

Oregon Episcopal School
Board of Trustees
June 4, 2011

Present: The Rt. Rev. Michael Hanley, Steve Grant, Estelle Kelley, Clent Richardson, Kirk Bass, Steve Lovett, Ann Carter, Raymond Cheng, Brenda Henderson, Elizabeth Highet, Mark Hochgesang, Mark Kemball, Kate Lieber, Malcolm McIver, Evan Roberts, Leslie Spencer, Pat Trunzo, L. D. Wood-Hull, Kathy Layendecker, Jan Massaro, Phillip Craig, Randa Cleaves, Jordan Elliott, Ace Ellis, Susie Gundle, Marty Jones, David Lowell, Jon von Behren, Anne Weston, Tom Wheelock

Guests: Heike von der Heyden, Catherine Willmott, Elizabeth Gewecke

Welcome and Invocation

Steve Grant welcomed all. He introduced incoming trustees Elizabeth Gewecke, Catherine Willmott, and Heike von der Heyden who each gave a brief background about themselves.

The Rt. Rev. Michael Hanley gave the invocation.

Approval of Minutes

Kirk Bass moved that the minutes of the April 18, 2011 meeting be approved as written, Steve Lovett seconded and the motion passed unanimously.

State of School Report

Kathy Layendecker presented the "Year in Review":

- Mission
 - Educated 849 students with promise
- Strategy
 - Created and presented the strategic plan
 - Developed and implemented an annual plan and completed a majority of actions
- Community
 - Commemorated the 25th anniversary of the Mount Hood Climb tragedy
 - Put on the second biennial All School Musical
 - Received positive feedback on school communications
 - Community feels stable, secure and optimistic
- People
 - Strengthened the administrative team with Head of School Mo Copeland, Director of Development Randa Cleaves, and Director of Admissions Susie Gundle
 - Planned and prepared for retirement of key faculty members
- Fundraising
 - Conceived of and raised \$135,000 for collaboration and communication center
 - Secured in-kind gift of energy-efficient lighting
 - Reconnected with former trustees and past donors
- OES Fund
 - Board achieved OES Fund goal of \$150,000 and contributed over \$230,000 in total to OES
 - 100% OES Fund participation among trustees, administrative team and faculty
 - Increased number of alumnae/i participation and amount given by alumnae/i
 - 2010-11 OES Fund > \$700,000

- Accreditation
 - We prepared for the 2011-12 self-study including the formation of a steering committee
 - We placed six OES faculty and staff on 2011-12 visiting teams
- Sustainability Indicators
 - Kathy presented sustainability indicators: applicants per admit, acceptance yield, attrition, enrollment, tuition discount, program expenses, faculty salaries vs. peers, OES fund per student, endowment per student, and cash reserves.
- Aardvark Achievements
 - Students**
 - 10 National Merit Scholars, one finalist and one semi-finalist in the Intel Science Talent Search, Siemens Competition team champions, strong showings at I-SWEEEP, ISEF and Stockholm Junior Water Prize competition, one Brubeck Institute Fellowship, one National Saber champion, one student named to the Junior Olympic fencing team, one State champion in OSAA Girl's tennis, one Music Teachers National Association Junior Strings, and one Middle School Chess champion.
 - OES students rang the closing bell at the NYSE and there was a feature article on students in The New York Times Sunday Magazine
 - Faculty**
 - Corbet Clark earned a Doctor of Ministry in Educational Leadership from Virginia Theological Seminary, John Holloran received Distinguished Secondary Teacher Award from Northwestern University, and Julie Robison was accepted to the Klingenstein Center Summer Institute
- College Matriculation
 - Our students had a wide array of choices and elected to matriculate at 55 different colleges and universities in 22 states and 3 countries. 75% will attend private schools and 60% will attend research based institutions.
- Senior Exit Interviews
 - Kathy shared comments from the senior exit interviews which spoke to intellectually engaging atmosphere, individuality and community integrity, spiritual development, and international community.

Kathy thanked the board for everything they've done over the past two years.

Strategic Plan Review

The administrative team gave a progress report on the annual plan of the Strategic Plan (refer to report for details).

Tom Wheelock spoke about the renewal and evolution of program, including PreK-12 curriculum, technology, and sustainability.

Jordan Elliott spoke about his work on diversity and inclusivity with deepSEE Consulting.

David Lowell gave an overview of the Lower School curriculum renewal and how the faculty was engaged in the process throughout the year.

Jon von Behren talked about revitalizing facilities to align with program, including master plan review, aligning PRRSM spending plan to reflect program needs, and the drafting facility development principles.

Randa Cleaves spoke about building a fundraising culture, including Board leadership, stewardship of past and current donors, and potential donors. Randa also gave an overview of what happens in the year of the life of a Capital Campaign.

Ace Ellis spoke about financial sustainability: enhanced financial stewardship through policy revision, alignment of resources with Strategic Plan initiatives, simplified boarding tuition pricing structure bundling tuition, ESL and international fees, and Board and parent education.

Master Planning: What to Expect

Ace Ellis and Tom Wheelock presented master plan objectives and talked about characteristics of effective master site planning and secondary benefits, and an asset allocation perspective (see report for details).

Business

End of Year Financial Projection

Kirk Bass reported we are forecasting a contribution to reserves of \$350,000. Revenues were up slightly, expenses were lower, and there was a fairly sizable contingency that we didn't use. Looking forward, Kirk anticipates we will come through with a balanced budget. There was less demand for financial aid, and there is movement in enrollment.

Action Item: Reserve Fund Target Modification Approval

The documents pertaining to this matter were sent to trustees a few days before the meeting for review. Kirk Bass explained the operating and plant reserves had targets associated with them in 2005 which set one month's operating expense and a \$300,000 reserve for the plant. Last summer the financial sustainability group, led by Ace Ellis, looked at the reserve levels and recommended they be reviewed. The Finance Committee reviewed the levels and determined the reserves should be increased as follows:

- Maintain a minimum plant reserve balance of \$600,000
- Target minimum balance of 15% of annual operating expensed (following year)

Clent Richardson moved that the Board of Trustees of Oregon Episcopal School approve the amended Surplus Allocation dated June 2011, which states we maintain a minimum plant reserve balance of \$600,000 and target minimum balance of 15% of annual operating expenses, Leslie Spencer seconded, and the motion passed unanimously.

Action Item: Clergy Pension

Kirk Bass and Ace Ellis reported that the Finance Committee is recommending a change to the OES 403b document, providing eligible ordained Episcopal clergy to opt out of the 403b plan, and instead, participate in the church pension plan which is available for all ordained Episcopal clergy. This involves three clergy and will not cost the school additional money; the funds that would have gone into the 403b plan will be directed instead to the church pension fund. Kathy Layendecker added that we have no fiduciary responsibility to the plan. It is a plan that most parishes and qualified clergy participate in. The process has been worked through with our attorney and the attorney for the church pension plan. It is not controversial but does require Board approval. Clent Richardson moved that the Board of Trustees of Oregon Episcopal School approve the change to the Oregon Episcopal School 403b plan to provide eligible, ordained Episcopal clergy to participate in the church pension plan, Evan Roberts seconded, and the motion was approved unanimously.

Board Self-Evaluation

Steve Lovett reported that 17 trustees completed the survey and presented highlights of the results. On 12 questions we scored 90% or higher on “very good/good,” and on 4 questions scored 25% or higher on “fair/poor.” Greatest accomplishments: hiring the head of school (65%), the head of school search, and attention to the strategic plan. Greatest challenges: fundraising and capital campaign, followed by campus facilities. Greatest strength: commitment; greatest weaknesses: fundraising, giving capacity, board composition, and diversity on the Board.

Annual Risk Review

Clent Richardson presented the annual risk review and compliance audit and reported that overall we had a good report.

Board Member Expectations Document Approval

Kate Lieber reminded everyone that the Board had briefly discussed the Board Member Expectations document at the April meeting in executive session. Since the document was not included in the pre-meeting materials it was agreed that Kate would send it around again for feedback, and present it to the Board for approval at the September 2011 Board meeting.

Board Year in Review

Steve Grant presented a summary of results:

- Support and counsel for HOS
- Hiring of the next HOS
- Ratification and support of the strategic plan
- Financial oversight
- Endowment growth
- Selection of a new endowment advisor
- Chartered the master site plan activity
- Leadership giving – annual fund and auction
- Streamlining of bylaws
- Recruiting of new trustees – expectations of trustees
- 25th anniversary Mt Hood Service Climb Day

Steve reviewed the Board goals for 2010-11 and indicated those that were done, partially done and ongoing.

Steve presented a draft of Board goals for 2011-12.

- Support and successfully integrate the new HOS
- Foster momentum to achieve the goals outlined in the Strategic Plan
 - Program K-12, essential competencies and diversity
 - Governance
 - Fundraising
 - Facilities
 - Communications
- Ratify the campus plan
- Complete the silent phase of the capital campaign
- Provide financial oversight and direction
- Trustee recruiting and succession planning

- Complete by-law streamlining

Opens

The Board dinner tonight is at Blue Hour in their private dining room (entrance on Everett Street), starting at 6:00 p.m.

Graduation is June 10, 2011 at Trinity Cathedral. Trustees should arrive no later than 6:45 p.m.

The meeting adjourned to executive session with Kathy Layendecker at 4:20 p.m.

Respectfully submitted,
Anne Weston