



Oregon Episcopal School

**Board Meeting
Minutes
December 7, 2017**

Present: Nancy Bryant, Tabon Chang, Dan Drinkward, Elizabeth Gewecke, Mary Lou Green, The Rt. Rev. Michael Hanley, Pam Hummelt, Adam Kobos, Nathan LeRud, Brad Lawliss, Malcolm McIver, Georgina Miltenberger, Alicia Morissette, Chris Riser, Nate Schwalbach, Kevin Walkush, Jess Wetsel

Advisors Present: Mo Copeland, Hilary O'Hollaren

Guest: Amy Brown, Campbell & Company

Staff Present: Phillip Craig, Susie Gundle, Peter Kraft, David Lowell, Liz MacDonell, Gretchen Reed, Ann Sulzer, Jon von Behren, Sage Carter

Absent: The Rev. Robert Bryant, Moira Buckley, Ben Chessar, Paul Ehrlich, Asha Appel

The meeting was called to order at 4:03PM, with the invocation given by Bishop Michael.

Consent Agenda

MOTION: It was moved by Jess Wetsel and seconded by Adam Kobos to approve the November 7, 2017 minutes with updated attendance. The motion passed unanimously without discussion.

Head's Report

There are ways the new tax bill will affect nonprofits and schools around charitable giving, tuition remission, employee housing benefits, and tax exempt bonds access. We are watching closely and have preliminary plans on how to respond when the bill is finalized.

The Strategic Plan has moved from operational vision, to operational implementation through the Admin Team. Last month we spoke about the Plan and People parts of the strategy. This month, we will focus on Program. Mo was able to experience inquiry learning with the 4th graders on a field trip to Mazama Lodge. Later this spring, a calendar recommendation will come from the Admin Team who will receive an initial report in January. The Middle School Project X, which is cross departmental, just completed the first phase of exploration around the concept of Time. Like-minded students were gathered into cohort groups and now are generating guiding questions. They will do research in the next few phases and while may not come up with a final answer the process encourages bringing up more questions to inspire inquiry and learning. The EC3 Design Center is moving forward from their explore phase and are sending purchase requests to Jon next week.

Finance

The model presented is based on a 4.2% tuition increase.

- What is the philosophy behind aligning lower school grades such as separating out Primary?
Primary is an auxiliary year between K and 1st grade and sometimes when families are coming out of kindergarten it could be recommended that a student needs an extra year before entering 1st grade. The program is more similar to the Lower than the Beginning School which led to matching it with 1st instead of K.
- On the 5 year projection, the expense increase for Other Costs are much lower than the last 5 years. What is the plan to keep those costs so low?
Interest payments will be declining in future years, and other costs are only slowly increasing. We plan to keep a close watch on purchases of services and supplies, including realizing cost saving productivity from technologies such as paperless files and correspondence. We are realizing efficiencies from investing in previous out-sourcing of services that has now been brought in-house. Keeping staff totals flat helps to keep the purchase of services and supplies increasing at a slow rate.
- The net surplus in the operating budget projects a deficit in the upcoming years, how do you explain that?
We are not worried about small deficits, and we don't want to increase tuition so much that we generate a regular surplus.
- We learned from the presentation last month that decreasing the rate of tuition increase isn't healthy, how are we reconciling that with this year's decrease?
Since we don't have particular strategic initiatives we are funding in 18-19, the tuition increase is appropriate. The Finance Committee will be looking at modelling a strategic initiative around increasing financial aid for subsequent years.

Finance Committee is meeting next Monday, please email further questions to Malcolm.

Feasibility Study

The main strategic elements of this fundraising feasibility study are around dorms, athletics, and the endowment. The Campbell Group is at the end of a 5 month data gathering process where they tested a \$30 million campaign to strengthen community at the center of campus and build our legacy of excellence for the next 150 years.

The Campbell Group recommends OES moves forward with a three-year capital campaign with a working goal of \$10-12 million to expand and renovate the gym. They also recommend growing OES's future endowment by increasing Bell Society membership from 90 to 150 members. Alongside this campaign, they recommend a concurrent, targeted fundraising initiative to rebuild the dorms, with leadership-level investments from OES's international and dorm/alumni community.

In the study, donors expressed a need to better understand the international boarding program's purpose and role within OES's mission before committing to funding the dorms.

Success for gym donors will rely upon securing leadership gifts and 100% Trustee participation to reach at least 80% of the campaign goal and communicating unifying rationale behind facility and campaign priorities and plans as laid out in the Master Plan.

Discussion:

- What is the expectation of the board to raise during this campaign?
Last campaign they raised 3 million dollars.
- How would you rate the level of philanthropy between the Trustees, leadership and major donors, and alumni?
Success of the campaign will depend on leadership donors as in the campaign for the Lower School. Currently at OES there is 4% alumni participation which is lower than the national average. At the same time, this is trending downward nationally. The Advancement Team feels that engagement with alumni will be much stronger during this campaign than during the LS campaign with the focus on athletics.
- Is there flexibility in the timeline for the campaign?
It depends on donor interest. This is a 3 year campaign whereas the LS campaign took 4.5 years.
- How are we going to take on the difference in proposed \$15 million for the best gym plan and the now recommended \$10-12 million?
The original plan was created with no price constraint and designed based on best hopes from the athletic department. Now that we have a fund raising target, we can program within the budget.
- How is the team preparing for Mo's absence during the start of the campaign?
Amy and her team created this timeline knowing Mo would be gone. The bulk of the work will be done in the advancement department during that time. The campaign will become more visible in the fall of 2018. OES has competent leaders all around, including Athletic Director Dennis Sullivan who can speak strongly to the need for athletic updates.

The Campaign Committee recommends the Board of Trustees take the recommendations from Campbell & Company to move forward with the \$10-12 million campaign as presented at this meeting.

The meeting was adjourned to Executive Session at 5:50pm.