

COLLEGE OF THE CANYONS FOUNDATION
26455 Rockwell Canyon Road, Canyons Hall Room 201, Santa Clarita CA 91455

Board of Directors Meeting - Minutes
September 26, 2023 at 5:30pm

- Members Present:** Gary Horton (Vice-Chair), Dawna Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, AJ Jaquez, Sharlene Duzick-Johnson, Taylor Kellstrom, Jenny Ketchepaw, Brian Koegle (Remote), T Meyer, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook
- Members Absent:** Steve Corn, Tamara Gurney, William Harwood, Mark Jenkins, Mike Lebecki, Ed Masterson, Jill Mellady, Doreen Shine, Joyce Shulman, Jeff Thomas
- Foundation Staff Present:** Cassidy Butow (Events Coordinator), Jerry De Felice (Chief Development Officer), Desiree Dodd (Director of Development and Engagement), Shawna Lubs (Chief Operating Officer)
- District Staff Present:**
- Board Liaison Present:** Edel Alonso (President, Board of Trustees)
- Guests:** Susan Christopher (Attorney at Law – Charitable Planned Giving and Estate Planning), James Schramm (Investment Advisor – Raymond James)

1. PRELIMINARY FUNCTIONS

- 1.1 Call to Order/Establishment of a Quorum** **Gary Horton**
Noting that a quorum had been established, Gary Horton called the meeting to order at 5:33 PM on September 26, 2023.
- 1.2 Approval of Meeting Agenda** **Gary Horton**
Gary Horton asked for a motion to approve the meeting agenda for September 26, 2023.
Motion to Approve: Lisa Burke Second: Taylor Kellstrom Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez, Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Shawna Lubs, George Reyes, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook
- 1.3 Approval of Meeting Minutes: July 25, 2023** **Gary Horton**
Gary Horton asked for a motion to approve minutes from the last Board of Directors Meeting on July 25, 2023, with the amendment of adding Lisa Burke to list of attendees.
Motion to Approve: Taylor Second: Bruce Fortine Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Shawna Lubs, George Reyes, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook
- 1.4 Installation of Board Chair and New Board Members** **Edel Alonso**
- Fred Arnold, Chair
 - AJ Jaquez, Member
 - Jerry De Felice, Ex Officio Member

2. PUBLIC COMMENT

2.1 Comments by Members of the Audience NOT on the Agenda

Fred Arnold

Bruce Fortine, offered a thank you to the board members who helped him after his accident a couple of weeks ago.

3. APPROVAL

3.1 Removal of Gary Horton from Audit Committee per Bylaws

Fred Arnold

Fred Arnold requested a motion to approve the removal of Gary Horton from the Audit Committee. Per the bylaws, as the new Vice-Chair, he cannot serve on the Audit Committee.

Motion to Approve: Lisa Burke

Second: Heather Stewart

Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Shawna Lubs, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook

3.2 Appointments to Committees

Fred Arnold

- Jerry De Felice to Executive and Finance Committees
- George Reyes to Finance Committee Co-Chair

Fred Arnold requested a motion to approve the appointment to Jerry De Felice to the Executive and Finance Committees, and George Reyes to the Finance Committee Co-Chair.

Motion to Approve: Dianne Van Hook

Second: Lisa Burke

Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Shawna Lubs, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook

3.3 Professional Service Agreement

Fred Arnold

- Sean Hughes – Live Music for Opening Day - \$1,200

Fred Arnold requested a motion to approve. Shawna Lubs needed to abstain from the vote due to her son being in the Sean Hughes band.

Motion to Approve: Taylor Kellstrom

Second: Diane Fiero

Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Brian Koegle, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook

Abstain: Shawna Lubs

3.4 Approval of Policies

Shawna Lubs

- Fund Balance Policy
- Endowment Funds Policy

The Fund Balance Procedure establishes the guidelines for which the College of the Canyons Foundation can maintain a fiscally prudent discretionary fund (Fund 81) balance. It states that the Foundation shall maintain a minimum 20% fund balance based on the Discretionary Fund of prior year's operating expenditures. If the fund balance exceeds 20%, excess funds may be transferred at the discretion of the Foundation's Chief Development Officer or Chief Operating Officer to the Foundation Board Designated Endowment. Additionally, if the discretionary fund balance falls below 20% the Chief Development Officer and/or Chief Operating Officer must notify the Foundation Board of the deficit and develop a plan for restoring the reserve.

The Endowment Funds Policy provides a framework for managing endowment and related accounts. A written agreement shall document each endowment. Included in this policy are restricted/true endowments which are funds for which a donor(s) has stipulated the terms of the donation agreement. Board-designated endowments or Quasi Endowments are donated funds that have been turned into endowments at the approval of the Foundation Board of Directors, by the Foundation's Executive Director or other Foundation staff member, as designated by the Foundation's Executive Committee.

Motion to Approve: Lisa Burke Second: Bruce Fortine Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Brian Koegle, Shawna Lubs, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook

3.5 Operating Agreement

Sharlene Coleal

The Foundation Operating Agreement has been revised in collaboration with Foundation legal counsel, Cindy Strom-Arellano, AALRR, Sharlene Coleal, Vice-President Business Services for College of the Canyons and COC Foundation Treasurer, the Foundation staff and Foundation Executive Committee. The Operating Agreement was presented to the Board of Trustees in a joint study session with the Foundation Executive Committee and the Board of Trustees on September 5, 2023.

Background: In 1987 the Board established the Foundation as an auxiliary organization, and for the last 36 years the operating agreement was updated every 5 years. The most recent operating agreement was approved on April 10, 2019 and the current agreement expires on June 30, 2024. Due to recent changes in State laws and regulations, Procedure 3600-Auxiliary Organizations, was updated and approved by the District's Board of Trustees. This document informed the process for updating the Operating Agreement between the District and COC Foundation. The newly revised Operating Agreement was presented for approval for the Foundation Board of Directors, at this meeting.

Key Points of the Operating Agreement:

- The Operating Agreement and Bylaws are the governing documents of the Foundation operations and how the District and the Foundation collaborate.
- The Operating Agreement outlines the requirements as they pertain to the Foundation Board.
- The Operating Agreement provides restrictions on the transfer of funds from the District to the Foundation, and describes the responsibility of the Foundation for maintaining its operating expenses and implementing financial practices that assure fiscal viability.
- The Operating Agreement stipulates that the Foundation can create an Audit Committee and the Foundation Audit must be submitted to the Board of Trustees as information no later than March 31st of the subsequent fiscal year.

- The Operating Agreement documents the legal requirements for the Foundation employees.
- The Operating Agreement requires the development of a Commensurate Return that includes a summary of current year benefits to the District from the Foundation and in return, from the District to the Foundation.
- The Operating Agreement clarifies the use of District facilities by the Foundation, if an event is co-hosted with the District there will be no cost. If there is a third-party rental, the non-profit rate will be assessed and included on the commensurate return.
- In the Operating Agreement, the lists of insured categories were updated to reflect the Memorandum of Coverage with the Statewide Association of Community Colleges
- The Operating Agreement requires the Chancellor’s Compliance Review to happen every three years to determine compliance with operating agreement, Title 5 Regulations, and the Education Code. Additionally, the Chancellor will serve on the Foundation Executive Committee and receive financial updates on a regular basis.
- Any references to the Associated Student Government was removed from the Operating Agreement since the ASG is not part of the Foundation and falls under the District’s jurisdiction.

Motion to Approve: Taylor Kellstrom Second: Heather Stewart

Voting Yes: Dawn Abasta, Fred Arnold, Lisa Burke, Sharlene Coleal, Thomas Dierckman, Diane Fiero, Shawn Fonder, Bruce Fortine, Gary Horton, AJ Jaquez Jr., Sharlene Duzick Johnson, Taylor Kellstrom, Jenny Ketchepaw, Brian Kogle, Shawna Lubs, T Meyer, George Reyes, Matt Sreden, Heather Stewart, Ryan Theule, Omar Torres, Dr. Dianne Van Hook

4. INFORMATION AND ITEMS APPROVED BY EXECUTIVE COMMITTEE

4.1 Financial Statements of June 30, 2023

Sharlene Coleal

- Fund 81 Revenue & Expenses
- Fund 82-88 Revenue & Expenses Summary
- Operating Fund Cash Flow Projections
- Cash Balance Summary
- Fund 81-88 Disbursement Detail

Sharlene Coleal shared the Financial Statements as of June 30, 2023. Overall, revenues were up. Total revenues were at 106% of budget, \$14,000 over budget due to the successful 2022 Golf Tournament and 2023 Silver Spur. The investments in LACOE are doing well with more than the budgeted 1% of interest income earned this year. Salaries and benefit expenses were at 94% of the \$64,000 budget, with the adjustment removing the CalPERS Liability of \$56,000, the salaries and benefit expenses were reduced to \$7,600 which was 11% of budget. Development Fundraising total expenditures was \$42,573 or 94.82% of budget. General Operations was at 126.03% of budget, with total spent of \$36,927. There was no spending in the category of Campaign Fundraising. Special Events spending was at 123.01% of budget, with total spent of \$106,401.

The Foundation 2022 Golf Tournament is at 122% of budget, with net proceeds of \$24,438. The Chancellor’s Circle fund is at 59% of budget, with net proceeds of \$26,584. The 2023 Silver Spur expenses are at 98% of budget, with net proceeds of \$49,598.

Fund 82 provides an overview of additional fundraising activities by campus departments that the Foundation supports. Campus Departments such as Athletics, Nursing, Instructional Programs and campus clubs have accounts within Fund 82. For example, the BANC has an account balance of \$31,350, the Chancellor’s Circle mini-grant fund has a balance of \$15,687, Patrons of the Arts has a balance of \$182,760, Raising the Bar has a balance of \$114,642, and the Jenkins Leadership Fund has a balance of \$67,195.

The total expenditures for fiscal year 2022-2023 Expendable Scholarships was \$884,206 which included the interfund transfer of \$582,056 from the Sati Ram Manvi Trust Scholarship to Endowed Scholarships in Fund 86.

4.2 **Professional Service Agreements** **Shawna Lubs**

- Christopher Canfield – Mind Reading Performer for Opening Day - \$500
- Kelly Roberts – Balloon Artist for Opening Day - \$570

The Professional Service Agreements for Christopher Canfield and Kelly Roberts were approved by the Executive Committee on September 5, 2023, this is for information purposes only.

4.3 **Resolution for Patrons of the Arts Board Designated Endowment** **Shawna Lubs**

The Resolution for the Patrons of the Arts Board Designated Endowment was approved by the Executive Committee on September 5, 2023. The Patrons of the Arts Board Designated Endowment is an opportunity for Patrons of the Arts to invest money in perpetuity. The endowment will be created with a transfer of \$130,000 to Raymond James. Further, any amount over \$50,000 may be transferred into the endowment in the future. The money invested came from a Patrons of the Arts fundraising campaigns and memberships.

4.4 **Resolution for College of the Canyons Foundation Board Designated Endowment** **Shawna Lubs**

The Resolution for College of the Canyons Foundation Board Designated Endowment was approved by the executive committee on September 5, 2023. This is for information purposes. The Resolution for College of the Canyons Foundation Board Designated Endowment will help to sustain the Foundation in the future by generating revenue for the Foundation's operating expenses, events, and other initiatives. The endowment can also be used to provide funds to instructional programs and clubs and students, as needed. The endowment will be created with a transfer to Raymond James with the initial \$100,000 from an existing fund balance that is currently at over \$200,000. In addition, interest income earned on Fund 82 will be transferred into this endowment. Moving forward the Foundation will build the endowment with annual interest income proceeds. The Foundation Endowment will encourage donors to give, as the Foundation is not just invested in today, but in the future.

5. **GUEST SPEAKERS**

5.1 **Planned Giving Presentation – Susan Christopher, Charitable and Planned Giving Professional** **Jerry De Felice**

Susan Christopher, Estate Planning Attorney, presented on the importance of estate planning and ways to make a long-term impact on College of the Canyons through estate planning.

5.2 **Foundation Investment Update – James Schramm, Raymond James** **Shawna Lubs**

James Schramm of Raymond James, the College of the Canyons Investment Advisor, shared an overview of the Foundation's investment activity over the last year. Overall, at the end of fiscal year 2022-2023 the Foundation investments experienced growth. The 2022-2023 year generated \$32,000 in revenue from the different bonds. James Schramm is moving towards a value-oriented approach, being more conservative over the next three to four months given the current state of the market. The overall goal is to manage risk, but generate enough income to cover the scholarship needs for the college. The Manvi Trust is a gift of nearly \$600,000, from which the donor originally wanted \$10,000 per year to distribute two \$5,000 scholarships. The inception of the Manvi Trust endowment was on November 28, 2022 and the Foundation is slowly investing this money. The Manvi Trust is up 6% this year and generated an estimated \$7,000 in income. The Manvi Trust will continue to grow, and as it does the Foundation will be able to distribute additional scholarships.

6. **REPORTS**

6.1 **Chancellor's Update – What's New & What's Ahead** **Dr. Dianne Van Hook**

See Chancellor's Report Here:

<https://www.canyons.edu/administration/chancellor/presentations.php>

7. ADJOURNMENT AND ANNOUNCEMENT OF NEXT MEETING

7.1 Foundation Upcoming Events:

Fred Arnold

- September 30th Alumni Banner
- October 2nd Golf Tournament, highest revenue in 10 years!
- October 10th Alumni Mixer at Pocock Brewery
- November 9th Chancellor Circle Breakfast Briefing with Neal Weichel

The Foundation Strategic Plan is forthcoming, please look for that information as it is available. All Foundation Board Members were asked to think of one or two potential new Foundation Board Members.

Bruce Fortine invited everyone to spread the word about the Veterans Job Fair at the College of the Canyons East Gym on September 29th.

Next Foundation Board Meeting is Scheduled for November 28, 2023 at 5:30pm

Fred Arnold adjourned the meeting at 7:06pm.