

Minutes of the Meeting
of the
BOARD of DIRECTORS ANNUAL MEETING
Crafton Hills College Foundation

DATE: June 14, 2007

LOCATION: Crafton Center

PRESIDING: David E. Raley, President

ATTENDANCE: Present: Daniel Bahner Lynn Baldi
Cheryl Bardowell Judi Battey
Win Carl Gordon Clopine
Cheryl Cox Donna Ferracone
Patrick Fite Kimmi Grulke
Gloria Harrison Charlie Ng
Don Nydam Ray Quinto
David Raley Claire Marie Teeters
Gene Wood Betty Jo Wood

Absent: Carlton Lockwood, Jr James Ramos

Guests: Linda Lysakowski Ericka Paddock

1, Call to Order

The meeting was called to order by President Raley at 7:05 A.M.
At Pres. Raley's invitation, Board members introduced themselves.

2. Minutes of the Meeting

IT WAS MOVED by Mr. Clopine, seconded by Mr. Wood, and unanimously carried to approve the minutes of the March 15, 2007, meeting as read.

3. Secretary's Report – Harrison

(a) Introductions – Ms. Harrison introduced Linda Lysakowski, of Capital Venture, who is conducting the feasibility study in re: our proposed \$8,000,000.00 capital campaign, and thanked Board members for their participation in the interview process

(b) Gifts to the College – Ms. Harrison presented the report of gifts for the last quarter.

Pres. Raley invited comments regarding the Secretary's Report. There were none.

4. Foundation Budget ~ 2007- 2008

Mr. Carl presented a comprehensive proposed budget for 2007-2008, which culminated in the recommendation to allocate \$35,000.00 to be deposited into an endowment fund.

IT WAS MOVED by Mr. Carl and seconded by Ms. Ferracone, to adopt the budget and establish the endowment fund with the recommended \$35,000.00.

Discussion:

Pres. Raley suggested that:

1. The Board oversee individual expenditures in order to account for how the allotted money actually spent and approve them case-by-case.
2. He feels the scholarship fund is "light" and should be increased, stating that \$6,000.00 of a balance of \$85,000.00 does not seem sufficient, and that he suggested increasing the amount.
3. The board reports include a "register item", wherein cultivation and other expenses are disclosed during quarterly board meetings.

Mr. Carl stated that including the Textbook Fund increased the scholarship dollar amount to \$8,500.00.

Ms. Harrison stated that the \$6,000.00 scholarship figure comes from a "small, un-restricted pot", apart from money designated specifically for scholarships.

Mr. Bahner stated that the amount of money awarded through scholarships has increased every year.

Ms. Bardowell stated that all cultivation expenses are presented to Pres.. Harrison monthly, and are approved by her.

Mr. Ng asked if we hope to put a like sum (comparable to \$35K) away every year toward endowments, and added that we are not going to have the benefit of moving a similar balance every year.

Mr. Carl replied, "Unless our income improves", and stated that the Title V Grant requires a minimum of \$100K in endowments by the year 2010.

Mr. Bahner interjected, "The difference is Cheryl Bardowell", and added, "The key word is 'proposed'".

Ms. Teeters inquired as to the nature of the cultivation expense and Ms. Harrison explained that it was allocated to the Director of Resource Development, to be used as needed.

The motion, to adopt the budget and establish the endowment fund with the recommended \$35,000.00, unanimously carried.

IT WAS MOVED by Mr. Carl and Seconded by Ms. Teeters that the Board approve an audit, to be conducted by Kirk Stitt, CPA, of Soren McAdam Christenson, LLP, at an approximate cost of \$7,000.00, which would be paid for from Title V funds. He stated that the Foundation has not had an audit since 1988 and that a current auditor's report will be required by many foundations from which we may request a grant.

Discussion:

Pres. Raley asked how the CPA firm in question had been selected.

Mr. Carl replied that Kirk Stitt is a former board member, who has prepared the Foundation's annual tax filing pro bono for several years, and whose relationship with the Foundation caused his firm to agree to a reduction of several thousand dollars in the customary cost of a similar audit.

Discussion followed in re: whether or not there a "conflict of interest" might be construed if the CPA who prepares our tax filing is the auditor selected by the firm that conducts the audit.

Ms. Harrison will inquire of Ron Gerhard, the District Business Manager, to ascertain as to whether or not that scenario would present such a conflict.

The Motion to approve an audit, to be conducted by Kirk Stitt, CPA, of Soren McAdam Christenson, LLP, at an approximate cost of \$7,000.00, which would be paid for from Title V funds, was unanimously carried.

5. **Chief Financial Officer's Report** – Carl

(a) Balance Sheet Previous year Comparison

Discussion:

Mr. Quinto asked if 13% growth in one year is significant.

Mr. Carl responded that, as the balance grows, the relative percent of increase from year to year decreases, and that 13% in one year, and the 30% realized in the last two years, is indeed significant.

Mr. Wood suggested taking Foundation money out of Fremont Savings, due to recent downturns experienced by that bank, as noted in the news.

(b) Financial Recap

(See attached copies of the Balance Sheet and Financial Recap)

6. **Annual Elections**

(a) Election of Officers

IT WAS MOVED by Mr. Bahner, Seconded by Ms. Ferracone, and unanimously carried, to nominate Gloria Harrison as Secretary of the Foundation Board of Directors.

IT WAS MOVED by Mr. Bahner, Seconded by Mr. Quinto, and unanimously carried, to nominate Win Carl as Treasurer of the Foundation Board of Directors.

IT WAS MOVED by Ms. Teeters, Seconded by Ms. Harrison, and unanimously carried, to close the nominations for Secretary and Treasurer.

IT WAS MOVED by Ms. Ferracone, Seconded by Ms. Teeters, and unanimously carried, to nominate Don Nydam as President of the Board of Directors.

IT WAS MOVED by Ms. Harrison, Seconded by Mr. Carl, and unanimously carried, to close the nominations for President.

IT WAS MOVED by Ms. Harrison, Seconded by Ms. Teeters, and unanimously carried, to nominate Gene Wood as Vice President of the Foundation Board of Directors.

IT WAS MOVED by Ms. Harrison, Seconded by Ms. Grulke, and unanimously carried, to close the nominations for Vice President.

Pres. Raley called for a vote on the slate of Officers as nominated. The slate was approved by unanimous vote.

(b) Election of Board Members

IT WAS MOVED by Ms. Baldi, Seconded by Mr. Nydam, and unanimously carried, to elect Board members Gloria Harrison and Carleton Lockwood, Jr., to additional three-year terms.

Discussion:

Ms. Harrison stated that a slate of proposed new board members would be presented at the September meeting, to give the Executive Committee the opportunity to propose and consider candidates to present.

7. Resource Development Report – Bardowell

(a) Title V Co-op Update – Ms. Bardowell stated that, in addition to the requirement of \$100,000.00 in endowments by the year 2010, Title V requires that a minimum of six grant proposals be submitted by September 30, 2007. Her office has submitted four of the six to date. She stated that a “performance indicator” mandated by Title V is the “boosting of corporate and private gifts”, and that the tribute book compiled for the 35th Anniversary Gala significantly boosted that total.

(i.) Endowment recommendation – Ms. Bardowell thanked the Board for its “diligent foresight” in moving the endowment money to ensure the future of the Foundation’s mission.

(b) Development Planning Study – Linda Lysakowski, Capital Venture

Ms. Lysakowski stated that she had completed twelve interviews, and that seven more were schedule for the remainder of the current week, with seven more scheduled to date for the week following. She stated that the interviews were going well, and that the College was receiving “rave reviews” from interviewees in re: the campus, its programs and leadership. Those interviewed feel that \$8,000,000.00 is a “do-able goal”, and that the plans are well thought out. She stated that no one from among the list of potential donors had pledged yet.

Ms. Lysakowski will give a report to the Board in September, or to the Executive Board, if they meet prior to the regular meeting.

Ms. Lysakowski invited the Board to ask questions in regard to the process.

Discussion:

Ms. Bardowell asked if Ms. Lysakowski had interviewed anyone she thought might be a good, prospective Board member. Ms. Lysakowski offered to share with her a name that had been recommended by others.

Ms. Harrison stated, “It’s good news that the College is known and well respected.” She also informed that she is attending a conference entitled “The role of the President in Fundraising”.

8. Other

Mr. Fite stated that Ms. Grulke and Ms. Teeters have asked to be included as members of the marketing committee. Their names will be added to the committee roster. He also asked members of the new Executive Board to assemble for a photograph.

Ms. Baldi recommended a particular firm to manage the endowment funds. Pres. Raley suggested she share her recommendation with Ms. Bardowell after the meeting.

Pres. Raley indicated his intention to secure a gavel for incoming President, Don Nydam.

9. Adjournment

The meeting was adjourned by Pres. Raley at 8:02 A.M.

The next Regular Meeting will be held on Thursday, September 20, 2007