



**Nativity Jesuit Academy Board of Trustees
Annual Meeting Minutes
March 3, 2021
Virtual via Google Meet**

Members participating: Rev. Rick Abert, S.J., Andres Gonzalez, Peggy Hauser, Ed Kitz, Rev. Jeff LaBelle, S.J., Stephanie Laudon, Rev. Doug Leonhardt, S.J., Fr. Mike Marco, S.J., Dan Nigro, Jim Parks, Jeff Ruidl, Jay Schwister (Chair), Andy Schlidt, Andrea Scrobel, Sue Smith, Julie Steinhafel, Andy Stith

Staff members participating Chris Banach, Josh Kraemer, Jon Nowak, Emily Schober, Vanessa Solis, Jesus Torres

Guest present: None

Members excused: Genaro Baez, Sandra Chavez, Fran Maloney,

Call to Order

Mr. Schwister called the meeting to order at 7:35 a.m. and welcomed the board members and staff.

Ignatian Moment

Rev. Rick Abert, S.J. recapped the the Universal Apostolic Preferences of the Society of Jesus for 2019-2029.

1. To show the way to God through the Spiritual Exercises and discernment.
2. To walk with the poor, the outcasts of the world, those whose dignity has been violated, in a mission of reconciliation and justice.
3. To accompany the young in the creation of a hope-filled future.
4. To collaborate in the care of our Common Home

The video titled *The Ignatian way #2: Ignatian Spirituality: an Overview* was played. Rev. Abert asked the board to consider how NJA fits into their calling as a board member.

Approval of Minutes for December 9, 2020

Mr. Schwister asked for a trustee to entertain a motion for the approval of minutes from the December 9, 2020 board meeting. Fr. Marco motioned for the approval; Rev. Abert seconded the motion. All were in favor; as such, the minutes were unanimously approved.

Payment Protection Program #2 (PPP2) for Approval:

Mr. Kitz provided a summary of the PPP2 program and reviewed that NJA was eligible based on the three eligibility requirements proposed by the Small Business Administration "SBA".

1. Have 300 or fewer employees. (response) 34 at time of application.
2. Have used or will use the full amount of their first PPP loan. (response) Yes, used for payroll.
3. Can show a 25% gross receipts decline in any quarter in calendar year 2020 vs. the corresponding quarter in calendar year 2019. (response) Revenue declined in Q1-20 and Q3-20 by 29% and 41%, respectively.

Mr. Kitz mentioned that that the Finance Committee recommends that the trustees consider moving forward with the PPP2 application, based on their review of the eligibility and loan forgiveness analysis, which exhibited that it would be 100% forgivable.

Mr. Kitz reminded the trustees that if the PPP2 loan is approved by the SBA, that like PPP1, the board would have to pass a resolution to accept the funds.

There being no further discussion. Mr. Schwister asked for a trustee to entertain a motion. Mr. Parks motioned for the approval; Rev. Abert seconded the motion. All were in favor; as such, the following resolution was unanimously adopted:

WHEREAS, Nativity Jesuit desires to apply for a U.S. Small Business Administration Payroll Protection Program loan through Town Bank, N.A. in the amount of \$433,672 (the “PPP Loan”);

AND WHEREAS, the U.S. Small Business Administration and Town Bank, N.A. require certain approvals of Nativity Jesuit regarding authorization of its acceptance of the PPP Loan and identification of an authorized principal signer of the PPP Loan transaction documents.

NOW BE IT RESOLVED, that the Board of Trustees of Nativity Jesuit does hereby accept the sum and terms of the PPP Loan as reflected on its Paycheck Protection Program Borrower Application made as of January 14, 2021;

BE IT FUTHER RESOLVED, that Susan M. Smith as President of Nativity Jesuit is authorized as principal signer to execute any and all documents in connection with the PPP Loan transaction.

Investment Sub-Committee Update:

Mr. Ruidl provided an update, noting that the performance of NJA’s investments with Baird have outpaced the benchmark when comparing calendar year results for 2020 (16.19% vs. 14.74%) and the trailing three years (9.52% vs. 9.16%). Significant progress has been made toward the “Since inception” benchmark (7.68% vs. 8.20%). Mr. Ruidl commented that the subcommittee is pleased with Baird’s service, commitment, and performance. Mr. Schwister added that it is worth tempering expectations as we have not gone through a sustained recession and financial/economic markets are cyclical.

Magis Society Proposal:

Ms. Smith introduced the topic of establishing the Nativity Magis Society Endowment (\$4 million) saying that this stems from the strategic planning that was curbed due to COVID. New sources of contributions are important due to two foundations sunseting. The Magis Society Endowment is intended to complete the mission of getting NJA graduates through high school. Raising an endowment is not only to cover the significant portion due from families, but also to offer budget relief to the graduate support initiative that

has been core to NJA's mission but has not been marketed externally. NJA provides a support system, which includes school visits and mentors so that the student is not lost. A sign of a healthy institution is engaging in more frequent campaigns. Co-mingled with NJA's general endowment, this new endowment will grow NJA's total endowment to over \$10 million. Ms. Schober explained the interest from Magis is playing to the strengths of NJA's donor base, by already raising \$190K. However, it's not sustainable to be raising these funds on an annual basis. Additionally, this is an opportunity to bring in donors from other Catholic schools, such as Divine Savior Holy Angels, Dominican, St. Thomas More and St. Lawrence Seminary. Mr. Torres articulated the endowment assumptions, namely starting in FY22 with \$800K from board designated funds, raising \$450K annually from FY23 to FY29, 5% returns (compounded annual growth), and draws starting in FY29, being equal to the returns.

Ms. Smith summarized the purpose of the endowment funds as follows:

1. As a Jesuit school, the primary purpose of this fund is for tuition assistance for graduates to attend MUHS
2. The secondary purpose of this fund is for tuition assistance for graduates to attend other area Catholic high schools such as Divine Savior Holy Angels, Dominican, St. Thomas More and St. Lawrence Seminary
3. The third purpose of this fund is to provide wraparound academic and social-emotional services through our Graduate Support Program

Ms. Smith opened the floor to questions and discussion ensued.

There being no further discussion. Mr. Schwister asked for a trustee to entertain a motion. Mr. Ruidl motioned for the approval; Mr. Nigro seconded the motion. All were in favor; as such, the following resolution was unanimously adopted:

NOW BE IT RESOLVED, that the Board of Trustees of Nativity Jesuit does hereby designate \$800,000 of Unrestricted Funds to start the Magis Society Endowment;

Board Discussion

Questions about consent agenda reports

Mr. Schwister asked if any committee members had any items to bring up.

Ms. Smith highlighted that 82% of students are participating in the hybrid model, where they are in person two days per week. Additionally, a secure board portal has been established to house agendas and materials at: <https://www.nativityjesuit.org/boardportal/>.

Ms. Scobel provided a governance update, saying that the board roster was reviewed and that a couple of trustees are coming to the end of their second, three-year term and that Mr. Schwister will be reaching out. Additionally, during the upcoming June meeting, there will be an election of new officers.

There being no further updates, Mr. Schwister thanked the faculty and staff.

Executive Session

Mr. Schwister convened the trustees at 8:56 am for the executive session. Ms. Smith and Mr. Torres remained.

Finance Committee Recommendation for 2021-22 Salaries and Health Insurance Benefits

Mr. Kitz presented the Finance committee's recommendation to provide returning faculty and staff with a 3% wage increase, based on the preliminary FY22 budget reviewed on February 18, 2021. The entire board was in full support of the 3% wage increase, noting the academic success the school has been generating. Mr. Torres commented that continued refinements will be made to the FY22 operating budget and that a capital budget will be produced.

There being no further discussion. Mr. Schwister asked for a trustee to entertain a motion. Mr. Ruidl motioned for the approval; Mr. Schwister seconded the motion. All were in favor; as such, the following resolution was unanimously adopted:

RESOLVED THAT 3% wage increase can be included for returning faculty and staff 2021-22 contracts.

At 9:05 am the trustees session began to discuss the presidential search.

Next board meeting is June 16, 2021 at 4:00 pm.

Respectfully submitted,

Jesus Torres