

TRUSTEE ROUNDUP

The Academy Trustees held their fall meeting on October 22–25, 2008, and welcomed Sally Jutabha Michaels '82 and Rob Silberman '76. Michaels is a trustee elected by the General Alumni/ae Association and will serve until 2010. Silberman is a regular trustee and thus is eligible for two five-year terms. Michaels is the mother of Aaron, a prep, and Silberman is the father of Chris '07.

The major decision of the meeting was the unanimous selection of Thomas E. Hassan '66, '06 (Hon.); P'11 as the Academy's 14th principal.

The trustees devoted much of their meeting to a review of how the turmoil in the financial markets was affecting the Academy's endowment and what the implications were for current projects and future budgets. At the start of the fiscal year, July 1, the Academy's endowment was a little over \$1 billion. Precise evaluation of the endowment's gains and losses on a day-to-day basis is impossible because of the complexity of the Academy's investments and the volatility of the markets. However, Exeter has always been conservative in investing its endowment so that the Academy is buffered in down markets, even if that means less positive returns during up markets.

Approximately half of the money in the school's annual budget comes from the endowment. An algorithm devised by Yale University determines the amount that is drawn each year and transferred to the school. The advantage of the "Yale Formula" is that it protects the

operating budget from wild swings in the endowment's overall value.

Regardless, the severity of the global recession will have an impact on Academy operations over the course of the next year. The trustees, for example, postponed the decision to move forward on the renovation of Phillips Hall. A portion of the project's funding will require an additional draw from the endowment, and the trustees did not feel that such an action was prudent given the economic climate under which they met. They will revisit the decision at their January meeting; but, given the sequence of events required before renovation can begin, the project will not get under way in summer 2009, as anticipated.

The trustees did authorize renovations to the Academy's steam plant that were deemed critical because of the age of the boilers. The steam distribution system will also be updated, which should result in energy savings.

The trustees agreed with guidelines proposed by the administration regarding budget preparation for the 2009–10 fiscal year. The Academy will endeavor to minimize the tuition increase for that year and allocate resources to maintain core services for students. New programs and services will be deferred until the school can estimate the full impact of the global economic downturn on its endowment, fundraising capacity and tuition stream.

The various trustee committees received updates from a number of administrators and faculty on year-end data for the 2007–08 academic year.



Nadeau, Broderick, Souter and Schubart

JUDICIAL PRESERVATION

Last summer, U.S. Supreme Court Justice David Souter (second from right) returned to the state Supreme Court in Concord, NH, for the dedication of a conference room named in his honor. Souter served on the New Hampshire Supreme Court from 1983 to 1990 before his appointment to the U.S. Supreme Court in 1990.

Pictured with Souter, from left to right, are the Honorable Justice Joseph Nadeau '55; P'98, Chief Justice John Broderick of the New Hampshire Supreme Court, and History Instructor Rick Schubart '56, '78, '79, '93, '03, '08 (Hon.); P'96, P'00, P'04, Exeter's Bates-Russell Distinguished Professor.

Schubart and Nadeau are founding trustees of the New Hampshire Supreme Court Society, which sponsored Souter's dedication. The society is the first program of its kind designed to celebrate and preserve New Hampshire's judicial history and expand civic education throughout the state.

"The importance of the organization is that it not only highlights the crucial aspects of New Hampshire's legal history," Schubart says, "but it also works in concert with the New Hampshire Bar Association to extend law-related education to students and schools, as well as legal scholars."