

Snow College Foundation Board Meeting

Meeting Minutes

November 8, 2017

Members in attendance: Leonard Blackham, Mark Howard, Beverly Nielson, LeAnn Stoddard, Roger Thompson, Jake Dettinger, Gary Carlston, Jim Tatton, Timothy Blackham, Brent Thorne, Dave Parrish, Eddie Cox, David Christensen, Mark Geiselmyr (via phone), Randy Cox (via phone), and Michael Carlston (via phone).

Employees in attendance: Rosie Connor

Members not in attendance: Doug Barton, Jared Eldridge, Mark Jones, Lori Nay, and Kay McIlff

Call to Order: The Snow College Foundation Board meeting was held Wednesday, November 8, 2017, on the Ephraim Campus of Snow College in the Heritage Room of the Noyes Building. The meeting was called to order by LeAnn Stoddard at 12:17 P.M.

Approval of minutes: *Motion was made by Jim Tatton to approve the minutes of the August 24, 2017, meeting and was seconded by Mark Howard. The motion passed unanimously.*

Committee Appointments: LeAnn Stoddard provided an overview of the previous business related to the special committees and the assignments for stated committees. Rosie Connor passed out a campaign committee responsibilities packet for all members to review. The packet details the Board members serving on each committee along with the goals and responsibilities for each. Ms. Connor suggested that the committees meet on the alternate months when there is no Foundation Board meeting.

It was noted that the scholarship committee did not have a chair, but it consisted of Lori Nay, Roger Thompson, Leonard Blackham, Brent Thorn, and Eddie Cox. It was suggested that Lori Nay be asked to serve as chair. Ms. Connor agreed to contact her.

Dr. Jim Tatton discussed the need for a healthcare facility or an urgent care on the campus. He stated that a new clinical building could also support health education, health sciences, or community health programs on campus, since these are majors provided at most universities. With this in mind, Dr. Tatton proposed that the college could expand the number of health courses taught on campus.

The proposed building would include an urgent care facility open from 8:00 AM until 8:00 PM Monday-Friday and for a period of time on Saturdays. This urgent care clinic would give people a viable option to a hospital emergency room as there are no urgent care centers south of Payson and no facilities open after 5:00 PM in this county. This facility would provide urgent care just like an emergency department, but on a lower level. There are several physicians that could staff this urgent care, including physicians in Gunnison, Nephi, Ephraim, and Manti who have expressed an interest in staffing this facility. The upper level will consist of six exam rooms, two bay procedure rooms, minor lab, X-ray, and offices for up to three physicians. The lower level will include a full medical laboratory, as well as a radiology suite that includes a CT scanner and ultrasound. A lecture/laboratory area for 25 students will be available for nursing, radiology tech, laboratory tech, and health courses as part of Allied Health and Health Education/Community Health. President Carlston stated that this direction is very ambitious, yet it

identifies needs that should be addressed. Members of the committee include Jim Tatton, Mark Howard, and Leonard Blackham. President Carlston and Rosie Connor will staff the committee. The estimated cost is about \$3 million which would be a public-private partnership. More thought will be given to the location since the facility will become an important part of campus and should be centrally located, with adequate space for the building and parking.

With a \$2 million goal for the Social Sciences building and \$3.5 million needed for fundraising, Mrs. Stoddard stated that these three goals would require adequate staffing to accomplish these goals. President Carlston mentioned that the vice presidents and faculty could step in to provide additional help. He added that three fundraisers for the three projects would be ideal, but not financially realistic.

In regards to the staffing, he suggested that the plan and strategy be identified by the committees and then the issue of staffing can be confronted. For example, the athletics fundraising team has been working for two years to provide necessary funding in that department and the progress has been significant. The question about staffing is legitimate, but the focus on what the staffing needs are should be decided based on what the actual responsibilities would be including preparing mailings, arranging meetings, following up on contacts, and identifying contacts. He stated that the committees need to gather and focus deeply on this issue.

President Carlston also stated that Snow College has been working with Richfield City for the last couple of years and they are interested in building a community center and swimming pool. Legislators, mayors, and others have been involved in this as well. Snow College could benefit from this partnership with a new activity center. Snow College is willing to provide the land on campus in Richfield. The city would provide a majority of the funding, the legislature may provide some of the funding, and there would likely be a fundraising commitment. He suggested that as this project unfolds, we reserve the Larry Miller Foundation for this project.

Social Science Building Report: President Carlston stated that the regents had eight projects requested for higher education, and Snow College ranked number seven in their priority. The state considered all projects that are being requested. There were twenty capital development projects being requested from the state; eight from higher education and twelve from other state agencies. In the scoring for just the higher education projects, Snow College went from seventh to fifth place. After everything was compiled, Snow College ended up fifteenth out of twenty. On both the valuations by the Regents and the Building Board, scores were improved if institutions brought money to the table. He noted that Snow College did well without bringing money to the table. There was no pushback in terms of the need for the project and there is an agreement that there is a legitimate need. Raising money will help push this building project forward next July when the Regents meet again to rank capital projects. The fundraising target for this project is \$2 million. That amount would mean the college would provide about 12% of the cost of construction. President Carlston mentioned that this is a reasonable amount for a college of this size. It is a \$17.2 million project and he added that the cost will likely rise as time goes on.

Leonard Blackham questioned that if there was a large donor interested in funding the urgent care, would the College be willing to approach the legislature for the remaining amount. President Carlston stated that the urgent care facility is not something that the legislature would fund and it would be a public/private partnership. The details of this project would go through the Board of Regents for approval. President Carlston added that the urgent care project is looking for a public/private

partnership to develop with the fundraising support of the Foundation, and the college will provide the property for the facility. President Carlston also stated that he is looking to raise the \$2 million for the social science building by next summer.

Finance Report: Jake Dettinger presented the finance report as of September 30, 2017. The endowment balance at the end of June was \$8.8 million and it was down to \$8.6 million at the end of September. He explained that the reduction was due to a stock donation in the end of June of \$497,000 from the Eccles Foundation for payment on the Science Center. Otherwise, the balance would have increased. His report showed that funds are invested as follows: 27% in bond funds; 67% in equity funds; and just over 2% in cash. Endowment returns equated to about a 2.44% yield. He stated about \$343,000 was brought in through donations for the first three months of the year with a large portion of this amount supporting the athletic fundraising campaign. He stated that about \$4,100 came from employee payroll donations.

Mr. Dettinger also reported that the cash fell about \$19 million to \$18 million. He explained the year-over-year decrease was due to a \$1.3 million tuition shortfall last year. Enrollment growth has been due to concurrent enrollment students who are paying less tuition. Since there was not a positive cash flow at the end of last fiscal year, reserves were used to cover these expenses. He added that the College is forecasted to break even in June 2018 since zero-percent growth was budgeted for this year.

He went on to say that the College is working on an enrollment management plan. Since the concurrent enrollment student population has doubled, many students are graduating high school with as many as 30 credits which equates to a year of college already completed. The College is requesting \$300,000 in additional funds requested from the legislature for concurrent enrollment. President Carlston stated that by the year 2025, potentially 60,000 students could be added to the Utah higher education system and Snow College is projected to be about 7,500 students FTE. There is still expected growth, even with potential obstacles. He mentioned the new "Badger Tracks" system where concurrent enrollment students can look on the Snow College website to see how many credits they have taken and how long it will take for them to finish their associate's degree. If 12 credits are completed with a B average, students are eligible for a \$500 waiver. President Carlston added that Snow College does not provide the majority of concurrent enrollment in the state, though it is a major provider for concurrent enrollment in rural areas.

Mr. Dettinger finished the finance report stating that recently, an account has been opened with Zions Bank to aid in diversifying the investment portfolio which will hopefully lead to higher returns. The state PTIF fund currently has a 1.507% yield. *Mark Howard made a motion to accept the finance report, and it was seconded by Timothy Blackham. The motion passed unanimously.*

Gift In Kind Policy: Ms. Connor stated that the IRS form 990 is ready for review for the 2016 tax year. Board members were asked to review the form as it will be submitted to the IRS next week. Ms. Connor mentioned the bookstore gift that was accepted in 2015 came up as an audit finding due to the appraised value being much higher than what the College could receive from sales. Because of this, the state auditors asked that policies around gifts in kind be enhanced. By reviewing policies at other colleges and organizations, Snow College policy #155 was revised to provide more guidance on gifts in-kind and acceptance of gifts. Determining the value of the gift in kind was strengthened in section 11.3.1. This draft policy was reviewed by the College's legal counsel. The complete draft is attached to the original of these minutes as attachment A. Ms. Connor explained that after Foundation Board

approval, the policy has to be approved by the College Council and the Board of Trustees. *Roger Thompson made motion to approve the policy recommendation to be presented to the College Council and Board of Trustees. The motion was seconded by Mark Howard and passed unanimously.*

Snow College Update: President Carlston stated that the fundraising for the Social Science building and the stadium will continue to move forward at the same time. He hopes to have both fundraising projects completed by next summer. Layton construction and VCBO have worked on the stadium at Dixie State University, and they have been asked to meet with the College and share some helpful information. The target figure for the stadium is \$6 million; \$5 million for construction and \$1 million for soft costs. There are several new features which would include locker rooms, teaching rooms, and coach offices. President Carlston mentioned that the upgrades include a combination of remodeling and new space. It is projected that 500 seats could be added on the north side as well as 500 seats on the south side of the current seating.

He added that the Eccles Foundation has been approached, and leaders have toured the stadium. Our plan is to request \$2 million for a naming opportunity. Ms. Connor stated that the stadium project would be of more interest to the foundation than the Social Science Building. One legislator wants to help us with the stadium, even though stadiums are not generally the priority of the legislature. The social science building is currently the capital priority for the College. The legislator stated that if the legislature gives this project \$3 million, we should raise \$3 million. The most optimistic scenario would be if the legislature gives \$3 million, and the College raises the remaining amount, the project could start in a year from now and be ready for the following season. President Carlston said the Regents and Building Board have been informed of this possibility. He cautioned that it is very important that the legislators lead this process since they have a much better chance for success.

Other Business: Ms. Connor stated that the music department will be performing the Holiday Music Spectacular. The Ephraim performance will be held on December 1 at the Eccles Center for the Performing Arts; the December 8 concert will be at the Sevier Valley Center; and the December 9 concert will be at Highland High School in Salt Lake City. Before the Richfield and Salt Lake City events, there will be donor receptions. Two complimentary concert tickets will be provided for special guests including the Board. Additional tickets are available through the box office.

2018 Foundation Board Meetings: Foundation Board Meetings will continue to be held on the second Wednesday of the month. The 2018 meeting dates are as follows: February 14, May 9, August 8, and November 14. Legislative updates will be provided once further information is received.

Adjournment: The Foundation Board meeting was adjourned at 1:54 PM. The next meeting is set for February 14, 2018 at noon.