Alliance Church directly.
- f. How can we see as much of our fees as possible go to Christian Education for our children?
A: Our hope is that we can reduce facility costs as much as possible, but still have a good facility. This will free up more room for programming. A reminder that this is a cost-recovery operation.
- g. Why does the SCA Society charge parents a capital fee when the school is the renter?
A: The society charges a capital fee because the lease amounts paid do not cover the full cost. This was decided on when the facility was built, parents and grandparents were a part of this decision. Lease payments do not cover everything.
(Follow up information provided from SCA Society: The SCA Society has done their best to differentiate capital and operating costs. The capital fee is specifically for capital expenses at both campuses. There are still operating expenses at both campuses that are not covered in EIPS' payments.)
- h. How can our School Councils/Parents have direct input into Capital Projects that will benefit the schools?
A: Contact the respective School Council or the Sherwood Park Alliance Church
- i. Can we separate this fee so parents can receive a charitable tax receipt?
A: Wayne met with Devon and Jeremy Cook to discuss a charitable tax receipt for the capital fee. Wayne discussed this option with Edmonton Christian as they are still awaiting on the CRA decision. They advised against doing this as it would be a very risky move given that this decision is currently before the courts.
(Follow up information provided from SCA Society: As the capital fee isn't "voluntary" it probably wouldn't qualify.)
- j. What does SCA being a ministry of SPAC look like? SCA Society is a ministry, we have multiple organization working together for the good of the families. We have a good working relationship with EIPS and the schools. To say there is an exact line on how we collaborate is very challenging.
- k. Could we have a verbal update at the meeting on where the Charitable Tax Receipts are at?
A: (Answered by Trevor Janz, SCA Society) Hearing for the tax receipts is in June. The SCA Society is hoping for judgement then. We have chosen not to issue tax receipts because of the high penalties that would be charged for doing so.

- l. If EIPS pays rent and operating costs, why does the SCA Society charge operating and maintenance costs?
A: The amount that is paid for and the actual expenses incurred, is different (not all covered in the lease.)
(Follow up information provided from SCA Society: There is a difference between capital, operating and maintenance. The SCA Society has done their best to explain each, but bottom line, all amounts not covered by EIPS is included in the SCA Society fees.)

- m. When projects occur (like parking lot paving) how do you figure out what percentage the church pays and what percent the school pays?
A: For parking lot paving, most of the maintenance items on the secondary campus is spread among school vs church. Ex. Sign is a 100% church cost. The capital to build roof was done previously, maintenance is to a maintenance reserve fund and covered on a per area basis. (SCA Society to get back with further clarification.)

- n. What is the \$20,000 management fee?
A: Less than 1 FTE in the society office. \$20,000 is for executive time and accounting fees. (Follow up information provided from SCA Society: To have a full time or even part time person in the office, would be far greater than this particular fee.)

- o. What do other ministries of SPAC pay for rent, management fees, IT fees, etc.
A: Other ministries are within the corporate entity of the church and are covered through the church. SCA Society fees are paying for their IT fees, accounting support.

5. Resumed questions and answers from the floor question and answers. (Please note, where follow-up information was required from the SCA Society, it has been provided in parenthesis and has been provided and added to these notes.)

- a. How many more years left on mortgage?
A: 2032 is when the mortgage (and lease with EIPS) expire.
- b. As an alternative school, are we getting the same or less funding than other schools?
A: We are getting the same.
- c. How do other schools cover off the difference operating costs?
A: What's not showing up in the charts is that there is a team of people who work together as Christian principals, teachers, etc. At Fort Christian, there was a decision to move to a different facility which changed their cost structure.
- d. How are other schools doing it on the budget they are getting?
A: Every school has different challenges; these are some of ours. No one else has the unique situation of shared space, rental/lease agreement within EIPS.
- e. Lease amounts for the secondary shows up where?
A: That is church space that is being collected from EIPS. This amount went into operating costs at the church.
- f. There is a whole other income that the church is receiving from EIPS, where is that shown?
A: Both buildings are owned by Sherwood park Propco. The secondary piece is used by the church to offset operating costs at the church. This was historically decided to record it in

this way before Wayne's time.

- g. Would rather have fees going to a parent body rather than the church making decisions. Historically speaking how did it come about that SCA Society oversees making decisions.
A: This was decided that when the school was started, the SCA Society would house to oversee the schools. When we moved into this arrangement with Elk Island, it was kept the same.
- h. Could it change that the parent councils be on the society board. Could we have a chair from each school sit on the board?
A: Wayne can't answer this himself; this could be recommended to the SCA Society. The SCA Society visited the secondary council earlier this year, they were going to write a letter with this recommendation. The SCA Society is awaiting the letter with the request and will gladly receive it.
- i. Parents are looking for a direct input avenue into the governance model. Why not an Open Board vs Closed Board? Membership is different in other models. Who can carry the recommendation forward?
A: Tried to pull a summary based on where things are currently at. The Board of Elders is members of the Society, if we want to start changing the governance models, that's fine. If you want to make the request, make a letter to the board of elders.
- j. We are a ministry of Sherwood Park Alliance Church historically, but tonight we were told the Society is a ministry, but the school is not a ministry of SPAC. Where did we become more of a business than a ministry?
A: When it was a private school, the decisions as to what went on as a private school were more ministry driven. Now it is operated by EIPS, therefore the church can no longer get involved with some of the discussions.
- k. Why do we have to pay a registration fee in addition to other fees? (Clarified this refers to the commitment fee)
A: This just rolls into the general budget; therefore, the Society is looking at getting rid of the commitment fee and just rolling it in to the tuition payment.
- l. As a member of SPAC and a teacher, concerned about the partnership in ministry, could the teachers consult on the ministry part?
A: Yes.
- m. Once the building is paid off, it's owned by the church. I'm paying part of the capital expense, does that make me an investor as part of it is going to capital expenses? Is there anyone else investing?
A: The company is a not-for-profit company. Although we have shareholders as it's a not for profit, they don't make any money and must return the shares as they come and go.
(Follow up information provided from SCA Society: Once the mortgage is paid, all fees and costs will be expected to be re-evaluated at that time and fees adjusted accordingly.)
- n. In EIPS, no other school has a mortgage as EIPS pays for it outright. If we as parents are renters here, is the church a renter of the school?
A: The church does not pay for rent of the elementary, but they covered the purchase of the land.

- o. Are the schools a ministry of the church or not?
A: To give a black and white answer is hard. As we look at the schools, the influence is predominately EIPS, in the past it was the SCA board who could make changes. As we've moved from a private school to an alternative program, it's different than how it was as a private school.
- p. Is there any budget from the church that comes to the school?
A: (Answered by Jeremy Cook, Pastor at Sherwood Park Alliance Church) Yes, we eat the rent for what is not covered by EIPS. One of the funds we work with is the Compassion fund. There are several things we pay, including helping families in the school. While we don't have a great metric showing what the church has paid for, the church has done what they can to do the best for the students. Maybe the church needs to make it clearer about who covers what.
- q. We're two weeks away from registration, so that fee won't be going away. What are fees for next year.
A: Fees have been held steady for the last 4 years and we have used up our surplus. Fees are going up 2% for next year. It's the facility piece it ends up impacting.
- r. The hundreds of thousands of dollars you receive in lease payments is there any accountability in where that money is going?
A: You can see it in our audited financial statements. I Can't talk to why that has been going to the church as it has been happening for many years, before I was around. It goes to the secondary space to cover the loss of space for the secondary. It is noted that the secondary lease amount is omitted from the line item on the Capital Fee Breakout chart.
- s. Going back to the church ministry role, there used to be a campus pastor, what happened to the role? Church has stepped in with missions to allow them to go out of country again, where does that money come from?
A: There is a campus pastor at both schools. Reverend Tim Cook at the Elementary and shared between Reverend Jordie Maxwell and Leah Tuckwood. This is going through Christian component of your fees. For missions, parents pay a portion of the fees for trips and the rest is fundraised and is collected through the society. For the campus pastors, they are employed by EIPS, but paid from Society fees, and are directed by the principals. Their primary reporting relationship is with principals. The church would like to collaborate with the schools, and we do collaborate a lot.
- t. Shortfall with lease and facility?
A: The lease is a long-term lease to 2032 and has a renewal clause for 10 years. When this facility was built, they did a long-term deal on mortgage and lease and tried to line them up.
- u. Has the Christian component stayed the same, decreased or increased over time?
A: Don't have the stats off hand, but the sense from the Society board is it's increased over time. Wayne doesn't have this offhand, can get the number to you. The slide with the breakdown, this is the second year it has been done, he could look into gathering that number from past files.
- v. Who appoints the society board? Are the minutes public?
A: Society Board is appointed by Board of Elders. Meeting minutes are not public.

- w. When the elementary or secondary wants to use the sanctuary, how much are they charged?

A: The process is that the space is booked for the time and the area cost for operating over the number of days.

- x. Wondering what the formula is for the area allocation formula?

A: Depending on what the school is using, they take the total area, and the percent of what the school is using, then they have the correlating percentage. Shared space is done on a percentage basis. They've had the facility mapped by an architect. Looking to get clarity on lease space from elk island before sharing the map.

- y. What is the \$20,000?

A: The \$20,000 goes to executive time working on the SCA society. Right now, the administration cost is likely less than what could be charged.

- z. What is the amount the church collects from EIPS for the secondary lease?

A: Number is not known offhand (see financial statements to be shared)

6. Jeremy Teeuwsen (SCA Society) added some clarification to help understand how things work:

All of the SCA Society board members are parents of the school except for Henry who is a grandparent. The church provides a staff member currently it is Wayne, without who we would likely be a lot further behind. A person is also assigned from the Sherwood Park Alliance Church Elders Board and currently this position is vacant. The member from the elders board typically has a tie to the school in some way. Names for new society board members are put forward to the nominating committee and the society can be contacted for more details where your fees go, including the Christian component which is at the start of your registration package. Although I cannot speak to how much percentages have changed the full-time staff, Campus Pastor, has gone up and we have better representation from campus pastors than we ever have before. We went from a MOU that was one paper to a strong agreement with EIPS that has taken a lot of time from Mark, Wayne and John. Five years ago, the breakdown of fees wasn't clear, but we now have a much better view on where funds are going. We are involved in the ministry planning process and can make requests such as the recent request for playground improvements at the elementary. We are in a tricky spot where a Christian organization owns the building and we are taking our frustrations with having to pay for that space along with our desire to improve Christian component. We have opted for larger gym space at both sites and a north link and the reality of it is we have to pay for that space. Some cost saving measures such as how we clean the facilities made things more cost effective to us. There's two pieces to keep in mind, we are very focused on improving the Christian component, but also have the reality of a building we have to pay for.

7. Comment from Janet Vader:

There's been a lot of talk about 16% Christian component... let me tell you, your kids get 100% Christian component at this school. Not everyone has publicly funded Christian education. What we have here is special! Let's not forget that.