

# BOARD OF DIRECTORS MEETING MINUTES

## September 16, 2020

1. Welcome & Introductions: Jesse Murray called the meeting to order at 7:33 am. Members present include Jesse Murray, Gigi Chisel, Ann Silver, Cary Groth, Fred Altmann, Sean French, Dan Lofrese, Mindy Lokshin, Yanus Nelson, Matt Thornton and Alan Olive. Ex Officio members present include Gretchen Sawyer, Dr. Karin Hilgersom, Julia Bledsoe and Yevonne Allen. Staff and guests include Mike Aurnague, Krystyna Sokowski, Paul Seybold, Becky Josten, Ashlyn Moreno, Laura Vargas, Connie Christiansen and Julia Bledsoe.
2. Public Comment: None
3. Review June 17, 2020 Foundation Board of Trustees Board Minutes
  - a. Gigi moved to approve the minutes, Cary seconded, motion passed.
4. Review and Approve draft Audited Financial Statements June 30, 2020: Mike Aurnague with Pangborn & Co. delivered the results of the TMCC Foundation Financial Statements audit, year ending June 30, 2020. Field work was conducted August 5<sup>th</sup> and 6<sup>th</sup>. Pangborn focused their examination on donor recognition, donor restricted contributions, classifications, cash and investments. In Pangborn's opinion, the financial statements of TMCC Foundation present fairly the financial position of the Foundation as of June 30, 2020 and its net position and cash flows for the year ended are in conformity with the accounting principles generally accepted in the United States.
  - a. Matt moved to approve the draft Audited Financial Statements, Mindy second, motion passed.
5. Review Gift Report & Financials: Connie addressed the group on the financials for the Foundation. Cash is down due to the Pennington money being fully expended since this same time last year. Deferred revenue is also down. Overall for the year, our net position was almost \$1.2 million. On the income and expenses comparison with the prior year, we are within \$1K in operating income and expenses. Scholarship and endowment transfers are up. Special programs are down due to Pennington CNA in prior year. Investments are doing well. When looking at Budget to Actuals, we are a little under budget in income due to the timing of some contributions. We are also under when looking at expenses. We have \$532k in unrestricted cash. Gretchen informed the group that she and Connie have been looking into other CD's to invest but the rates are very low right now, below 1%. The best rate that can be found right now is Marcus at Goldman Sachs, which has a one-year CD at .85%. We are considering laddering CD's. Our Wells Fargo account is not generating any interest right now. We continue to have the United Federal Credit Union CD which was invested at 1.87% and will mature next February. Mindy questioned whether there were still issues with bank fees. Connie responded that the account structure we currently have has a flat rate fee of \$75. There were issues with the fee structure not being switched over but we have been refunded for any fees charged in error. Matt offered to look into finding us a broker to find CD's with better interest rates.

Gretchen gave some highlights on the Gift Reports. This fiscal year, as of August 31<sup>st</sup>, we've brought in a total of \$527k in gifts. The Pennington Foundation was a big contributor to that total with their continued support for Applied Tech, Nursing and Dental Hygiene Scholarships. Reno Rotary Foundation and S.E.E.4Vets also continues to show their support. Along with their continued support of scholarships, S.E.E.4Vets sent an additional \$5k to start an emergency fund for our veteran students. We continue to receive donations for the Coach Gonzalo Lopez Memorial Scholarship. Not included in this report is a grant that we received from Tesla for \$324k which will be coming in the next couple of weeks. This grant will help support a new tool and die program that will be piloted with ACE High School students. It will also support funding for an Architecture instructor, middle-college tuition for the ACE students and transportation for ACE students through My Ride to Work.

a. Cary moved to approve the gift reports and financial, Sean second, motioned passed.

6. President Update: Tabled
7. Applied Tech Programs Update: Paul Seybold, Interim Director of Applied Technologies addressed the group. Paul began with explaining the issues that arose due to the school shut down on March 17<sup>th</sup> which was in response to COVID-19. Applied Technologies had over 400 incompletes as students could not complete their hands-on labs. In June the Board of Regents allowed for labs to resume in July with heavy restrictions. Over 140 students were completed over the summer. Restrictions include wearing masks, temperature checks and COVID health surveys. For Fall semester, Applied Tech started with in-person and hybrid classes. Sizes of classrooms have been lowered and rearranged to adhere to social distancing. Work is being done to continue to expand the programs. A grant was received from the state Office of Science Innovation and Technology, which helped create a Manufacturing Workforce Initiative which is a pre-employment program that is going out to the high schools. For this program the student will complete three classes over a period of 1 ½ to 2 years and then will be eligible to attend an interview with Tesla. Paul also informed the group that Applied Tech is seeing their first five graduates of a BAS in Cyber-Physical Manufacturing this Spring. Paul added that with the Tesla grant we will be able to launch a new Tool and Die program which has been requested by multiple employers. The Tesla grant also helped in hiring a new Architecture instructor to teach at ACE High School. Other good news in Architecture is that Applied Tech is presenting a Bachelors of Architecture to the Board of Regents this fall for approval. Another new degree in the works at Applied Tech is the CTEL degree (Career Technical Education & Leadership) which is a BAS. With this degree students can get a teacher licensure in CTE and will launch this spring. In regards to Computer Information Technologies at Applied Tech, a program was launched with Blockchain at Damonte Ranch High to teach Blockchain coding and technology.
8. Executive Director Update: The Board of Regents approved the RN to BSN program. This is important because the Institute of Medicine believes that 80% of all nurses should have a bachelor's degree. In 2018, northern Nevada graduated 318 nursing students and only 37% had a bachelor's degree. The new nursing program will begin Summer 2021 and the bachelor's will be online. Existing nursing students will be able to begin the bachelor's during the second year of their program. Enrollment is down 6% at the College for this fall semester. Recruiters were unable to reach high school students during COVID shut downs which contributed to this decrease as well as the online factor being a deterrent to many students. In regards to budget cuts, we had a 16% (\$7.5M) cut. We had some reserves to help fill that gap. TMCC was able to obtain \$3M from the NSHE operating pool. Gretchen also expressed the importance of the AJR5 ballot initiative that is on November's ballot. This could change the structure of the Board of Regents and with the passing of AJR5 the Board of Regents would be under the legislature. Gretchen continued her update with highlights on grants. We received \$1.6 million in CARES dollars for the College. We also received the TRIO grant which is a huge accomplishment for TMCC. We were able to hire Rita Escher, the former TRIO grant director from UNR to help with the writing of the grant and collecting all the data. Laura added that the TRIO grant is a very competitive process. There are an average of 1,000 grants funded every five years. There are nine different TRIO programs which started with the initial three – upward bound, talent search and student support services. Institutions who have received these grants since the 60's and 70's get an extra set of points every time they apply as long as they have maintained their scope of work and continued with their good grant management. It's hard for new institutions to get their foot in the door unless their grant proposals receive a perfect score. The grant has also been supported by congress so that TRIO was able to receive another \$450 million. TMCC received \$261,000 as part of a 3.5% increase to the overall student support services grant. This grant will help support 140 incoming first generation, low income, freshman students each year. We should have new director on board for this program in December.
9. EastView Feasibility Update: Gretchen gave an update on the EastView feasibility. Netzel Grigsby has recommended that TMCC begin moving forward with the EastView project with a campaign goal of \$5M. A result of the study included the need to have assurances on the bond prior to proceeding with the campaign since twenty-five million of the funding is bond financing. We are planning to seek support for the Bond at the March Board of Regents meeting. Gretchen said we will provide the Foundation Board of Directors a status update on the project in December. We would then like to look into issuing an RFP in January to obtain a campaign consultant. We estimate the cost of the consultant to be \$190k for 18 months. If we find that we reach our campaign goal sooner

than 18 months then we can reduce the consultant's contract with a 30 day notice. Gretchen reiterated that we would need approval from the board for the funding of the consultant before an RFP could be submitted.

10. TMCC Foundation Strategic Master Plan Update, Goal 1, Objectives 1-4: Gretchen presented to the group on the Strategic Master Plan. With respects to objective #1, we were able to increase our grants coordinator position from 19 hours to full-time on January 1st. We also opened a search for a Development Officer in February which resulted in a failed search. The position has been reposted on September 15<sup>th</sup> with some tweaks made to the job requirements and duties. Looking at our operational expenses, we have a 1.25% management fee that is assessed on our endowments that will provide about \$112k for FY21. Our state host account is being cut 50% to \$1,250 and our state travel account is being cut 50% to \$300. This leaves us with \$33,392 in our state accounts. The state supports our Scholarship Manager position and part of the Executive Director position. The Development Officer position, which is vacant, is supported by the endowment interest from the unrestricted endowment account. Indirect from state/federal grants support the Proposal Development Specialist, Grants Specialist, Grants Coordinator and Administrative Assistant positions. In regards to objective #2, we included the following speakers at our past board meeting to educate the board members: Bob DeRuse from ACE Charter High School, Chris Akin of the Community Foundation of Western Nevada, Nursing Director Jody Covert and President Hilgersom. We were able to include board members in recognition and student/donor events. Jesse Murray presented for the Classified of the Year award video. We were able to engage board members as TMCC ambassadors and participant through the Giving Tuesday Now campaign, the EastView Study Advisory Committee, the feasibility study process, the May Employee Recognition event as well as the Summer Bridge Graduation. Also, a new board member packet is in the process of being put together and tours will resume when it is safe to do so. For objective #3, Gretchen put together a list of suggestions for cultivating diverse perspectives on the board and has shared this list with along with the board meeting packet. This list identifies different industries with prospective board members. The board discussed some possible prospects. Finally, in regards to objective #4, programs and activities supported by Foundation include: Dental Program Equipment Enhancements, Joseph P. Ayarbe Gymnasium, 2020 Summer Bridge Program, Scholarships, Jacobs Presidential Scholars Program, Support for Veteran Students and Athletics. Growth needs determined include: growth of 1971 Society membership to 50 members by June 2021, increase the Corporate Partners program by 10 members, expansion of the Pennington Health Science Center to include new faculty offices and classrooms, additional science labs and the EastView building.
11. Grants Update: Laura addressed the group. We are working on a consortium effort with NSHE and community college institutions on a Strengthening Community College grant. It's a five million dollar grant over a four-year period. The focus of the grant is on the development of career pathway programs. We will be focusing on our CNA and HVAC programs. It's an opportunity to work across the state with our colleagues at other community colleges to develop this program. Ashlyn then shared with the group an update on the CARES grant. There has been a lot of questions on allowability with the institutional aid portion of the grant. It is looking like we will be able to put the salaries of part-time faculty, who were previous teaching in-person but who are now teaching online, into the institutional aid. Currently we have spent \$219k of the institutional aid portion. All 1.6 million of the student's portion of the aid has been dispersed.
12. Scholarship Update: Becky began her update with informing the group that the Legacy dinner has been canceled due to COVID-19 precautions. Instead we will be creating a video for both students and donors. In regards to endowments, we now have eight that are underwater. From year to year we had a decrease of \$358,183. We had \$60k in new contributions but a 3.83% decrease in market returns. There are no new endowments at this time. For scholarships, we have almost 1,700 applications (1,500 submitted and 200 in draft). We have 277 more applications this year than we had last year. As of September 3<sup>rd</sup>, we've awarded 507 scholarships. An average award is \$1,052. Last year our average award was higher but this year we are trying to award to as many students as possible. We finished the 2019-2020 year with 711 awards totaling \$870,986, a 6.58% increase over prior year. Two new scholarships include the George Floyd Memorial Scholarship and the Courageous Corazon Foundation Scholarship. One scholarship we've been able to renew is the Derby/Talbot Family Scholarship.
13. Old Business: None
14. New Business: None

15. Public Comment: None

16. Next Meeting Date

a. December 9, 2020

Adjourned at 9:31 am

