

Snow College Foundation Board Meeting

Meeting Minutes

May 8, 2019

Members in attendance: Rosie Connor (via phone), Ken Denos (via phone), Mark Jones, Roger Thompson, Jim Tatton, Mark Howard, Dave Parrish, Kay McIlff, LeAnn Stoddard, Brent Thorne, Leonard Blackham, Tim Blackham, Jake Dettinger, Gary Carlston

Employees in attendance: Janie Harris, Tracie Semadeni

Guests in attendance: Debbie Howard

Members not in attendance: Michael Carlston, Dave Christensen, Eddie Cox, Randy Cox, Beverly Nielsen

Call to Order: The Snow College Foundation Board meeting was held on Wednesday, May 8, 2019, on the Ephraim Campus of Snow College in the Heritage Room of the Noyes Building. The meeting was called to order by Mark Jones at 12:08 p.m.

Approval of Minutes: *A motion was made by Mark Howard to approve the minutes of the March 13, 2019 meeting and was seconded by Roger Thompson. The motion passed unanimously.*

Urgent Care Facility: Jim Tatton reported that a feasibility study has been requested and will be done in six or more weeks. Once the feasibility study is completed, a request for proposal (RFP) will be created. An attorney has volunteered his time to assist Snow College in developing the RFP. It is anticipated that the RFP will be offered to at least three interested organizations, after which they expect to receive bids and create a development plan for the Urgent Care Facility. It is proposed that this facility will have a wellness center as well as a clinic with imaging and laboratory services available for use by students and community members. There will also be educational classrooms within the facility. This building will be located south of the Lucy Phillips Building because the proposed building size has expanded; it will likely barely fit on the designated lot.

The College is looking for a partnership with an independent entity to build and run the Urgent Care Facility. The healthcare facility itself along with the imaging and lab center would be owned by an independent entity, but the College would lease the wellness center and educational classrooms within this building. The College's goal with this building is to have more up-to-date equipment, better student involvement, and more efficient construction and utilization overall. The Urgent Care Facility will also be open for more hours than other facilities in the area, with tentative business hours of 8 AM to 8 PM daily. President Carlston added that the Snow College Foundation will fund the feasibility study and work with PFCM Inc. to hire an architect for this building, after which the RFP can be developed.

Steve Hood, Vice President of Academic Affairs, has been working on a feasibility study in conjunction with Weber State University. A proposed plan is to create a joint program in radiology technology and clinical laboratory technology so a bachelor's degree can be obtained online while utilizing the Urgent Care Facility. This program can help ensure that students who come to Snow College with the desire to work in the medical field can obtain a degree upon completion of the program instead of only obtaining credits toward a degree. This could boost the nursing programs and other pre-professional programs at Snow College.

Scholarship Committee Update: Brent Thorne reported that the current goal of the scholarship campaign is to raise \$3.5 million in combined endowment and scholarship dollars. Currently, the goal is almost a quarter of the way complete. Brent mentioned a generous donation from the Afton Hansen

Family Trust of \$302,027 that was recently given, as well as a \$100,000 donation from Roger Thompson. Roger added that he and his wife are initiating a challenge grant and will match up to \$300,000 donated toward Snow College scholarships. Roger Thompson stated that President and Janet Carlston were planning on creating a scholarship endowment in their name to emphasize the importance of scholarships at Snow College, and he expressed his gratitude for their generous donation toward this effort. Roger then stated that he and his wife would match the Carlstons' donation as part of their matching grant program.

Leonard Blackham suggested the idea of a special dinner that would be held in which large corporations and other individuals would be invited to Snow College for an initial cost per table to attend. A program could then be held featuring Snow College music students for a short performance followed by fundraising efforts.

Surplus Book Sale: Janie Harris stated that someone made a recent offer of \$500 for the surplus books, though the minimum bid was originally \$7,000. The current bidder mentioned his concern that a large portion of the books likely have no value and will need to be recycled. This bidder offered to purchase all of the books for \$1,000, and expressed his desire to also purchase the storage containers the books are being held in. He offered \$3,000 for both storage containers and the books. Janie confirmed with the Department of Campus Services that the containers were originally purchased for \$2,600 each. Mark Jones asked if the College could sell the books for their aesthetic value to interior decorators. It was mentioned that the books used to be listed on Amazon, but after they were moved to the storage containers, it was too difficult to sell them. Jake Dettinger stated that the College is no longer interested in spending an excessive amount of time trying to sell the books as there are departments that could use the storage space that is occupied with the books. Over the past three years, offers for the books keep declining, and therefore it would be prudent to sell them before there are no more offers.

The College would not face any repercussions for selling the books for \$1,000, though they were appraised at \$3 million when initially donated. Jake Dettinger stated that this business would be between the IRS and the donor, as taxes are self-reporting. The College could not do an appraisal on the donation prior to accepting it. Rosie Connor added that it is the donor's responsibility to have a donation appraised. Once the books have been sold, Snow College will report the value of what the books were sold for to the IRS. The College is therefore not responsible based on IRS standards; however, internal auditors may be concerned that the books were sold at such a lower value than the original tax credit given to the donor.

A motion was made by Jim Tatton to sell the books only for \$1,000 and was seconded by Roger Thompson. The motion passed unanimously.

Finance Report: Jake Dettinger reported that the March and April statements are still underway; therefore, the latest information concerning the endowment pool is from the end of February. The total endowment pool is up to \$10.2 million, with \$2.2 being quasi-endowment funds, and traditional endowments being just shy of \$8 million. The endowment returns in February were very positive, and the College recovered many of the unrealized losses experienced during the third quarter of 2018. The year-to-date income of fiscal year 2019 is \$305,000, with unrealized losses of \$226,000. Jake believes that the College has finally regained all the losses from the previous fiscal year over the last couple of months. Once the March and April statements are completed, it can be confirmed whether or not the College is ahead again. The yield to-date at the end of February was 0.77%. Year-to-date donations for fiscal year 2019 total \$1.1 million, most of which has been donated toward the Athletics Center and Badger Stadium project. There has been a total of \$357,000 donated toward scholarships thus far, which

Jake believes exceeds the total donations toward scholarships for the previous year. Endowment donations have reached \$90,000 for the year at the end of February.

Snow College's investments compared to the S&P are right on par at 0.77% yield, compared to 0.8% for S&P. Compared to the ACWI index, Snow College is doing better at 0.77% yield compared to 0.17%. The S&P and ACWI are more comparable than the Dow Jones in the type of investments the College is able to invest in.

Form 990: Janie Harris shared the following message from the Controller's Office concerning changing the tax year to end June 30th to match Snow College's fiscal year: *"The Snow College Controller's Office is asking for permission to change the Snow College Foundation's tax year end from December 31st to June 30th. Doing this will align the Foundation's tax year end with the College's fiscal year end. The Foundation's accounting records are housed in the same accounting system as the College's accounting records. Since the College's year end is 6/30 in that accounting system, the Foundation's tax year in the accounting system is also set to end June 30. There is not a way to set up different year ends for the College and the Foundation. Because of this, the Form 990, which reports revenues and expense on a calendar year becomes quite difficult to prepare. The Controller's office has to pull all transaction data for two different years in order to get the 6 months of data from one fiscal year and the remaining six months of data from another year. Changing the Foundation's tax year end to 6/30 will significantly reduce the amount of time required to prepare the Form 990 tax return and allow for more timely preparation.*

If the board approves a new tax year end, then the Controller's office would have to prepare a "short year" Form 990 and file it with the IRS. A short or half-year return would be filed to cover the transactions January 1, to June 30, 2019. Future years tax returns will then report data from July 1st to June 30th. This does not change the amount of time given by the IRS to file the tax return, therefore, the Controller's office will still have the standard 4 ½ months from the tax year end to file (making the new deadline for the Form 990 filing October 15).

In order to move the Foundation to a fiscal tax year end, Form 1128 must be filed by the due date of the federal income tax return for the first effective year which is, in this case, October 15. The form must be signed by a principal officer or other person authorized to sign. If the tax year end change is approved by the Board, the Controller's office will prepare this form, seek the proper signatures and file it with the IRS by the required year-end tax change deadline of October 15th."

Janie Harris added that a 990 extension for the current year has been filed, and if the Board is interested in looking at a copy of the 990 it is available.

Roger Thompson agreed that this change should occur. Jake added that the only reason the Foundation's form 990 has been prepared based on a calendar year is because that is how things were initially set up.

A motion was made by Roger Thompson to move the Foundation's fiscal year to match Snow College's fiscal year of July 1st – June 30th and authorize Foundation Board Chair, Mark Jones, to sign the appropriate documents. Jim Tatton seconded the motion, and the motion passed unanimously.

President's Report: Commencement was held on Friday May 3, in Richfield and on Saturday May 4, in Ephraim. Between the two campuses, nearly 1,200 students graduated or completed their certifications. President Carlston added that a student by the name of Katelyn Smith passed away after a four-wheeler accident a week prior to commencement. Katelyn was on course to graduate this year. To honor her achievements and memory, President Carlston and his wife Janet took Katelyn's diploma and honor

cords to her family and expressed their condolences. Because Katelyn's favorite color was blue, the student body officers asked all employees and students of Snow College to wear blue in remembrance of her.

President Carlston also reported that there are currently two projects on the Richfield campus, one being student housing. The College is working with the community, county commissioners, and others to help provide more student housing as this will help the Richfield campus grow. In an effort to stimulate housing support, a public/private partnership has been attempted. Though no bidders showed interest in this project during the RFP phase, the College will continue to focus on increasing student housing on the Richfield campus.

President Carlson also mentioned a community development center that was proposed a couple years ago. This center would include a large aquatic pool and a gymnasium. He expressed that both the student housing and the community development center are important and would help the community, economic development, quality of life, and the College at-large in terms of students and employees having the ability to teach more diverse classes on the Richfield campus. President Carlston stated that Kay McIff is working hard on the community development center project. The hope is to create a partnership between the city, county, and the College. Legislative appropriations for the College would then help make this center a reality. Kay added that the College is not able to build the center without help, but through cooperative efforts in the community, much more can be accomplished. Student life must also be improved on the Richfield campus. Without additional student housing, or a center for students to interact and participate in additional productive activities, student life is difficult to improve. Kay McIff added that student life is just as important as academic growth. Jim Tatton mentioned the creation of a committee to be developed with Kay McIff as chair. This committee would help grow and develop the Richfield campus. Brent Thorne added that he is from Richfield and knows some individuals who could assist in the development and potentially join the committee. Janie Harris stated that she would compile a list of potential donors and individuals within the Richfield area to contact.

President Carlston stated that the Athletics Center is on schedule to be completed in August. Half of the pre-cast cement panels have been put up at this point. The bricks for this building are thin and are pre-cast into the cement. A mistake in the color of the bricks has slightly slowed down the process of the building. President Carlston stated that Layton Construction, the company building the Athletics Center, contacted the brick company and this error will be corrected to ensure the building timeline is not delayed. President Carlston stated the building should still be on schedule to be completed by August 30th. Renovations to the stadium, such as the lockers and showers, will be restored and completed by August 30th as well. Legislative appropriations and private donations have made this project possible. The College originally received \$5 million through legislative appropriation, then an additional \$750,000 in the following legislative session.

President Carlston stated that additional operational funds to support and sustain the football program are needed. The College has been working with Ken Denos's friend, Wade Mitchell, to set up an endowment to cover these operational funds. President Carlston met with Wade Mitchell, along with the Advancement Office, and Wade verbally committed \$75,000 for this coming fall to support the football program. Ken Denos stated that he was unable to attend the meeting with President Carlston and Wade, but he has a call scheduled for the next day and would discuss the endowment further with him. President Carlston expressed his appreciation to Ken Denos for contacting Wade Mitchell, and for setting up the connections to support the football program.

President Carlston stated that Snow College will be independent for the 2019- 2020 season and will be competing with the Kansas and Iowa schools this fall. Football Coach Andrew Mitchell is very optimistic

that Snow College will be a part of the Kansas and Iowa league next year. President Carlston added that the Snow College Football Team will do the majority of travelling this year. The Kansas and Iowa teams will likely only travel to Snow once or twice every two years. Rob Nielson, the athletic director, believes that some of the travel may be done by bus as the distances are nearly the same as when the football team travelled to Arizona. The team will likely have to fly to play in the farther away games. In the past, the College has rented a bus for travelling, but through the work of Jake Dettinger and Rob, the College will purchase a bus which will be available to all sports teams for travelling purposes. This bus will seat 56 passengers.

President Carlston expressed his appreciation for the Foundation Board members and all they do to help and support the College. Mark Jones and the Board members reciprocated their thanks for all that President Carlston has done in his presidency to support and sustain Snow College.

Homecoming: Janie Harris reported that Homecoming is September 21st. All the events will occur that day except the 1979 Football reunion, which will occur on September 20th. The 40-year Football Team Reunion dinner will be held at 6:00 p.m. on Friday, September 20th in the Greenwood Student Center. On Saturday, September 21st, the Distinguished Alumnus breakfast will be held in Founders Hall of the Noyes Building at 9:00 a.m. The Golden Badger Reunion lunch will also be held in Founders Hall at 12:00 p.m. in the Noyes Building. The Homecoming Parade will begin at 4:30 p.m. and take place on Ephraim Main Street. Following the parade, at 5:00 p.m. there will be a tailgate party held on the practice field until 7:00 p.m. when the Homecoming game will begin at Badger Stadium.

Adjournment: *The motion to adjourn the meeting was made by Mark Howard and was seconded by Roger Thompson at 1:34 p.m.*