
BOARD OF DIRECTORS MEETING MINUTES

September 11, 2019 7:30-9:30 a.m.

TMCC William N. Pennington Applied Technology Center Room 270

1. Welcome & Introductions, Gigi Chisel, Chair – Gigi Chisel called the meeting to order at 7:30 a.m. Members present include Gigi Chisel, Jesse Murray, Mindy Lokshin, Sean French, Alan Olive, Dan Lofrese, Yanus Nelson and Matt Thornton. Ex Officio Members include Gretchen Sawyer and Karin Hilgersom. Staff and Guests include Michael Aurnague, Theresa Holbrook, Connie Christiansen, Anne Flesher, Jeannie Byassee, Becky Josten, Laura Vargas, Ashlyn Moreno and Krystyna Sokowski.
2. Public comment - None
3. Review and Approval of June 13, 2019 Foundation Board of Trustees Board Minutes
 - a. Jesse moved, Matt second, motion passed.
4. Review and Approval of draft Audited Financial Statements June 30, 2019 – Pangborn & Co., Ltd. – Michael Aurnague presented the results of the audit. There were two documents that he refers to in his report, the audited financial statements and required communication to governance. The objective of the audit was to express opinion on the financial statements. They focused their examination on revenue recognition, donor restricted contributions, classifications, cash and investments. Management and employees were helpful and cooperative in providing and preparing records, reports and documents upon request. As a result of the audit, Pangborn proposed one journal entry to report a promise to give which management has approved and reported. Pangborn's opinion of the financial statements of TMCC present fairly the financial position of the Foundation as of June 30th, 2019. Connie added that the financial statements prepared were different than what you would see on a quarterly basis because of a prior period adjustment. She explained that all contributions held as deferred revenue were recognized as restricted contributions. Connie also noted that there is a difference between conditional gifts and restricted gifts. She had always considered them as conditional gifts because of the Foundations fiduciary responsibility to hold those funds until they were transferred to the College. However, the accounting standards are minimizing the definition of conditional and it would be better to represent the gifts as restricted contributions which is consistent in the way that other Foundations are doing it. Michael clarified that there was nothing derogatory reported and that it was indeed a clean audit.
 - a. Mindy moved, Sean second, motion passed.
5. Review and Approval of Gift Report & Financials - Connie explained that for internal reporting purposes continuing to maintain the liability accounts helps the Foundation track what is available and what is left over. The quarterly financial statements are still being reported in the old way. However, Connie offered to do the same type of prior period adjustment each quarter to show it in the new way. Gigi explained that she understands it now and does not feel there is any necessity to change it. Connie reported the total current assets at \$5.2 million versus \$4.6 million in the prior year. Most of that is due to the Pennington grant that came in the amount of \$500,000. The overall net income for the year is a loss of \$48,000. This loss is because of unrealized losses on investment in the Paccar stock which fluctuates. New gifts totaled \$758,000 and transfers to the College totaled \$28,000. Gigi stated that there will be a discussion on the investment policy and two times the annual plus 120 days of expenses and asked Connie what that number would be. Connie replied that it would be \$350,000.

a. Jesse moved, Mindy second, motion passed.

Gretchen mentioned we are off to a great start this fiscal year. In part, thanks to the \$500,000 Pennington match received in July instead of June. Despite not meeting our goal in revenue for FY19 we are off to a good start in FY20 with \$838,000 in gifts. Gretchen introduced the new Gift Detail Report to identify new donor and employee donor tags, which was proposed in the strategic plan. She pointed out that there are quite a few new donors due to

donations made in memory of someone who has passed within this FY. Also included with the gift report is an outline of all the gifts made in the prior fiscal year in its entirety. Gretchen emphasized the importance of the Pennington funding for the College. In FY19 we had \$619,000 in contributions from the Pennington Foundation which was actually a decline. In FY18 we had received \$1.6 million for the dental renovations. And this FY20 we already have \$580,000 from Pennington.

Jesse moved, Mindy second, motion passed.

6. TMCC/ACE Charter School Collaboration Update – Bob LaRuse, Principal at ACE Charter School presented on ACE Charter School and the new collaboration with Pennington and My Ride To Work. Bob started with a brief history of the school. Bob mentioned that all students who are in the Junior and Senior level all have jobs. ACE has started Middle College two or three years ago and that is where students can go after their high school day and participate in programs like welding, CADD, energy technology and production tech at the Applied Technology Center. Bob went on to say that last year 17 students completed certificates in Diesel, Machining and the Middle College. Last year ACE students earned 977 credits through TMCC, 179 through Middle College and 780 dual credits in machining or diesel. Last year ACE students placed 16th in Skills USA in Diesel and 14th in CNC Tourney. This year's enrollment for ACE is 195 students. Of that, 35 students are in diesel, 26 in machining/manufacturing, and 41 in Middle College (373% increase from last year). Also, those that are enrolled in Middle College are taking 142 TMCC credits. ACE has 37% of its student body coming to TMCC every day. Bob is hoping that with this new transportation collaboration it will bump up enrollment. ACE will be starting its recruitment in October. As a charter school there is no support for transportation or facilities. With this new collaboration, each day ACE has 62 riders on the My Ride to Work bus which has pick up locations at the Summit, Reed High School, North Valleys and North West Reno. According to the parents and administration twelve of those students would not be able to attend ACE if not for that transportation. Picking the students up has not been a problem for the parents. Bob says that thanks to TMCC, ACE has been able to have a late start at 8:30 for those transported by the bus which has worked well for the families. Bob also mentioned that ACE students who are enrolled at TMCC now get free RTC rides and with all the other students being given bus passes transportation has been working well. Gretchen expressed how well the ACE model has been working. Thanks to Pennington a classroom and an office space was able to be built for ACE at the Applied Technology Center. Yanus expressed that it would be nice to set up a tour with the board members. The group agreed.

7. Investment Committee Update and Approval – Mindy informed the group that the purpose for putting together the investment committee was so that the board could have a clearer guidance for where to put money without having to meet each quarter on the issue. Also, because there was concern about the large Wells Fargo balance that was not gaining any interest and due to the NSHE audit suggesting that we have a more solid investment plan. The last investment plan approved had been in 2017, which also was the first. Mindy noted that a draft of the investment plan had went out last week and then Mindy had "wordsmithed" it yesterday. It was drawn from NSHE guidelines, stating that we needed to pursue opportunities with little to no risk with an acceptable return on investment. The investments must have liquidity and safety and the accounts should be held at an FDIC or NCUA insured institution. Money markets must seek to maintain \$1 share price at institutions regulated by the SEC. Funds can be invested into accounts meeting these basic safety standards and be selected by the Executive Director at their discretion. We must maintain two times the annual operating and expected expenditures for 120 days. The remaining funds can be invested in money markets and CD's as selected by the Executive Director. Mindy suggested that the board approve this plan today and then have the committee reconvene to "beef it up" and use it as a marketing tool when approaching big investors. This can show them that their money can be safe with us and can grow. Jesse explained that the two times annual plus 120 days shows to be a very conservative

approach. He explained that the 120 days gives the board a chance to address any issues within the quarter and that the two times annual is very conservative for a non-profit. Gigi thanked the committee for doing the work.

a. Sean moved, Yanus second, motion passed.

8. President Update - Dr. Karin Hilgersom

Enrollment – Dr. Hilgersom noted that enrollment connects to budget every other year and that 2020 is what NSHE considers a snap shot year. Enrollment this year will be very important. We are not funded by enrollment but we are funded by completed weighted student credit hours. Yet enrollment is a secondary driver. Karin is happy to report that compared to last budgetary snap shot year of 2017, we are up 4.5% as of September 4th. When we

compare this year to last year we're up 7% in head count and up 5% in FTE. Karin went on to point out that we have 27% more Nevada Promise students than last year. Last Fall 2018 we had 364 and this Fall we have 463.

Soccer Kick Off – Karin thanked everyone who participated in the ribbon cutting kick off event. She mentioned that one student athlete stated that if they were not playing on the team they would not be going to college. Karin recognized the amount of donations and support Athletics has received. She also thanked the Foundation for assisting Tina Ruff and help in processing all the donations for Athletics.

East View – We are still waiting for the architects to finish their last rendering of the East View building. We need to have a case of support by the first week in October. We are trying to make sure that the building occupants, faculty and staff, are engaged in the process of design.

Mindy questioned whether Capacity Enhancement passed or not. Karen replied that it had for the community colleges. All of the NSHE institutions asked for Capacity Enhancement. Capacity Enhancement is for the areas in Community Colleges that have the potential for growth or improvement but that need money to do so. The Universities ask for research dollars to improve their research capacity but they did not get funded. The community colleges all ask for capacity enhancement in different things. For TMCC, the capacity enhancement ask was for Gateway English and Math, advising, facility upgrades that benefit instruction and tutoring. Our cut was \$1.7 million for the first part of the biennium and \$2.2 million for the second. However, we also had to take a budget hit on our base target because our enrollment was down in 2017.

Gigi mentioned that last meeting Karin had talked about a budget hit over the confusion of the COLA adjustments and inquired whether that is part of the budget hit that had to be paid. Karin replied that yes, the hit we took was about \$154,000 a year. Karin says we are looking at about \$900,000 to contribute to COLA upgrade.

Alan inquired about the time frame for the Apprenticeships. Laura replied that it's a four-year grant and that we are waiting to hear from West L.A. on our sub-award and the details of that. We have to provide 800 apprenticeship spots, not only in Healthcare but our focus will be there

9. Executive Director Update - Gretchen Sawyer summarized her report. Firstly, Gretchen wanted to thank the board for approval to use unrestricted funds for the furniture in the new office spaces. Gretchen pointed out that we also had \$8,700 from a furniture rebate and \$5,000 from year end state funding. After everything was completed we used \$9,650 of the \$12,000 in unrestricted funds that were approved.

Gretchen went forward to inform the group that the Dental Hygiene, Dental Assisting and Adopt A Vet Dental expansion is finally done. Adopt A Vet Dental will be able to return to operating the clinic in a couple of weeks. Ribbon cuttings will be coming up for Dental and Vet Tech. The new Vet Tech space on the Meadowood campus should be completed next week. We were able to raise the funds for the \$500,000 Pennington match. We needed to use \$33,364 in unrestricted funds to

get us to that match requirement. Also, our sports and fitness center is nearing completion and is scheduled to be done December 24th. The Ayarbe family is going to name the gymnasium after Joseph P. Ayarbe. They are committing to \$100,000 for the naming. The family will be helping to raise additional funds as well.

Gretchen thanked the board for their annual contributions of \$1,500. She noted that we have applied to the Community Foundation of Western Nevada for 100% Giving. Returning to the topic of investments, Gretchen mentioned that we now have a proposal from Wells Fargo that is beneficial. We would be switching to a management proforma account that is a "sweep" account. This is a type of account in which the funds "sweep" into a money market and will be able to earn interest. As of a couple weeks ago it was 1.64%. With this account the charge will be a flat \$318 regardless of the balance. With a one million balance we would be able to earn \$1,366 per month and net over \$1,000 compared to the \$75-\$95 we had been earning. Gretchen added we will continue to look at other opportunities.

Gretchen also informed the group that the NSHE audit was taken to the committee meeting last week as part of the Board of Regents meeting and there were no questions asked and it received unanimous approval. She went on to mention that the fundraising for last FY amounted to \$1.7 million which fell short of our goal, noting that we set the bar high to begin with. As we move forward with the East View building and our goal of raising \$6 million we will be calling on the board members for assistance and their contacts.

TMCC Foundation Strategic Master Plan Update, Goal 1, Objectives 1-4: Gretchen highlighted some of the action steps. The first action step asks us to look at staff resources. Gretchen points out that with only six and a half team members, managing \$14 million in grants as well as all the scholarships and with between 1.7 and 6 million

to raise, it is a heavy lift. One of the big changes that has happened this year is with our Department of Ed Perkins grant and as a result of this change, and needing this comprehensive local need assessment, Ashlyn is now our manager on the Department of Ed grants. With indirect funding we were able to hire a part-time grants coordinator, Sarah, and it would be helpful if we could move her into a full-time position.

Gretchen went on to address the next action step which is to look at our efficiency rating. Our cost to revenue totaled 9.7%. Gretchen mentions how the Foundation is unique in that we have different funding sources. Four of those sources are from indirect funding. The next objective is educating and engaging the board. She mentioned that we would love to get the board members feedback and will continue to set up tours for the members as well as inviting them to our many events. Gretchen stated that she would like input as to what the board members interests are and what they would like to see.

Gretchen moved on to the next objective to engage board members to be ambassadors. She thanked the board for assistance with Nevada Big Give and the Vet Tech videos. Gretchen pointed out that Jeannie had passed out a list of prospects for 1971 and corporate members. Gretchen asked if the board could identify anyone on that list that they may know, update any relationships with those on the list or add contacts to that list that could be potential donors. Gretchen moved on to address new board member orientation. She mentioned we will be putting together a packet for new board members with onboarding and asked for ideas. The next objective was on cultivating a diverse and engaged board and Gretchen referred to the attached list of prospective board members. Currently we have nine member and our goal is to increase to 12. She asked the board to take a look at the list and give input. Gretchen then addressed the growth from the last action step which was to determine growth needs from all sources. She explained that our top priorities are 1971 Society, Corporate Partners, Dental and East View.

10. Scholarship Update – Rebecca Josten, Scholarship Manager told the group that the endowment values have decreased by 2.4% in actual market returns which is \$269,000. We have three endowments that are under water. She reminded everyone that they use the twenty-quarter rolling average. Becky also added that the Galena Volunteer

Firefighters are moving forward with the \$50,000 endowment. As of now we have received 1,379 scholarship applications which is still a little lower than last year. We have awarded 473 awards totaling

\$534,103.25 for 396 students. Our goal this year was to get the number of students awarded up and not necessarily the dollar amount. We have three new scholarships – the Amy Holland Memorial Scholarship, the Frank

R. Murgolo Business Scholarship and the Patrick Smith Memorial Scholarship. Becky referred to her pie charts and she pointed out that Wells Fargo is our highest earning scholarship endowment. Lastly Becky reminded the group that the Legacy Reception is coming up on October 4th at 4:30.

11. Development Officer Update - Jeannie Byassee addressed the group stating that we currently have (42) 1971 Society members. She noted that there was some good news to report about the 1971 Society renewals. We are currently in the middle of our Dental Campaign. So far, we've had a total of 14 Dentists who have contributed a total of \$18,050 toward the Dental expansion. We will be doing another follow up appeal to specific dentists. She mentioned that the older dentists will be reaching out to the younger dentists to encourage support. Jeannie also noted that a lot of the dentists who supported 20 years ago are no longer practicing or available. Lastly, she expressed to the group that any help the board members can provide us with getting our foot in the door for prospective 1971 Society members or corporate partners would be greatly appreciated.

12. Old Business - None

13. New Business - None

14. Public comment - None

15. Next Meeting Dates

a. December 11, 2019, Redfield Campus

Motion to adjourn – Jesse moved, Mindy second, meeting adjourned at 9:29 am.

