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John Hay
Green Technologies

Re: Health insurance payment and office rent

John-

You've been so busy of late that I haven't been able to talk with you about this, but I thought that rather than waiting longer, it would be best to get this on paper so you can look at it when you have a chance.

Joan told me that it was your understanding that the rent payment was to be in lieu of health insurance payment and not in addition to it. That is not my understanding of the arrangement, and I would appreciate your reconsideration of the issue.

My understanding is based on the meetings we had in November and again in January, regarding my salary and benefits, as we were reviewing our budget and preparing a plan for FEF and for our contributors. We determined that \$48,000 plus health insurance was to be my rate, and you confirmed with me that \$48,000 was an adequate long-term salary. When we talked in January, and again when we set up the billings to the Fellowship, we agreed that it would be best to bill the differential between my original wage and the new rate not as salary but as rent, which is reasonable given the office arrangements, and which saves the school on taxes.

As you know, much of the need for an increase has been our high medical expenses, both insurance and prescription drugs (prescriptions alone ran over \$5,000 for us in 1994). I have been looking for ways to reduce our medical costs, and I was very excited to learn of a new plan which Kaiser made available to us that will cover some of our prescription costs for a marginal monthly premium increase. The new plan will decrease our overall costs and we therefore can re-examine the issue of compensation.

The increase in the monthly insurance premium is about \$45; the monthly savings in prescriptions should be about \$150. Therefore, I would suggest that the school continue to pay the entire insurance premium but that the monthly office rent be reduced from \$317 to \$125. This would be a net monthly reduction of about \$150 from the level which I understood that we had agreed upon but it would meet our needs because of the additional protection provided by the insurance.

I am very sorry that this misunderstanding has occurred and I hope that the suggestions I have made would satisfactorily resolve the situation. I simply want to be able to meet my family's financial and medical needs adequately.



Merritt