

FIRST EXTRAORDINARY MEMBERSHIP MEETING

JANUARY 28, 2021

Summary Minutes

Location: Due to COVID-19 Restrictions Online Meeting via Zoom
8617 Chateau Drive, Potomac, MD 20854

Start: 7:07 pm

End: 11:19 pm

Before the start of the membership meeting Mrs. Faiza Sadek-Stolz, the Board Assistant and moderator for this evening's meeting, informs the members about the logistics and points out additional information to be found in the Zoom chat.

1. Welcome *(Mr. Dennis Fehr)*

Mr. Dennis Fehr, Chair of the Board of Directors of the German School Society, opens the extraordinary membership meeting, the third one held online due to COVID-19, and welcomes all attendees.

The continuous pandemic has had quite an impact on the school. Among others, financial matters and possible re-opening options have been important topics in Board meetings.

The members present at the meeting agree to use an online voting platform (95% in favor, 1% opposed, 4% abstentions).

2. Administrative Matters related to the By-laws

a. Determination of Quorum

The required quorum of a minimum of 39 members is met. Between 128 and 171 participants are attending the Zoom meeting throughout the evening.

b. Adoption of Meeting Agenda and previous Meeting Minutes

The agenda and the meeting minutes dated November 12, 2020 are adopted.

c. Appointment of minute taker

No objections are made to appoint Ms. Renate Wood.

3. Board Updates

Head of School Selection Process *(Board member, Liaison BfAA, Mr. Stephan Lissinna)*

The Head of School (HoS) position has been advertised in all 16 federal states of Germany by the Federal Office of Foreign Affairs (Bundesamt für Auswärtige Angelegenheiten, BfAA), the German agency into which the *Zentralstelle für das Auslandsschulwesen* (ZfA) has been integrated. As a result of a pre-selection process by the BfAA three suitable candidates will be presented to the school by the end of February. GISW will make their selection by April 2021. Among the selection criteria will be international experience, leadership, entrepreneurial mindset, intercultural

understanding, experience with “German as a second language” communication, personal commitment and positive energy. GISW stakeholders will be given an opportunity for feedback.

Business Director *(Mr. Ben Hebebrand)*

The process of vaccinations in Montgomery County (MC) has not been as fast as the school had hoped for. Vaccinations are effective ten days after the final shot. Moderna (94.1% effectiveness) is allowed for adults, Pfizer (95% effectiveness) would be given to 16 year olds and up. Teachers and staff are front-line workers in MC while students are not. So far it has been very difficult to get appointments for the employees of the school. GISW will continue to keep all safety precautions in place, including wearing masks. Once the majority of staff is vaccinated, the school may offer another hybrid solution. Since students cannot be vaccinated and remain at risk of becoming infected, parents will be given a choice for hybrid or distance learning.

Chair, Board of Directors *(Mr. Dennis Fehr)*

The Board has been partnering with the Employees’ Association with regards to re-opening of the school. Financial and non-financial aspects are being discussed. A finalization has not been achieved yet. Our common goal is to bring the students back to the campus and increase student enrollment numbers. Details will be shared after the ratification of the agreement. Mr. Fehr thanks the negotiation team, Mr. Jessen-Klingenberg, Ms. Rashid, Ms. El-Frih and Mrs. Uhas.

4. German Embassy

Minister, Communication and Culture Department

(Mr. Arvid Enders, translation of his speech provided below)

The pandemic limitations put a burden on the whole school community. Children are in Distance Learning, parents work from home and our faculty teaches from home. And to stop the spread of the virus, these are all valid measures. However, it is a fact we all have to carry new burdens and that they are being more difficult to carry as time goes on. So, everyone understandably becomes more _____ and _____ more _____ frustrated.

During these difficult times, GISW made the decision to take responsible measures, stop classroom instruction, introduce hybrid lessons and to eventually go back to online learning when previously defined infection metrics in our area indicated that it was necessary to do so. None of these changes came easy, especially not so for our teachers who were affected by the restrictions on a personal and professional level.

We are all aware that students will have to physically return to school one way or another as soon as possible. School leadership and the Board of Directors are fully aware of the psychological challenges that face children and families while they invest countless hours of their “leisure” time in coming up with the best solutions for our students. To name a few, negotiations with the Employees’ Association, who also has a right to transparency, consideration and health, exploration of mitigation strategies and vaccination options, pandemic-related budgetary adjustments and much more.

We have elected those responsible for these important decisions, now let us appreciate their efforts and let us trust and respect them, in the interest of all involved. The German Federal Government, which invests a lot of money in this school, does the same.

It is important not to judge harshly solely on the basis of your children's experiences and impressions through your class chats. Anyone who only has marginal insight in the complexity of these decisions but believes to have all the answers could run during the next Board election. Until then it is advisable not to waste the scarce resources of school leadership and Board and distract them from the important issues.

Of course, there will always be differing views on the operation of the school and they should be expressed. However, the school community is asked to do this in a way that models respect and kindness to our students. Anonymous letters, petitions, and questionnaires don't serve this purpose. Neither does loudly interrupting those speaking during a membership meeting, as we have witnessed in the past. Asking the Head of School of a German School Abroad to not use his native language in order to show more respect to the members is in itself a show of little respect and a reversal of facts in the least.

Please be aware that all members of the German School Society confirmed sufficient command of the German language at the time of joining. Essential documents of a German school abroad must be written in German. At the same time, this school puts an incredible amount of resources into providing bilingual communication and even offers interpretation services at membership meetings, mainly to enable each member to speak in their preferred language. This is the definition of respect and the kind of respect I would expect of our members. Without it, it will be difficult to attract new students and new teachers.

To say it with the words of the President of the United States, Joe Biden: "We can treat each other with dignity and respect. We can join forces, stop the shouting, and lower the temperature." This applies to our school as well.

5. Financial Matters

Treasurer and Chair of the Finance and Audit Committee *(Mr. Eric Beck)*

Once a year a financial audit serves an important part to the community, displaying transparency, balances and good faith. Q and A and the Motions from Mrs. Sedlmayer will be addressed later on. There have been many contributors providing information to the auditors and many meetings within the Finance Committee – in short, a lot of work. The auditing company, Cherry Bekaert, provided the GISW with a clean audit opinion.

Mr. Beck pointed out several items such as cash flow of the school, investments, use of the buildings, Herta Müller endowment (allowing the use of the income of the trust for scholarships and library), payroll liabilities, in kind contributions for assigned teachers from Germany and more. It is recommended to keep three months of operating reserves as a fair minimum. The key is to increase student enrollment. The school year had started with 450 students and seems to be increasing up to 470 students towards the end of the school year. The presumption is to get the student numbers back where they were before the pandemic. Benchmarking with other private schools and other

German schools with some less and some more students than GISW the international aspect plays a big role in his view.

Mr. Hebebrand adds that due to the pandemic 59 families had been unable to return to the school. As of February 1, 2021, 468 students are enrolled. Thanks to Mrs. Jeannette Dubrey, Director of Enrollment Management, virtual Open Houses showed great attendance and interest. The ongoing pandemic has resulted in a reduction of the numbers of enrollment in the Preschool to keep social distance; a waiting list is in place.

Mr. Beck shows a comparison of tuition rates with other private schools in the Washington Metropolitan area (Lycee Rochambeau French International School, British International School of Washington, Washington International School and Whittle School & Studios) as well as some other German schools in the US (German International School New York, German International School Boston and German International School of Silicon Valley).

Tremendous value is being pointed out in receiving financial subsidies from the German government in addition to a set number of assigned teachers, also directly paid by the German government and the rent free campus.

In comparison with other Preschools: Mr. Beck shows the tuition rates of other private schools as well as German schools. GISW-Preschool does not receive subsidies; it has to finance itself on its own. While the tuition for 2-year olds are somewhat more in line, the tuition for 3-4 year olds are the lowest in comparison. The school needs to increase them over time.

The assumptions for the school year 2021/2022 are 490 students allowing an increase of approx. \$600,000. According to the Usufruct Agreement with the German government the school's buildings are to be maintained by the school. Projects shown are estimated to cost around \$600,000.

Mr. Hebebrand points out certain changes which had been made to the enrollment contracts to provide additional transparency, including risk and release language, clauses for acts of God and the pandemic and more.

Discounts are given for early (re)-enrollment (March 31) and longevity remains in place entering the 6th year of full tuition paid.

6. Q & A

Discussion between members and the Board follows. If the increase of student numbers does not materialize, adjustments to the expenses would be required while maintaining the highest quality program. Lack of re-opening the school affects the members' trust in the school.

In regards to the changes in the Elementary School leadership it is impossible to elaborate due to confidential constraints. The measures taken to reassign the position of Principal of the Elementary School were taken in the best interest of the school. Decisions were certainly not made lightly and

required many months to make. Members and Board talked about who was authorized to make such a decision in terms of the Society's Bylaws and Rules of Procedure.

Mr. Fehr responds concerning the question as to what happens if the Board's motion of approval of its actions in regards to the budget year 2019/2020 and budget approval for the budget year 2021/2022 fail. If Motion #2 is not carried by its members, the German Embassy will take over and a new Board of Directors will be elected.

Comments are being made by a member about the last Town Hall meeting, where cameras and microphones were turned off, thus missing the opportunity to ask questions. A Town Hall meeting does not fit the description of how it was presented.

Other members applaud the Board for the three-year planning, good budgeting and good stewardship. Getting kids back into school is the parents' priority. The kids need a lot of routine and some are exhausted.

Mr. Löckmann, Acting Head of School, talked about the challenges of the pandemic, missing continuity, switching from online learning to hybrid and back to online. The school has learned from failure as much as success. Experiences are exchanged with other schools.

One member suggests to target more local families, if students from other countries are unable to enter the US.

When considering to re-open, the school's intention is to reach a high level of vaccinated teachers and staff.

President, Employees' Association *(EA, Mr. Christian Jessen-Klingenberg)*

The EA protects the rights of staff and the interest of the school. Relations with the Board have been professional, even if sometimes difficult. A Memorandum of Understanding concerning finances and other key-factors of re-opening are to be finalized. A necessary component of a good learning and working environment is that faculty and staff feel safe and are therefore given the opportunity to be vaccinated.

5. Proposals/Motion of the Board of Directors

Motion #1
Proposal of the Board
presented to
the Members of the German School Society Washington DC
on January 28, 2021

Receipt of the audited financial report of the auditors in accordance with §11(5) Bylaws of the German School Society Washington DC and approval of the financial management and financial statements for the 2019/2020 fiscal year in accordance with §11(6) Bylaws of the German School Society Washington DC

In accordance with §11(5) Bylaws of the German School Society Washington DC (“Bylaws”), the Members agree to receive the audited financial report for the 2019/2020 fiscal year prepared by the accounting firm Cherry Bekaert. Moreover, in accordance with §11(6) Bylaws, the Members approve the financial management and financial statements for the 2019/2020 fiscal year.

Motion #2
Proposal of the Board
presented to
the Members of the German School Society Washington D.C.
on January 28, 2021

Approval of the actions of the Board of Directors in accordance with §11 (7) Bylaws of the German School Society Washington D.C.

In accordance with §11 (7) Bylaws of the German School Society Washington D.C., the Members approve the actions of the Board of Directors for the 2019/2020 fiscal year.

Motion #3
Proposal of the Board
presented to
the Members of the German School Society Washington D.C.
on January 28, 2021

Appointment of Auditor to prepare the audited financial report for the 2020/2021 fiscal year in accordance with §11(16) Bylaws of the German School Society Washington D.C.

In accordance with §11(16) Bylaws of the German School Society Washington D.C., the Members appoint the accounting firm Cherry Bekaert to audit the school’s accounts for the 2020/2021 fiscal year. Cherry

Bekaert will conduct the 2020/2021 audit during the 2021/2022 fiscal year, once the 2020/2021 fiscal year has ended.

Motion #4
Motion of the Board of Directors presented to the Members of
the German School Society, Washington DC
on January 28, 2021

Motion to approve the Budget for the 2021/2022 fiscal year as proposed by the Board in accordance with §11 (8) of the Bylaws of the German School Society Washington D.C.:

Highlights of the 2021/2022 budget:

- An operating budget that strategically anticipates GISW returning to its pre-pandemic enrollment levels of between 510 and 530 students by the 2022/23 school year; thus, the new 2021/22 budget is predicated on a 2021/22 enrollment of 490 students, resulting in a manageable operating year-end deficit that may be bridged by reserves and will be corrected/reversed by the anticipated enrollment growth to pre-pandemic enrollment levels in 2022/23. GISW is taking a three-year approach to managing the global pandemic, and thereby seeking to preserve the pre-pandemic staffing model, programs, and other infrastructure.
- 6.5% increase in KIGA tuition rates for 3-4 year olds
- 3.75 increase in KIGA tuition for 2 year olds
- 3.75% increase in SEL-12th grade tuition rates
- 3.75% increase in KIGA Extended Care rates
- 3.75% increase in SEL-9th grade Extended Care rates
- Loyalty Reward to remain at \$1,250/Student in a family, when at least one student in the family enrolls for a sixth (consecutive or non-consecutive) academic year at the School. (Thereby providing an implicit sibling discount of families with longevity at the School) The reward is applicable to all students, including students in the Preschool, if they have older siblings who meet the tenure requirement for the Discount
- Tuition rates are \$1,000 lower than base tuition if contracts are submitted prior to March 31, 2021.
- Maintain Financial Aid at \$540,000
- 3.75% increase in the Annual Bus Pass. \$10 for a single bus ticket
- 3.75% increase in the Annual Lunch Pass. \$5 for a single lunch ticket

6. Motions from Membership

Six motions were received by the membership in writing to which the Board had either provided written answers or had answered them in form of their presentation during the meeting. The members were informed about the logistics for the Election Runner voting software, secret ballot for motions are in place.

**Motion #5 Mr. and Mrs. Daniel and Jana Sedlmayer
to the Members of the School Society of
the German International School Washington, D.C.
for the Membership Meeting on January 28, 2021**

Dear Members,

We would like to have the following questions answered at the membership meeting on January 28th, 2021:

Since the travel costs of all mandatory overnight trips in grades 4-11 have been included in the students' tuition starting in the 2019/20 school year, the parents/members have thus contributed in form of the tuition (2019/20 and 2020/21) for that purpose. We therefore would like to request that you explain to parents/members whether the unused money (for travel costs) will be refunded or can be credited to the respective class accounts.

According to the minutes of the February 6, 2019 Membership Meeting:

The 2019/2020 proposed budget includes the following items of focus:

o **Travel costs of all mandatory overnight trips in grades 4-11 are included in the tuition (\$82,000).**

1. The Board shall provide information on how the funds **(\$82,000)** for travel expenses for all mandatory overnight trips (*class trips have an educational purpose*) for grades 4-11 were used in the 2019/20 school year, or if not, where the funds are located.

o *Travel costs of all mandatory overnight trips in grades 4-11 in the 2019/20 school year:*

- Grades: 4, 6, 8, and 10 approx. 160 students approx. \$285 = \$45,600
- Grade 11: approx. 26 students approx. \$1,400 = \$36,400
- Total **\$82,000***

Board's answer:

In an effort to eliminate added "school expenses" for the membership outside of the actual tuition, a previous Board had decided to roll the expenses into the actual tuition, thus eliminating the need for members to pay additional fees for overnight field trips.

Please see the actual distribution of grade-level field trips, which are to be scheduled every two years i.e. in 19/20, 21/22, 23/24, etc.:

Grade 4

Grades 5 and 6 together

Grades 7 and 8 together
Grades 9 and 10 together
Grade 11

The actual costs for these trips are \$128,800 based on proposals received for the 19/20 field trips. The originally announced \$82,000 was incorrect as that original cost proposal did not incorporate the participation of grades 6, 8, and 10.

Due to the COVID-19 closure of the school beginning in March 2020, the scheduled overnight field trips did not occur. The school was able to work with all field trip providers (i.e. travel agency, bus companies, hotels, camps, etc.) to receive credits in terms of actual costs and/or deposits.

The school has attempted to conduct trips during this year. Given current public health metrics associated with COVID-19, the school has not yet committed to invest in any trip. In the case of the former 11th grade/now 12th grade class, an attempt had already been made by organizing a potential trip to Snow Shoe, WV in March. Based on the current health metrics, the School decided not to invest in that trip as there were no guarantees for refunds being offered by the vendors associated with that trip.

During the 19/20 school year, the School was confronted with unexpected expenses associated with COVID-19, including the reimbursement to GISW families for unused bus costs, cafeteria costs, afternoon care programs, and opt-out (of long distance learning) at the KiGa levels. These reimbursements far exceeded any unused field trip monies.

At the beginning of this current school year, the School extended its legally-binding contract date to mid-August, and clearly stipulated and communicated its financial considerations:
“In case of closure of the GISW campus beyond a 2-week period, please take note of the following:
1st –12th grade: Distance learning will be provided, and full tuition will be charged. There will be no credits or refunds if GISW must switch to a virtual learning program.”

2. Furthermore, the Board shall provide information regarding the sum **(\$82,000)** for travel expenses for all mandatory overnight trips (class trips have an educational purpose) for grades 4 and 11 in the 2020/21 school year.

o Travel costs of all mandatory overnight trips of grades 4-11 in the 2020/21 school year:

- 4th grade approx. 40 students approx. \$285 = \$11,400
- 11th grade approx. 26 students approx. \$1,400 = \$36,400
- Total **\$47,800*** *Example of calculation

Board's answer:

GISW budgets the costs of field trips every two years including the \$128,800 budgeted in 2019/20. As previously mentioned, the School incurred significant costs related to COVID-19 during the 2019/20 school year. The School charges a comprehensive tuition for each student based on best budget projection principles, but the school is not in a position to guarantee the exact spending for each of its listed line items in terms of school expenses.

The school (wisely) tracks its budgets each year and will make needed adjustments to protect the school from significant negative year-end results. The unexpected arrival of COVID-19 in the 2019/20 school year

and the continued effects of the COVID-19 pandemic on the 2020/21 school year underscore this point as the school indeed was in a position by which it had to re-adjust its budgeted expenses.

3. Every year **\$82,000** is accumulated as part of the tuition fee and every two years only a part of the school (grades 4 and 11) uses it for travel expenses as part of the obligated overnight trips (see pt. 2). What is the rest of the money used for?

Board's answer:

The school budgets every other school year for field trip costs to cover expenses associated with trips for 4th graders, 5th and 6th graders combined, 7th and 8th graders combined, and 9th and 10th graders combined, and 11th graders.

4. Will the tuition payments made (**\$164,000**) for the 2019/20 and 2020/21 school years be reimbursed or the corresponding amount be credited to the students' class accounts?

Board's answer:

The School plans to continue its commitment to overnight field trips provided it is safe to do so. GISW would expose its members and the institution itself to significant liabilities in returning any portion of tuition monies for any single budget line item, especially during years when the school experiences a negative year due to unexpected causes such as a pandemic. Thus, the School is best served by investing any unused portions of any budgeted line item to compensate for losses in other line items, especially those caused by the pandemic.

**Motion #6 Mr. and Mrs. Daniel and Jana Sedlmayer
to the Members of the School Society of
the German International School Washington, D.C.
for the Membership Meeting on January 28, 2021**

Dear Members,

We would like to have the following questions answered at the membership meeting on January 28th, 2021:

Referring to an extract from the audit dated June 30th, 2020:

Note 13—Deferred grant revenue *The School received a Paycheck Protection Program loan ("PPP loan") in the amount of \$1,493,100. The PPP loan is granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). PPP loans are considered conditional contributions under ASC 958- 605, Not-for-Profit Entities - Revenue Recognition. The loan must be repaid if the School does not overcome certain barriers within the CARES Act. The barriers under the program include the requirement to maintain employee headcount, spend up to 60% of the loan proceeds on certain payroll and employee benefits, and restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities. The School has deferred recognition of grant revenue for the year ended June 30, 2020, because the conditions for forgiveness have not yet been substantially met, however, the School believes it will substantially meet the conditions required for*

forgiveness in the following year.

1. Have the above-mentioned conditions/prerequisites been fulfilled to date (Membership Meeting 28th of January, 2021)?

Board's answer:

The School maintains that it has met all requirements to qualify for the loan forgiveness. Due to the fact that the school's lender (of the PPP funds) has not yet initiated its application and approval process for loan forgiveness, the School cannot yet confirm that all conditions have been met. But – as already stated – the School is confident that loan forgiveness will be granted.

2. What are the conditions/requirements?

Board's answer:

*The conditions for loan approval are included in the School audit that is cited in the motions:
1) The barriers under the program include the requirement to maintain employee headcount;
2) spend up to 60% of the loan proceeds on certain payroll and employee benefits; and
3) restricts other loan proceeds to be used for other qualifying expenses such as mortgage interest, rent, and utilities.*

3. If they have still not been fulfilled, please explain when and how this will happen.

Board's answer:

Again, the School reiterates its confidence in having met the conditions for loan forgiveness.

4. Has a request for loan repayment waiver already been made?

Board's answer:

The School has not yet filed its official application for loan forgiveness for the simple reason that the lending bank has not yet initiated this process. The School is monitoring the situation closely, and is prepared and ready to submit its application once the bank has initiated the process.

5. If so, when was a request for loan repayment waiver made and what is the status as of today (MM, January 28th, 2021)?

Board's answer:

Please see response to Question 4.

5. Where and how can we see the documentation (proof of economic insecurity - qualification for loan repayment waiver and good faith estimate)?

Board's answer:

Once the school has received the official notification of loan forgiveness, it will be documented in the school's audit. As this motion already explains, the school has documented deferral of documentation of the grant revenue.

6. We request a detailed breakdown of all fundraising expenses totaling \$82,262 for the 2019/20 school year.

Board's answer:

Expenses listed under Fundraising also include marketing expenses.

- *The school spent \$51,460 on marketing/advertising expenses (i.e. NPR radio ads, Bethesda Magazine ads, Google/Facebook ads, school give-away items such as tote bags, magnets, or Griffin-toys, and school collateral/brochures).*
- *The school spent \$30,803 on expenses associated with events such as the 5K run/Okttoberfest, Open House events and Back-to-School events.*

7. What were the legal fees (detailed breakdown) for the 2019/20 school year and where can they be found/accounted for in the audit?

Board's answer:

The school incurred \$93,459 in legal fees during the 2019/20 school year. These fees primarily went toward legal counsel related to the COVID-19 pandemic, personnel matters, and general contract maintenance/updating. These expenses are listed as "General and Administrative" in the Statement of Activities.

**Motion #7 Dr. Thomas Rehmann
to the Members of the School Society of
the German International School Washington, D.C.
for the Membership Meeting on January 28, 2021**

Request that the Board respond by February 5, 2021 to the following questions posed by the membership regarding anticipated student growth, deficit and reserves.

In the 4th Motion of the Board of Directors for the Membership Meeting on January 28, 2021, "Motion to approve the Budget for the 2021/2022 fiscal year as proposed by the Board in accordance with §11 (8) of the Bylaws of the German School Society Washington D.C. the proposed tuition increases for the upcoming 2021-22 school year are justified as follows:

"An operating budget that strategically anticipates GISW returning to its pre-pandemic enrollment levels of between 510 and 530 students by the 2022/23 school year; thus, the new 2021/22 budget is predicated on a 2021/22 enrollment of 490 students, resulting in a manageable operating year-end deficit that may be bridged by reserves and will be corrected/reversed by the anticipated enrollment growth to pre-pandemic enrollment levels in 2022/23. GISW is taking a three-year approach to managing the global pandemic, and thereby seeking to preserve the pre-pandemic staffing model, programs, and other infrastructure."

The Board is asked to provide a trend of student numbers at GISW (a sum of KiGa, SEL, 1-12, i.e. one figure per school year) for the period of the school years 2006/07 - 2020/21 (with a comparable cut-off date per school year).

The Board of Directors is asked to answer the following questions:

Development of the "manageable deficit" based on the assumptions of the aforementioned Motion 4.

What is the budgeted "manageable deficit" in Motion 4 for the 2021-22 school year should the budgeted number of enrolled students reach 490?

How does the budgeted "manageable deficit" for the 2021-22 school year compare to the actual comparative numbers for the 2016/17 - 2019/20 school years and the projected outcome for the current 2020-21 school year?

What would be the expected "deficit" for the 2021-22 school year if the Nov 2021 student count were at the Nov 2020 level - i.e., 460?

At what level would an anticipated deficit in the 2021-22 school year no longer be "manageable", and at below what student count?

The budgeted number of students for the 2021-22 school year of 490 now is lower than that stated at the Nov 12, 2020 Membership Meeting ("pre-pandemic", i.e. 510-530). On what assumptions is the now anticipated student enrollment number of 490 based?

Development of reserves based on the assumptions of Motion 4.

What would the "reserves" referred to in terms of Motion 4 be at the end of the 2021-22 school year (June 30, 2022) in the event the budgeted student number of 490 is reached and what are the comparative figures for the June 30, 2018, June 30, 2019, and June 30, 2020 cutoff dates and (projected) for June 30, 2021?

Regarding Motion 4, what would these reserves be in the event of a student number of 460 (the state of student number on Nov 2020) at the end of the 2021-22 school year?

Required tuition increase based on assumptions of Motion 4 to avoid a deficit.

What would the tuition increase need to be for the 2021-22 school year to avoid a deficit in the upcoming 2021-22 school year based on the assumptions of Motion 4 above (i.e., 490 students)?

**Motion #8 Parents indicating support here
to the Members of the School Society of
the German International School Washington, D.C.
for the Membership Meeting on January 28, 2021**

A number of parents would like to obtain answers regarding the termination of the elementary school principal. Below is a letter for which we would like to obtain support.

If you are in support, please indicate as such on the following link:

Dear Board Members:

As parents, we are writing to express our concern at the termination of Frau Scholl from her position as Elementary School Principal. Frau Scholl is well-respected and the Elementary School has been one of the best functioning parts of the school in the midst of the pandemic. Although Mr. Loeckmann sent out a brief official communication, we have multiple questions and concerns.

What are the reasons for Frau Scholl's removal?

Board's answer:

As was already communicated during a special Information Session hosted by Mr. Loeckmann on January

19, personnel decisions are confidential. As a matter of best practices in personnel management, GISW will not discuss details regarding Ms. Scholl's reassignment to a different position at GISW. GISW made this decision in the best interest of our Lower School faculty and students in an effort to ensure the best possible teaching and learning environment.

Was there a conflict between Frau Scholl and school management?

Board's answer:

GISW will not discuss conflicts between an employee and the school management in a public forum. GISW advises the membership to understand that conflict situations with a leader in a school environment can originate from sources other than just school management. It is up to management to act in managing any and all conflict within a school community among its various constituents.

Have there been any allegations of misconduct i.e. harassment or retaliation involving Frau Scholl in any capacity as perpetrator or victim?

Board's answer:

GISW will not discuss specific allegations of misconduct or retaliation involving Frau Scholl in any capacity as perpetrator or victim. Allegations are best not discussed in a public forum.

Deputy Principal Schilling missed a considerable amount of school and his working hours were significantly curtailed due to illness in the 19-20 academic year and in the current academic year. On what basis does the Board believe that Mr. Schilling is fit for the job as Principal of the Elementary School? What assurance can you provide to our families that he is healthy enough to assume the rigors of a full Principal position during a pandemic and its aftermath?

Board's answer:

GISW will not divulge any details regarding any employee's personal health information. That is wholly inappropriate and in violation of health privacy laws. Mr. Schilling has the full support of the management, the Board as well the EA which notified Mr. Loeckmann of its support for Mr. Schilling. Mr. Schilling possesses significant experience as a distinguished elementary school educator in Germany and abroad.

Deputy Principal Schilling is on a term appointment underwritten by the ZfA departing in the summer of 2022. Are you proposing to turn the Head of the Elementary School to a ZfA position in perpetuity? Was this approved by the ZfA?

Board's answer:

Assignment of the Elementary School Principal position to a sent teacher by the ZfA is a frequent practice in German Schools Abroad, and this model indeed had also been instituted at GISW in the past. That said, GISW reserves its right to either select a ZfA sent personnel or a locally hired personnel.

If the Elementary School Principal position will now be converted to a ZfA term limited appointment, how will you address the huge vulnerabilities we are facing with the current ZFA leadership positions in the Upper School (i.e. no candidates for the Head of School position, lapses in visas during COVID, lapses in coordinated handover of duties to ensure continuity of operations)

Board's answer:

The GISW Board is working with the ZfA to identify and hire a suitable Head of School for the 2021/22

school year. Acting Head of School Marc Loeckmann is actively working on effective succession planning for Upper School positions.

Was termination really the only path forward? Did you consider options short of termination, such as mediation, coaching, a personal improvement plan, etc or involve human resources to obtain resolution short of termination?

Board's answer:

Ms. Scholl was not terminated. She remains employed at GISW. She has been reassigned. GISW believes it invested in several support measures to ensure a smooth transition from her predecessor.

Does the school have any liability exposure?

Board's answer:

The school has acted in accordance with all applicable laws, policies, and procedures. GISW cannot control actions brought by others against the school.

What precisely was the Board's role in this decision (specifically the Personnel Committee). Was there a full Board vote to authorize this decision?

Board's answer:

Please note the following documentation:

Under Section 3 of the Board's Geschaefstordnung, the responsibilities of the Personnel Committee are detailed as such: "The Personnel Committee along with the Head of School in accordance with the Schulleiterdienstvertrag is responsible for personnel matters:")

Under Section 1.1 of the Dienstvertrag, the contract between Head of School, the Society, and the ZfA, "The Head supervises the entire personnel employed by the school. Instructions to the personnel are solely transmitted by the Head of School..." and also under 1.4 "The Head of School is responsible for the selection of school personnel. In the case of contract extensions, he/she has the sole right to make recommendations/determinations. The same applies to the discharging of any personnel."

The Personnel Committee worked closely with Mr. Loeckmann by offering support, advice, and targeted questions. The Personnel Committee periodically updated the Board on this subject.

Why the haste to do this when Mr. Loeckmann only has 6 months left as Acting Head of School at our school? How will this change improve the school immediately and in the future?

Board's answer:

GISW did not act in haste. GISW has been actively involved for 20 months to ensure a smooth transition from Ms. Scholl's previous post as Deputy Principal to Principal. GISW maintains that the personnel decision is in the best interest of students and teachers. Both the teaching and learning environments are the most critical environments to manage.

As you can see, there are many unanswered questions and we may have more depending on your responses. We are concerned about the decision that was taken, its impact on our children, the running of the Elementary School, the school as a whole and its reputation as well as the fairness and ethical standards displayed by the school management and board.

Of course, we are also concerned about Frau Scholl, a well-respected and experienced Principal and

teacher, and the reasons for her termination and removal of a person from a key management position is something that impacts all of us. Given the current state of affairs and functioning during the pandemic, any change is even more impactful. We do not consider the proposed transition plan appropriate given the history of the intended replacement and we respectfully suggest reversing the termination decision and put in place some guardrails to minimize conflict that may have led to this unfortunate decision. Please get back to us with more information as well concrete answers surrounding these decisions.

Board's answer:

The GISW Board fully understands the membership's sentiments in experiencing the re-assignment of duties for Ms. Scholl in the midst of the school year that is marked by COVID-19 pandemic. The GISW Board supports Mr. Loeckmann's decision, as unpopular as it may be.

Motions #9 and #10 CC Choi

Dear members of the German School Society:

I hereby submit the following 2 motions for the membership to consider.

Reasoning:

During the information session held on the evening of January 19, 2021, the Acting Head of School, Mr. Marc Loeckmann stated that the decision to remove Mrs. Scholl was made by Mr. Loeckmann with the support of the personnel committee from the GISW Board. This statement was made in response to a number of questions submitted in advance regarding whether the full board was involved in making such a critical personnel decision during a pandemic with staff shortages. Mr. Loeckmann's statement did not address that it was a full Board decision when such question was specifically asked. If the full Board was not involved and deliberated on such a decision prior to its execution, this is a violation of the GISW's bylaws, and it raises serious concern for the GISW's governance. A few individual Board members might not represent the interests of the majority membership or may have personal conflicts of interests. Without a robust recusal and disclosure system, members of a personnel committee who might have personal conflict of interest are charged with extensive power and control over how the school should operate via their ability to dismiss staff. Even the appearance of such possibilities creates a significant threat to the independence and credibility of the Board and exposes the whole school to legal liability.

Specific violations of GISW's bylaws are as follow:

Article 20 provides as follows:

(1) The Board of Directors shall arrange all affairs of the School Society, except for those requiring a decision by the Membership Meeting.

(2) Specifically, the Board shall perform the following duties:

[. . .]

2. To hire and dismiss teachers and other employees of the school; to make preliminary local decisions regarding employment contracts for teachers assigned by the German Central Office for

German Schools Abroad [Zentralstelle für das Auslandsschulwesen] of the German Federal Administrative Office [Bundesverwaltungsamt] in Cologne, in cooperation with the Principal as provided in the procedures set forth in his/her service regulations;

Underlying Facts:

During the information session held on the evening of January 19, 2021, the Acting Head of School, Mr. Marc Loeckmann stated that the decision to remove Mrs. Scholl was made by Mr. Loeckmann with the support of the personnel committee from the GISW Board, not the entire GISW Board. This statement was made in response to a number of questions submitted in advance regarding whether the full board was involved in making such a critical personnel decision during a pandemic with staff shortages.

Article 14, Section 3 provides as follows:

The Chair of the Parents' Association and the Chair of the Employees' Association's Trustee Council shall participate in meetings of the Board of Directors in an advisory capacity. **They shall not be present during confidential deliberations or discussions of personnel/staff issues, but they shall have an opportunity to comment on such matters.** The Board decides on a closed session by a simple majority vote. [emphasis added]

Underlying Facts:

Mrs. Scholl was terminated without providing the Chair of the Parents' Association an opportunity to comment on matters related to personnel/staff issues.

Violation of GISW's By-Law:

The Board of Directors of the German International School of Washington (GISW) has failed to comply with its own by-laws as stated in the above articles because:

1. The full Board was not involved with the decision to remove the former Elementary School principal, Mrs. Britta Scholl, from her position effective January 25, 2021.
2. The personnel committee failed to get the support from the full board with the decision to remove Mrs. Scholl from her position.
3. Mrs. Scholl was terminated without providing the Chair of the Parents' Association an opportunity to comment on matters related to personnel/staff issues.

Motion 9: The personnel decision involving Mrs. Scholl is invalid and the Board shall reinstate Frau Scholl and comply with all by-laws in connection with her employment status.

Board's answer:

The personnel decision involving Ms. Scholl is entirely valid, and, therefore, the Board will not reinstate Mrs. Scholl.

Please take note of the following documentation by which the GISW Board orients itself:

- *Under Section 3 of the Board's Geschaefstordnung, the responsibilities of the Personnel Committee are detailed as such: "The Personnel Committee along with the Head of School in accordance with the Schulleiterdienstvertrag is responsible for personnel matters:")*
- *Under Section 1.1 of the Schulleiterdienstvetrag, the contract between Head of School, the Society, and the ZfA, "The Head supervises the entire personnel employed by the school. Instructions to the*

personnel are solely transmitted by the Head of School....” and also under 1.4 “The Head of School is responsible for the selection of school personnel. In the case of contract extensions, he/she has the sole right of proposal. The same applies to the discharging of any personnel.”

- *Personnel Committee—Terms of Reference, Section 3: “The Head of School is exclusively responsible for selecting, extending contracts of, or dismissing all pedagogical staff (but may delegate hiring decisions to his/her deputy or other principals). The PC Board members (or Chair of the Board, as required) will approve these decisions unless the decision poses a significant risk to the school.”*

For 20 months, the Personnel Committee has been engaged in this topic and periodically reported to the full Board, including the circumstances regarding Ms. Scholl’s initial hiring, resulting in several actions by the full Board such as the hiring of a Deputy Principal or other support measures intended to ensure an effective operation of the Elementary School. The Personnel Committee periodically informed the entire Board of matters pertaining to the position of Elementary School Principal throughout Ms. Scholl’s tenure as Principal of the Elementary School. The Personnel Committee shared correspondence received by school constituents in regard to Ms. Scholl’s tenure as Elementary School Principal as deemed appropriate. The full Board – in recognizing the Personnel Committee’s efforts, its understanding of the Elementary School position based on the Personnel Committee’s reporting to the full Board, and in accordance with Paragraph 3 of the Board’s Geschaefstordnung and Section 1.4 of the Schulleiter-dienstvertrag and in accordance with the Personnel Committee’s Terms of Reference -- authorized the Personnel Committee to fulfill its duty to support, advise, and question Mr. Loeckmann’s decision-making of personnel matters, while also adhering to his right of proposal as regards personnel decisions. Furthermore, the Board – as prescribed in the Board bylaws – did not involve the SEBR in the sensitive personnel deliberations and discussions. As such, the Board was not able to involve the SEBR in its decision-making, but the Board – as prescribed in the Board bylaws – did offer the SEBR the opportunity to provide feedback as it did during the Board’s regularly scheduled Board Meeting on January 20.

The Acting Head of School, who took on his role at the beginning of the 2020/21 school year, was previously employed as Deputy Head of School. Both in his roles as Deputy Head and Acting Head of School, he had a complete understanding of all matters pertaining to the position of Elementary School Principal position. He conscientiously kept the Personnel Committee of the Board informed of all matters pertaining to the Elementary School Principal position. The Acting Head of School furthermore performed his duties in accordance with the Dienstvertrag, the official contract between the ZfA, GISW, and the Head of School.

The GISW Board acknowledges that the personnel decision regarding Ms. Scholl is significant. The Board also acknowledges the pain and sense of loss this decision may have caused among some members of the school community. The Board strives to adopt best practices of employment by entrusting personnel decisions to a dedicated committee at the school. The GISW Board believes that in the spirit of proper and effective operation of GISW, personnel decisions are ultimately best left to those who are deeply engaged in the day-to-day operation of the school, provided that the operational leadership has communicated effectively and frequently with the Board. The GISW Board further fears that involvement by the entire school membership in school personnel decisions may send a chilling message to all GISW employees, who may well conclude that the actual leadership of operational matters and personnel decisions are not managed by operational staff but rather the members. Such circumstances would also cloud significantly the proper governance structure of the school, throwing into question all supervisory assignments at GISW.

Motion 10: The members of the personnel committee should be immediately dismissed from the said committee, and the board will recompose the personnel committee without these members.

Board's answer:

In light of the replies provided to Motion 9, the Board does not support the dissolution of the Personnel Committee. Furthermore, it does not believe that membership motions are the appropriate way to determine committee staffing needs.

Guidelines were provided by the moderator for Q and A. Each applicant was given the opportunity to comment onto their motion during the membership meeting.

7. Results of Online Motions/Finalization

Voting rules are displayed and explained to the membership.

Board Motion #1 Audited Financial Report:

Do you agree to the received audited financial report for the 2019/2020 fiscal year prepared by the accounting firm Cherry Bekaert and approve the financial management and financial statements for the 2019/2020 fiscal year?

Yes/approved

Board Motion #2 Approval of Board's Actions:

Do you approve the Board of Directors' actions for the fiscal year 2019/2020?

Yes/approved

Board Motion #3 Appointment of Auditor:

Do you vote for the accounting firm Cherry Bekaert to audit the school's accounts for the 2020/2021 fiscal year?

Yes/approved

Board Motion #4 Budget for 2021/2022:

Do you approve the proposed Budget for the 2021/2022 fiscal year?

Yes/approved

Member Motion #5 Family Sedlmayer Overnight Trips:

Has the Board sufficiently answered the questions of this motion?

Yes/approved

Member Motion #6 Family Sedlmayer PPP:

Has the Board sufficiently answered the questions of this motion?

Yes/approved

Member Motion #7 Dr. Reherrmann Student Numbers:

Has the Board sufficiently answered the questions of this motion?

Yes/approved

Member Motion #8 Mr. Aagaard Elementary School Principal:

Has the Board sufficiently answered the questions of this motion?

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Yes/approved

Member Motion #9 Mrs. Choi ES Principal & Governance:

Has the Board sufficiently explained the governance of GISW?

Yes/approved

Member Motion #10 Mrs. Choi ES Principal & Governance:

Has the Board sufficiently explained the governance of GISW?

Yes/approved

The first extraordinary Membership Meeting ended January 28, 2021, 11:19 pm.

Dennis Fehr (Chair, Board of Directors)

Shumit Chanda (Secretary of the Board)

Renate Wood (for the Minutes)

DRAFT