

**Oregon Episcopal School
Board Retreat Minutes
June 6, 2009**

Present: Urmila Ratnam, Steve Grant, Tim Phillips, Steve Lovett, Kirk Bass, Robert Bryant, Ann Carter (via phone), Raymond Cheng, Kristin Collins, Tina Donovan, Brenda Henderson, Elizabeth Highet, Mark Hochgesang, Estelle Kelley, Mark Kemball, Liz Perkins, Clent Richardson, Alan Shiffer, Leslie Spencer, Gary Takahashi, L.D. Wood-Hull, Jane Graybeal, Jordan Elliott, Scott Hardister, Anne Marie FitzGerald, David Lowell, Kathy Layendecker, Jon von Behren, Phillip Craig, Tom Wheelock, Lynn Mawe
Guest: Ian Symmonds

WELCOME AND INVOCATION

Urmila welcomed all and the Rev. Robert Bryant gave the invocation.

APPROVAL OF MINUTES

Estelle Kelley moved that the minutes of the April 15, 2009 meeting be approved as written, Liz Perkins seconded, and the motion was approved unanimously.

COLLEGE COUNSELING

Cynthia Doran gave an overview of the college counseling report. In most instances the number of applicants increased and the international applicant pools grew. Some colleges used demonstrated interest in the admissions process and institutional priorities played a significant role.

The economic downturn did introduce some new elements. The debacle at the Oregon College Savings Plan resulted in a reduction of available funds. In many cases families' discretionary income was needed elsewhere and more families considered themselves candidates for financial aid. In spite of the economic downturn, colleges who can afford it have been able to continue their commitment to needy students.

The OES Class of 2009 was particularly talented and ambitious. We had a significant number of National Merit finalists, there were more than a half dozen recruited athletes in the class, students received individual recognition in a variety of venues, forty-one students applied Early Decision or Early Action, and 35 were admitted. Students were not reluctant to aspire to highly selective colleges, sometimes with favorable results.

This was a year in which costs figured significantly in final decisions. More than the usual number of families chose colleges which weren't necessarily their favorites for financial reasons. When there was a discrepancy in financial aid awards the colleges that offered the better financial aid awards were chosen, and when financial aid awards proved insufficient, colleges that offered merit money took on added luster. When families discovered they didn't qualify for financial aid, they opted for lower cost public institutions.

Cynthia also distributed a comparison of college attendance patterns at six independent schools, the Classes of 2009.

COMMITTEE REPORTS

Urmila noted that we will hear reports from those committees that have action items only, and that she appreciates all the committee chairs for their hard work during the year.

FINANCE

Steve Grant reported on the accomplishments over the past year.

- Overall we are in very good shape with the 2008 – 2009 budget and it may end up more favorable than we are reporting today.
- Steve was pleased to announce the endowment is up approximately \$1M.
- The committee presented, and the Board approved, the tuition and salary increases for the 2009 – 2010 school year.
- The finance communication package was delivered to the OES community through a town hall.
- The committee defined and received Board ratification of a cash management policy.

Areas of focus for 2009 – 2010

- Ensure a smooth transition of committee leadership responsibilities to Tim Phillips.
- Define and roll out the Finance Committee indicator dashboard.
- Financially position the school to absorb
 - The increased need for financial aid through the growth of the endowment.
 - The increased annual bond payment.
 - Funding requirements for the faculty compensation changes.
 - The impact from the current economic downturn and possible lower enrollment rates.
- Drive other sources of revenue opportunities:
 - Augment summer, after school, and weekend offerings.
 - Evaluate further leverage of boarding opportunities.
 - Fund resources(s) to focus on business development activity.
 - Fund resources to continue efforts to improve alumni giving.

Kathy Layendecker added that we need to look at the cash flow covenants and budget to make those covenants.

Clent Richardson thanked the committee for their commitment to financial aid and diversity.

Action Item: Approval of Cash Management Policy

Kirk Bass and Alan Shiffer formed a sub-team to look at what OES has in the way of a cash management policy and discovered we have none. OES maintains cash balances during the year which are used for operations or held in reserve funds. The majority of monies received are from tuition paid in the early months of the school year and

disbursed throughout the years as needed for operations. This policy is intended to establish guidelines for the CFO regarding investment of these funds. Clent Richardson moved that the Board of Trustees of Oregon Episcopal School approve the *Policy for Cash Management Investment*, Liz Perkins seconded, and the motion was approved unanimously.

BUILDINGS & GROUNDS

Kirk Bass reported there were five initiatives dealt with during the year; safety assessment, tree management, facilities maintenance plan, PPRRSM oversight, and the performing arts center. He gave an overview on three:

- A safety consultant was engaged in the fall of 2008 to conduct a safety assessment for the campus. His report included several recommendations and singled out three which he recommended OES consider first: 1) update of emergency procedures and staff training, 2) installation of automatic access control system in the Beginning and Lower schools, and 3) writing of a campus safety plan and policy.
- An initial inspection of the campus forest was performed by an arborist who assisted us during the Loop Road project. Following his inspection, and upon his recommendation, another arborist was engaged to make a more detailed inspection, specifically Douglas Firs and Big Leaf Maples. The second arborist found a number of trees inflicted with root disease and recommended their immediate removal. A forest pathologist with the Oregon Department of Forestry confirmed these findings and 13 trees and/or snags were removed in May. Two trees originally recommended for removal were saved, but they will need to be looked at every year. Steve Lovett noted that the inspector's revised report does not reflect that and it needs to be tweaked.
- The committee engaged an engineering firm to conduct a seismic evaluation of seven buildings on campus: St. John's Parish, the gym, Rodney and Jackson House dorms, the Beginning School, Lower School, and SPARC. In conclusion to their report, they stated "it is our professional judgment that these seven buildings are considered safe with respect to seismic performance and life safety." Their report included a number of areas for further analysis and potential upgrades as a part of a long-term maintenance plan, which will be incorporated into the Buildings and Grounds schedule. Re-roofing is currently being done on Morris House and Jon von Behren will ensure it is being done at the utmost safety for seismic concerns. Parents who are concerned will be notified of the overview. Jon and Kathy Layendecker have a meeting scheduled with several parents, and after that meeting they will decide if a larger parent meeting is needed.

AUDIT

Clent Richardson thanked Elizabeth Highet and Mark Kemball for their participation on the committee. He distributed the annual compliance and risk review report and said we passed well but there are some areas we need to look at. Clent ran through the areas that

had more than a “yes” response. There was a recommendation to further develop safeguards and security measures for the school’s network, access clients and computer systems. The committee further recommends that the results of the current network systems and database review by outside systems, network and forensic security consultants be seriously contemplated and actioned early in the next school year. Clent added that he has not determined the financial impact of this yet.

ADVANCEMENT

Leslie Spencer reported that this year the committee focused on the alumni development program, strategic marketing and vision, and preliminary plans of the new development director, Lynn Mawe. Lynn then gave an informative development presentation. She said that Susie Gundle and team have done a great job of holding the development office together.

Clent Richardson said he would like Lynn to give a presentation on the planned giving plan to the Board in the fall.

GOVERNANCE COMMITTEE

Alan Shiffer reported that the committee worked on a number of important issues and processes. A new trustee orientation session was conducted, along with a survey to identify improvements for bringing on future members of the Board. An updated Board self-evaluation survey was distributed and results reviewed with the Board. An updated head of school evaluation survey was sent out to the Board and the administrative team. The committee reviewed, designed and implemented processes for ensuring strategic Board membership, along with identifying and selecting prospective trustees.

The OES bylaws were reviewed with particular emphasis on clarifying trustee terms, confidentiality, and updating standing committees. Changes are recommended in the following Sections: IIC Duties, II D-A. Selection and Term of Office, IIG Vacancies, IV-A. Committees, IV B. Executive Committee, IV-D A. Finance Committee, and IV, Committee H. Buildings and Grounds Committee (refer to attached document for specific changes). Upon approval of the Board, the changes will be presented at the Diocesan convention in November. L.D. Wood-Hull suggested we determine if these changes meld with the Diocesan Canons. Tim Phillips moved that the Board of Trustees of Oregon Episcopal School adopt the changes to the bylaws as presented, Steve Lovett seconded and the motion passed unanimously.

Alan said we will have some Episcopal slots open that we will need a vote on this summer so that we can submit to the Diocesan convention in November 2009.

STRATEGIC MARKETING

David Lowell introduced Ian Symmonds, the consultant who has been working with the strategic marketing committee at OES from January through May. Ian talked about positioning OES for the future and brought up two points: 1) OES has disjointed branding, and 2) OES is better at internal communication and miserable at external communication (we are internally focused rather than externally focused).

We need to be aware that a significant number of people are stretching themselves to attend OES. This means we need to be aware of our demographic profile – who we are dealing with and how to shape our financial aid strategy.

Key Pillars for Positioning OES in the Future:

- Classic College Preparation
- Inquiry Based Learning
- Customized Educational Experiences
- Power for Good
- Global Engagement
- Community of Safe Harbor
- Spiritual Development

Ian presented his broad stroke recommendations.

Strategic Marketing Imperatives:

- Shift orientation to demand generation strategies.
- Implement a marketing communications function and senior officer.
- Live out an integrated marketing program that truly includes direct mail, viral marketing, web 2.0, and indirect marketing.
- Implement a testimonial approach in all integrated marketing media.
- Develop an integrated design platform for all marketing communications – an inter-connected graphic identity, color palette, and style guide.
- Take a bold and assertive tone in all future marketing communication materials.
- Develop clear priorities for financial aid and use unfunded aid to generate demand.

UPDATE ON VALUE ADDED WORK

Kathy Layendecker gave a presentation (attached), based on the preliminary thinking of the administrative team, called “The Value of an OES Education.” She talked about the five pillars that prepare students for tomorrow’s world and how they are connected to each other, our educational philosophy, key inputs, and competitive positioning. She said that this is the kind of thinking we would like to do as we move towards strategic planning.

ANNOUNCEMENTS

Urmila Ratnam announced that caps and gowns can be picked up in Anne Weston’s office on Monday, June 8th. Trustees need to arrive at Trinity Cathedral by 7:30 p.m. on June 11th to line up for commencement.

CURRENT SCHOOL UPDATE

Kathy Layendecker reported that the entire community is digesting information last week and community members are supporting each other. There is strong dedication from faculty and staff to our students and they seemed to be doing well. Upper School kids are in good shape. We gave them lots of information to help them process this and the faculty has been a huge part of that. The students managed themselves with a great deal

of maturity – they didn't talk to the press or gossip. Mark Kemball acknowledged Jordan Elliott's handling of US Gathering where there were a lot of questions from students and faculty. Students are focused on finals and graduation and the Lacrosse final game tonight.

Scott Hardister reported that Middle School kids were gone most of last week so he is not sure how it has affected them yet. The head of school typically doesn't affect their day to day life very much so he thinks they'll be okay.

Tom Wheelock handled communications and the press extremely well and the consultant that Urmila lined up was critical in that process. Kathy gave thanks to the administrative team for all the work they've done over the past week. She thanked the Board for their swift action and said that the administrative team is completely supportive.

There was a very successful meeting between the Board and faculty and staff, and Steve Lovett and Urmila Ratnam did a very good job of laying out the facts and where the Board was at.

Kathy believes the healing process is moving along well, although the parent body is having some problems, thus the reason for the parent forum on Monday evening. There is a lot that we can learn from this and we will be a stronger community as a result.

Kathy reported there has been no admissions fall-out but we do have our July 1st deadline coming up. David Lowell added that we had five new families looking at the school last week. On the development front we have brought in some additional money, and Jordan added that the resignation has not affected any of our hiring.

Kathy said she recently attended a Beginning and Lower School assembly for the first time and it was very endearing. She encouraged trustees to attend one.

Urmila asked the administrative team to send her any initial thoughts on the search process. The strongest recommendation the team has is that they don't want to take a year off. The team has already started working on some things and wants to work with the Board on the searches for the interim and permanent head of school, as well as strategic planning and vision. It was noted that there also needs to be a meaningful way for parents and faculty and staff to feel they are a part of the process of choosing the interim and permanent head of school.

Clent Richardson said clearly the administrative team can come to the Board with any issue without fear of retribution. There was discussion about having some casual interaction activities to connect the faculty and the Board to bridge the gap because some faculty and staff see the Board as a scary, distant, influential group. Liz Perkins suggested someone from the Board attend the Volunteers' Common Link meetings so they can also hear what parents are saying.

WRAP

Urmila thanked everyone for all their hard work throughout the year, and in particular, the administrative team.

Steve Grant thanked Urmila for her work as Board Chair over the past two years and presented her with a gift.

Meeting adjourned to executive session at 2:30 p.m.

Respectfully submitted,

Anne Weston