



Board Meeting Minutes

October 20, 2021, 5:30pm – 7pm
Virtual Teams Meeting

Present: Matty Berryessa (staff), Shannon Dale, Paul Fields, Kat Hendrix, Michael Hsu, Rick Larson, Lee McGee (external), Wendy Ricketts, Nathalie Renner (external), Eric Robertson, Lori Silverman, André Stewart (staff), Mark Takehara (staff), Kevin Thompson (staff), S.Y. Wong (staff)

Absent: Rachel Gardell, Erika Schwartz, Patrick Wrobel

Meeting opens: 5:31 PM.

Welcome: Paul Fields – Paul welcomed everyone to the meeting. Quorum was established. 8 of 13 Board members. Paul welcomed Lee McGee from Gary McGee, auditors.

Approval of September Minutes: Paul Fields motioned to approve September minutes. Shannon seconded. Motion passes unanimously.

Conflicts of Interest: no new conflicts of interest to report.

Program Report: Kevin Thompson shared an update on the program and school start, noting rocky start with staffing issues and staff out of practice with in-person therapeutic work. SPED team changed placements, allowing for stabilization of classrooms. 7-8 weeks into semester things are settling down. Tier 1 supports taking hold, things less hectic. Making inroads with students on academics & behavioral regulation.

Concerns: chronic understaffing. Classroom 2 closing on November 1. Students redistributed into remaining 11 classrooms. Helps with teacher vacancies – full staffing of all classrooms with professional licensed teachers coming in December. Just enough staff to get through the day – not a person more. 2-3 callouts per day. No staff to redistribute. Not a great situation. Optimistic – beginning of a long road. 2 more staff coming in. Staff continuing to leave – not specific to Serendipity. Believes pay equity proposal coming to Board in November will assist in rectifying the situation. Hopes Board will further efforts towards staff retention.

Ideas:

Program Leadership Team expressed interest in tuition reimbursement program – idea is for qualified staff to pursue further licensing and education, with some reimbursement by Serendipity. 10-20K initially, for 3-4 staff per year. Terms & conditions – specific to related fields to Serendipity. Persons would express interest through their supervisor. First come first serve. Mark notes this process is common at other places, including Beaverton Mandarin School – entire pot never used, usually available. Most don't take advantage of it.

Program leadership also interested in organization paying more for benefits. Asked Kevin to mention it to Board for further discussion.

Positive Notes:

Kevin notes that many students are finally (6-8 weeks into the semester) able to express their words what they want and how they want to work. He sees this as a positive indicator – students are feeling safe, regulated, and able to access their skills. He is developing relationships with lots of kids, especially in last month or two. Community being built again.

School is very able to mitigate COVID. Lower economy of scale, and great implementation of layered mitigation strategies by Nick Vardanega, safety coordinator. Lots of equipment, thanks to Matty. 4 exposures, but all have passed, and quarantines were successful to achieve desired outcomes.

Paul expressed thanks on behalf of the Board to Kevin and entire program staff, recognizes their contributions to keep things running, especially Kevin.

Questions/Issues:

Paul Fields – has questions about selection process for tuition reimbursement. Many complexities to idea. Less comfortable with notion of denying employees (based on first come first serve) for a year. Kevin views this process as an application – thus mitigating this denial. Kevin wants to tailor program to specific staff members' professional development. Paul worries about responses and reactions with staff who are being denied use of the benefit – doesn't want to give staff false hopes.

Eric Robertson – worries about how to allocate money – where it comes from. Mark notes that more research will be done before proposal presented to Board, and that candidates are specifically asking about tuition reimbursement.

Lori Silverman – super supportive of the thinking around this process. Appreciates creativity in staff thinking around this process, knows details will be worked out.

Matty Berryessa – notes idea still in infancy. Many details remaining to be worked out. In brainstorm phase. Kevin notes that salary reimbursement adjustment is due first, and more specific to the Board.

Shannon Dale – great that Kevin is collecting ideas and brainstorming with staff. No idea is off the table. We don't know what will work – try as many things as possible. Kevin notes that there are many strategies to use.

Audit Report: Gary McGee & Co. Auditors

(Lee McGee & Nathalie Renner; Dan Smith, André Stewart, SY Wong) – Lee McGee presented the 2020-2021 financial statements and Form 990 for the Board. She notes the draft statements and Form 990 were presented in detail to the Finance Committee earlier this month. She walked through the highlights of the audit packet for the Board, thanking staff, including André & SY, for their assistance. No open issues to resolve. Audit work wrapping up.

Audit Highlights: Board adopted new accounting standard around exchange-type revenues (in-kind gifts & services). No significant impact to bottom line with adoption of this standard. Adjustments totaling 77K, improving our surplus from 1.148M to 1.225M. No adjustments due to systemic issues with our management controls – no control deficiencies to report.

Financial statements – auditor gave unmodified opinion, no exceptions or qualifications. Very impressive year due in large part to federal funding received. Modest fluctuations in assets, mainly from declining account receivables. Net assets increased from 2.1M to 3.2M – these are assets available for program operations. PPP Loans & ERTC tax credits helped with increases in revenue, offsetting declines in tuition.

Nothing to highlight in expenses. Cash on hand very good – 2.2M. 943K in receivables credits from ERTC tax credits. 232K in restricted donations for capital campaign. Cash position has more than doubled in five years – speaks to fiscal responsibility of organization.

No Materials Weakness Letter being issued – no issues whatsoever with our material controls. Best kind of letter to be issued by auditors.

Form 990 – nothing really changed in 2020 tax return over 2019. Schedule B (list of granters & funders) not open to the public. Redacted form being prepared and will be issued by Gary McGee. Paul notes that the solid numbers on the Form 990 are a testament to the hard work of Serendipity Center staff, including Belinda & André.

Dan Smith motions to approve audit report as reviewed. Lori seconds. Motion carries unanimously.

Questions/Issues:

Paul Fields – inquired about payoff of Yellow House. André confirmed that Serendipity now owns the Yellow House outright.

Paul Fields – inquiries about technology expenses increase. Nathalie Renner of Gary McGee explained where these expenses came from, consulting recognized for cost.

Paul Fields – wants to know where the money is from the Oregon state grant (2.4M, conditional, Students in Excellence program) for campus expansion. Nathalie & Lee notes that the money hasn't been released this year and so would not be included in this year's audit. Bonds need to be issued first. Lots of hurdles. Mark notes we are a couple years away from including this money on the audit.

Paul Fields – worried about going for grants with rosy financial picture. How do auditors view this? Worried about “dirty laundry”, wants input from Board. Worried about investing in salaries and benefits eating into cash reserve, worried donors might view this negatively. Lee senses that this picture is outdated – funders are smart, more likely to support organizations that are well managed rather than one about to go under. They want to support fiscal responsibility. André concurs, noting sustainability is a watchword in his experience.

Rick Larson – thinks auditors and accounting staff did fantastic job. Very impressed with work. Dan Smith concurs.

Finance Report: Dan Smith/SY Wong – Dan & SY shared the August 2021 financial statements with the Board. Most recent ones available as reviewed by Finance Committee. Summer enrollment 21 (budgeted for 25). Not a lot of activity. Significant amount of money lost over summer, due to loss of tuition revenue. Funds available to absorb this loss, due to increase in revenues and cash on hand from last year. Nothing much else to report. Minor increases in costs. Staff salary compensation increases will impact financials down the line.

Questions/Issues:

Paul Fields – question about Convergence extending the networks and IT services. Big fan of maintaining IT infrastructure smartly, to maintain productivity. Wants perspective from Matty after a year of partnership with Convergence. Matty weighed in, noting he's very happy we went with Convergence when we did. Debt paid off. Notes Matt Shera no longer with us (on-site IT coordinator), so he is grateful Convergence support is in place. In good place with our relationship, more to go with regards to security compliance. Physical infrastructure good. Notes expenses on technology for August more likely related to Synergy, not Convergence. Phones & emergency notification system still being implemented (for lockdowns & emergencies).

Paul Fields – question around uptake & technology investment for staff – are we getting a good return in terms of staff usage? Matty notes we heavily relied on this tech when remote. Unfair to ask if everyone is using all resources this year, due to staff shorting issues. Once we move away from “tyranny of the urgent” this will be easier to tell. Worried about adopting anything new at this moment due to staff understanding thresholds. Once stabilized we can handle more.

Committee Reports

- **Capital Projects Steering Committee: Rick Larson** reported out on CPSC. Notes first meeting happened this past Monday, small meeting. Him & Shannon; Matty, Mark, & Belinda. He notes good discussions around long-term enrollment corridor for Serendipity, which drives facility needs. Look at similar plans to what was discussed previously that provide for that corridor, while providing for important wellness spaces and admin offices (due to staff being separated at St Joseph the Worker Church & Key Bank).

Committee needs expanding. Mark & Belinda reaching out to community members with specific areas of expertise that fill out areas we need help with on this project. Notes that Nominating & Equity Committee will also recruit. Matty will get staff member on committee – important to have buy-in on plans around capital projects from staff due to impact of construction.

Milestones next month or two: get updated proposals from BRIC Architecture; start generating funds to pay for work; develop an RFP (request for proposal) for a general contracting firm. Start liaising with City permitting agencies. Next meeting 11/15 at 10 am.

- **Donor Advisory Committee: Mark Takehara** gave DAC update. 200K from Meyer Memorial Trust coming in, 100K each fiscal year, this and next, for general operating costs. Director of Development hired – Rachel Gitner – starting Monday, November 15. Went through 3 rounds of interviews. She will attend all Board meetings. Shea Anderson will reach out to Board members and connect them with Rachel for meetings. Development getting in good shape due to implementation of plans prepared by Breesa Culver, our development consultant. Rachel very familiar with Serendipity, comes to us from Legacy Health Foundations.
- **Program Advisory Committee: Michael Hsu** gave PAC update. Committee met last Friday, 10/15. School working on accreditation, on schedule. Deadline moved out a month due to Megan Pine's maternity leave – to March 2022. School needs assessment sparked good discussion on areas to improve. Kevin Thompson will work on these areas as school continues.

Michael reminded Board of trouble recruiting staff and issues with staffing shortage. He and Lori Silverman propose Board-funded Staff Support Fund. \$25 from each Board member to start, he and Lori are kicking in that money to get this off the ground. An expression of gratitude from Board members to improve relations with staff and school and give support during this difficult period.

He mentions staff would like to hear from the Board more often, including written and formal expressions of empathy and support. Board should network with people who are in school-related fields and interested in working with us.

Best way to collect money from the Board to a staff appreciation account? How do we do it? Paul volunteered to collect the money from the Board via Venmo and will write a check to Serendipity. \$25 minimum.

Lori said this will go a long way showing staff appreciation. Lori will email the Board the request.

Paul wants to draft a letter to staff from the Board—how do we draft the letter? Michael said he can draft the letter and have Mark and/or Matty review. Matty wants to make sure the letter is authentic and not too polished. Paul will sign the letter on behalf of the Board.

Wendy suggests that the new Development Director seek in-kind opportunities from local businesses.

Dan may have access to gift cards and will send to Mark or Matty

- Nominations and Equity Committee: **Wendy Ricketts** met on Monday with staff reps Shae and Taylor. Heard about what Serendipity is doing internally. Mentioned the Welcome Poster. Staff committee has a calendar with weekly themes. Board DEI committee will follow the same themes. Very inspiring to hear what the school staff are doing.

Capital Committee is on the top of the list for recruitment. Kat mentioned Partners in Diversity as a possible recruiting tool.

Board Matrix. Tool for strategic Board recruitment. Biggest gap is fundraising and HR. Focus on fundraising. Media also a need. Make sure we are balanced demographically as well.

- Data and Outcomes Committee: **Paul Fields** facing challenges of adopting new systems. Recognized that there are significant obstacles with adoption. Mark and Belinda led a meeting on Monday with staff involved with the project and the meeting was very successful. Meetings will occur every-other-week.

Executive Director Report: Mark Takehara wants the Board to be aware of low enrollment. Currently at 71 but will be dropping below 70 in the upcoming weeks. Rick wants the FC to review finances in case enrollment drops to 65.

Lori does not want to add additional students. She wants to focus on staff and student safety. Matty said we most likely will be eligible for ERC's.

Mark mentioned that Friday is Andre's last full day with Serendipity.

Paul adjourned the meeting at 7:23pm with the Serendipity mission.

