



Board Minutes December 14, 2021

Members in Attendance: Dan Drinkward (President), Bishop Diana Akiyama (Chair), Nancy Bryant, The Rev. Robert Bryant, Christine Carr, Tabon Chang, Pam Dreisin, Bukhosi Dube, Paul Ehrlich, Ryan Finley, Eric Gabrielson, Nathan LeRud, Paul Loving, Manish Mehta, Georgina Miltenberger, Sarah Raymond, Lucy Reynolds, Chris Riser, Dave Rumker

Advisors in Attendance: Mo Copeland, Carol Bull

Trustees not in attendance: Alicia Morissette, Nick Chessar, Annie Warner

Staff in attendance: Susie Gundle, Gretchen Reed, Jon von Behren

Staff not in attendance: Andrew Asato, Sarah Grenert-Funk, Peter Kraft, David Lowell, Tammy Stotik, Ann Sulzer, Dyan Watson

Welcome

Bishop Akiyama shared an opening prayer for the meeting.

Consent Agenda

Motion:

Eric Gabrielson moved that the Board of Trustees approve the consent agenda and Paul Ehrlich seconded the motion. The motion was approved unanimously with no abstentions or nays.

Head of School Search Update

Paul Ehrlich sent out an update and the process has gone smoothly. Paul reported he is happy with our consultants. We are finalizing the position profile, hopefully this week. This will soon be available.

Finance Update

Dave Rumker presented a projection of the school's finances for the next five year, along with the planned tuition rates for that projection. He also presented the rubric the Finance Committee uses to review whether or not to continue with the five year plan. In addition, he showed the Board a draft dashboard showing how OES is spending budgeted and projected funds on strategic initiatives. At the next meeting of the Board in January, the Board will be asked to approve tuition rates for 2022-23.

Dave Rumker also presented information regarding a proposed drawdown of additional funds from the Oregon Facilities Authority Bonds, Series B, that were issued last January 2021. With savings on construction of the Athletic Center, the final cost of the project is approximately \$16.4 million. With gifts of \$13.3 million, and using PPRRSM funds for \$650 thousand of the project, there is a shortfall of approximately \$2.4 million. Borrowing this additional amount was already approved by the Board, but the Finance Committee is asking for renewed approval now that the project is complete. Borrowing the additional \$2.4 million will not create a material change in the financial position of the school.

Motion: Dan Drinkward moved to draw down up to an additional \$2.44 million of pre-authorized Series B bonds. Paul Ehrlich and Bukhosi Dube seconded and the motion was unanimously passed with no abstentions or nays.

Generative Discussion: Pandemic Credits

Mo went over OES's strategic plan and the three key levers to improve long run financial position: grow endowment, grow enrollment, or build buildings. The tax credits from ERTC (Employment Retention Tax Credit) and EANS (Emergency Assistance to Non-public Schools) totaling ~\$3.6m will come to OES.

Board members broke out into four small pre-assigned groups to work on a pitch for their assigned argument and reported out afterwards; BOC will review and refine recommendations for discussion and approval at a future meeting.

Group Reports: What impact do we want to make with these credits?

The Endowment: Putting this money in the Endowment would give OES the best rate of return and the most flexibility. This strengthens the financial position of the School. Historically, it is harder to fundraise for the Endowment as the Annual Fund and Capital Campaigns tend to do better.

Strategic Initiatives (spent over the next few years): Using it on the right strategic initiative could have the most immediate impact. This money is unrestricted and it is an opportunity to think creatively and look at ways in which we could better serve our mission. This could also be used for community building help to grow community connections.

Campus Improvement: The group recommends investing the money into the dorm revamp. This would grow revenue, grow diversity (domestically and internationally), and create the heartbeat of the campus. This money could also be invested into the Endowment with an earmark for specific investment towards the dorm revamp to begin in 2025.

Debt Reduction: Lowering the debt would mean stronger financial foundation and ability to maneuver through uncertain times. This could increase flexibility for more strategic work. Lowering debt may enable lower tuition increases and potentially allow for further flexible tuition. We could be positioned to borrow more for

upcoming building projects. Additionally, with the savings from lower debt, this amount could be directed towards hiring a teacher or adding strategic programs/initiatives.

* For the record, Group 4 really doesn't support this option but in spirit of going along with the ask see above.

The meeting was adjourned to Executive Session at 5:40 p.m.

[Next Meeting:](#) January 18, 2022