

**Crafton Hills College Foundation Board of Directors**  
Regular Meeting Minutes  
March 21, 2013

**Directors Present:** David E. Raley, Don Nydam, Cheryl A. Marshall, Joanna Averett, Gordon Clopine, Cheryl Cox, Donna Ferracone, Gloria Harrison, Michael Strong, Michelle Tinoco and Betty Jo Wood.

**Absent:** Marie Alonzo, Denise Allen, Judi Battey, Lynn Bogh Baldi, Kyle Hundley, Charlie Ng, Ray Quinto, James Ramos, Michelle Riggs, Robert Temple and William Nassar

**Staff Present:** Karen Childers and Laura Cross

**Guests:** None

**1. Call to Order and Opening Comments** – President David E. Raley

David called the meeting to order at 3:00 p.m. with a quorum of 11 voting members present. Self-introductions were made around the room. David stated that there are four major items of focus for this meeting: the Gala, Summer School, Alumni and Textbooks.

**2. Approval of Minutes of December 6, 2013** – All

**It was moved** by Cheryl Marshall and seconded by Michael Strong to approve the minutes of December 6, 2013. The motion passed with two abstaining: Donna Ferracone and Betty Jo Wood, who were not in attendance at that meeting.

**3. College Happenings** – Cheryl A. Marshall

Michelle Riggs, former Classified Senate President, has been hired as the Assistant Director of Resource Development and they are thrilled to have her on staff. She is already an asset and is attending a conference on alumni this week.

Cheryl referenced a written list of gifts to the college through March 4, 2013 (provided in mailer and email). Most are routine and come in on a regular basis.

**4. Financial Report** – Michael Strong reported for Charlie Ng

We look better than last year with an upward trend. This is the last time we will see account numbers in this format. Charlie, Michael and Karen met with Smith Marion for revisions to make it easier to pull financial statements using QuickBooks account numbers. New account numbers will start with 01 (unrestricted), 02 (temp restricted) or 03 (restricted). A summary sheet was provided for the recent Independent Accountant Review Report from Smith Marion. In short, Smith Marion did not find any material modifications that need to be made. Financial statements mirror the balance sheet with a 2.4% increase. The Review Report was made available in its entirety through email and in hard copy at today's meeting.

Michael is working with Charlie Ng to better understand the financials for the Board as Charlie's schedule is becoming busier and he is not always able to attend the regular Foundation Board Meetings.

Cheryl A. Marshall reported on investment manager Merrill Lynch. Good news received on the Krasovec Trust – the funds have been distributed. Merrill Lynch currently has the funds invested using a low risk strategy until the Investment Committee can meet and finalize a new Investment

Policy Statement. We received everything in the estate except the house, car, and enough to handle expenses related to those. Plan is for house and car to be sold. One offer was received on the house a year ago, but was under the appraised amount and not accepted. The Foundation does not want to be a homeowner, so the home was left in the trust. Joanna Averett said there is no reason why the house shouldn't have been marketed and sold, and recommended that we push a little harder to sell it. We do not yet know the amount that was disbursed in securities. A Disregard Letter was completed with Merrill Lynch to transfer the funds and begin the low-risk investment strategy until the Investment Policy Statement is finalized. The Board would like to know the amount we've received; Michael will work with Charlie for that information and send a report to the Board. Earnings from endowed Krasovec funds go to Allied Health as per the Trust document. The Foundation decided to keep the bulk endowed so that interest could be applied to Allied Health expenses. We don't want to spend the bulk of the money, but want to invest for interest earnings. The new Investment Policy Statement will be brought to this Board in June 2013; further discussion will be held by the Investment Committee before then.

**5. Resource Development – Karen Childers**

Presently, \$59,055.55 has been received toward summer 2013 classes; thanks to all who pledged and donated, and a gentle nudge to those who still need to fulfill pledges. This provides 60% of the goal, and Prop 30 allowed us to fulfill the goal. 40 sections are set for summer and, with the original goal being 25 classes, this is a real success.

The Gala is next Saturday. Please complete return cards with your table guests' names; call or email Laura so that seating assignments may be made. 20-21 tables are pledged and/or paid, and reservations are still being taken. There were 24 tables last year; 23 populated. Please turn in your basket or gift card(s); Karen thanked those who have already contributed. The baskets will be given away through opportunity drawings. There will be some items in a silent auction throughout the room, and the Live Auction will feature Disneyland Park Hopper tickets, Andrea Bocelli Concert tickets provided by KVCR, and a Temecula Carriage Ride. We have received close to \$27,000 in pre-sales.

An Alumni report was given by Karen on behalf of Michelle Riggs. Karen shared a list of "Reasons I Give" donor statements.

The Fire Academy will have a reunion lunch on April 12 in the cafeteria to celebrate its 30th anniversary. Tickets are \$15 each and information is available online.

Raiser's Edge training is planned to provide the department's users with better use of the system. This will help in cleaning the donor base, especially for alumni. This will be a summer project.

**6. Accept the Arabic Studies Challenge Grant from NEH – David E. Raley**

An Abstract was provided in the materials pack; the purpose is to establish an endowment to support a part-time faculty position to teach Arabic language. In the meantime, the grant may pay for program costs, but the endowment will be held by the Foundation, so it needs approval from the Foundation Board. It is likely that Merrill Lynch will manage these funds. CHC has seven years to raise \$560K, \$280K of which will be matched by the NEH. Kitchell already gave \$5K. Fundraising efforts include an Arabic Meet-and-Greet, Arabic studies, and seeking grants for the full \$560K from ten non-federal/private foundations. Any fundraising must be specified to go toward this. If we want it in an endowment, it must be raised for that purpose; otherwise, we may use unrestricted funds.

**It was moved** by Donna Ferracone and seconded by Gloria Harrison to accept the NEH Arabic Studies Grant. The motion passed unanimously.

**7. Accept Artwork Donation – David E. Raley**

A sample of the artwork was on display for the Committee – a bronze sculpture of a cowboy riding a horse – and two appraisal handouts from an accredited appraiser were provided.

The collection includes paintings, sculptures, and drawings valued at \$302K plus another collection for \$36K. We may not realize the full appraised value, but we will attempt to sell the artwork.

**It was moved** by Don Nydam and seconded by Donna Ferracone to accept the collection of artwork. Discussion included the fact that the collection must be held for a minimum of two years before marketing in order for the donor to realize the full tax deduction; there is concern over the storage and security of the collection; there are plans to display it in our Art Gallery in the fall; questions were raised as to whether or not the collection is insured (follow-up with the District is needed), if we may loan the collection out for display; Michael is concerned about the safety and proper care of the collection, and would be more comfortable having it cared for by a museum; wherever it is held, it needs to be displayed. The motion passed unanimously.

**8. Board membership forms – All**

Karen explained the purpose of the *Board of Directors Individual Director Agreement*; to be distributed in June 2013, it defines directors' responsibilities up front. Current directors use the annual self-assessment of what members are asked to commit to the Foundation. The forms have the same information. The Agreement and self assessment forms are not contracts. Discussion included

- the agreement form will help with issues with which the Board has been struggling for quite some time;
- it is good for old and new members alike, and similar forms are used effectively by other organizations;
- we have a number of members who do not fulfill their obligations, both in the areas of meeting attendance and financial commitment. It has not been strictly determined how to approach those who don't do one or both; there are people on the board in name only, but who contribute to the Foundation with tremendous assets in other ways, and concern was expressed that the form not be used to keep score. We have consistent workers and those who contribute financially, and those who want membership just for their resumes. 1/3 of the Board members are active workers who give their time in addition to finances. There are no current plans to directly confront anyone. Friends of Crafton Hills College was started to encourage some who don't want to come to quarterly meetings to come and sponsor the annual meeting. Some organizations have term limits, i.e., may serve two terms and then must step down for a term. We have the Emeritus Board on which to include those who cannot participate at the more active levels. Several members who are currently ill will be contacted and asked if they would like to remain on the Board, or move to the Emeritus Board. This Board has three year terms, but no limit to the number of terms one may serve. Perhaps a solution may be that, when members have completed their terms, they will be asked if they would like to continue on the Board. An item will be placed on the Executive Committee Agenda concerning terms; please share any input you may have with David Raley and or Karen Childers.

**9. Strategic Plan – Don Nydam**

With the annual Gala about completed, the Strategic Plan Committees will get going on the Plan. It's a good plan and they will make it happen.

## 10. Other Items

### a. Inland Empire Scholarship Fund

Cheryl Marshall received a request from Bruce Barron for the CHC Foundation to contribute \$2,500 to the IESF along with SBVC for a total District contribution of a \$5,000 event table sponsorship. IESF wants to give ten \$1,000 scholarships. Discussion included the following:

- Concern about the use of Foundation funds that are raised for the purpose of distribution to CHC students going to another organization and, possibly, non-CHC students. In the past, only one or two CHC students have received IESF scholarships. It is not an appropriate use of our funds.
- The Transfer Center is aware of the scholarship opportunity.
- In the past, this request was paid from District funds.
- In the past, the number of scholarships for particular organizations has been proportionate to the amount given.
- Perhaps make an exception and pay it this year, but make it known that future contributions will not be made.
- Follow through with attendance at the function to make sure that our students receive scholarships.
- Is the contribution recognized as coming from CHC and SBVC, or SBCCD?

**It was moved** by Don Nydam and seconded by Donna Ferracone to make a one-time donation of \$2,500 to the Inland Empire Scholarship Fund in the name of the Crafton Hills College Foundation. The motion passed with one abstain: Gordon Clopine.

**b. Director Name Badges** – Betty Jo Wood proposed director badges; staff will look into it.

**c. Michelle Tinoco** was recognized and welcomed as the new Classified Senate President.

**d. Meeting Time** – David asked if 3:00 p.m. is still a good time for everyone, and consensus is yes.

**The meeting was adjourned at 4:15 p.m.**

**The next meeting:** Thursday, June 20, 2013  
3:00 – 4:30 p.m.  
Learning Resource Center, Room 226

An optional activity of True Colors was available to Board Members after the meeting; how various personalities interact.