

**College of the Siskiyous Foundation Board Meeting
Minutes of October 30, 2010**

Present:

Deborra Brannon	Ronda Gubetta	Bob Rice	Sharon Stromsness
Jack Cook	Randy Lawrence	Jack Runnels	
Margaret Dean	Connie Marmet	Dennis Sbarbaro	
Rich Dixon	Greg Messer	Elaine Schaefer	

Staff Present:

Dawna Cozzalio	Renata Funke	Dawnie Slabaugh	Connie Warren
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Excused / Absent:

Sue Boston	Bob Davis	Brian Favero	Cheri Young
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ACTION ITEMS

Item 1: **Call to Order and Attendance**

President Jack Cook called the meeting to order at 8:12 a.m. He welcomed the Board to the meeting/retreat and requested members and guests introduce themselves.

Regular Agenda:

Item 2: **Nominating Committee**

- a) Approval of 2010/2011 Officer Nominations – Candidates nominated for 2010/2011 Officers are:
- President – Jack Cook
 - Vice Pres. – Greg Messer
 - Secretary - none
 - Treasurer – Connie Marmet

*Motion was made (Roselli / Dixon) to approve Foundation Officers for 2010/2011.
Motion passed.*

- a) Approval of New Board Member Nominations – Candidates nominated for Foundation Board membership are:
- Deborra Brannon, Duns.
 - Chris Vancil, Weed
 - Dennis Sbarbaro, Weed
 - Robin Styers, Weed

Motion was made (Runnels / Dean) to approve candidates recommended for Foundation Board membership. Motion passed.

Item 3: **Business Development**

- a) Community Education (COS Extension) –Mr. Messer presented an overview and plan for the COS Extension Program (see below). He explained there will be three phases to transition the management of the Program from the District to the Foundation. In order to “move forward,” a few things need to occur: 1) revisions to the Foundation Memorandum of Understanding with the District; 2) Revisions to the Foundation Bylaws; and 3) Review (and possible revisions) to Foundations Articles of Incorporation. At a Foundation meeting earlier this year, Mr. Lawrence announced the reassignment of duties for Renata Funke and said she would be working with the Foundation for the next year on the Community Education Program. Since that

meeting, the decision has been made to extend the time she has been committed to a least two years.

Overview and Community Education Plan

- Overview of the Business Development Taskforce
 - Inception (12/2009) & Purpose
 - Committees
 - Traditional Donation Fund Raising
 - Investments
 - Grants
 - Enterprise Startups
 - Community Education
 - Fiscal Sponsorships
 - Internal & External
 - Community Education – Concepts and Issues, Business Plan, Next Steps
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- **Business Development Taskforce** – The mission and purpose of this taskforce is to evaluate revenue opportunities for the Foundation that will create a sustainable revenue stream. Currently there are three sub-committees under the taskforce, they are:
 - Community Education sub-committee – The purpose of this committee is to evaluate the feasibility of the Foundation taking over the management of Community Education from the College.
 - Fiscal Sponsorship sub-committee – The purpose of this committee is to organize the existing college internal fiscal sponsorships and develop guidelines and criteria for future growth. The second purpose of this sub-committee is to evaluate the feasibility of sponsoring community/external projects as Fiscal Sponsorships as a way of supporting community projects and generating revenue for the Foundation.
 - Donations – The purpose of this committee is to establish a repeatable process for raising funds for the Foundation. The process will include campaign strategies, the building of long term relationships with individuals, families, local businesses and vendors. In addition this committee will explore ways to acknowledge donors.
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- **Concept and Issues**
 - We are considering moving the management of the Community Education program from the College to the Foundation. We are considering this because the current Community Education program will soon lose its State funding and we feel that the Foundation can expand the program's course offerings in a way that will provide increased value to the community while creating sustainable cash flow to the Foundation and to the College. We are soliciting accounting and legal advisory opinions to determine if the Foundation's intended use of College resources and services is in compliance with California Education Code regulations (from the College's point of view), and non-profit law (from the Foundation's point of view).

Business Plan – Assumptions

1. All Classes offered by the Foundation's CE will not be subsidized by apportionment or any other State funding source.
2. The Foundation's CE management processes will use the existing resources and services that are provided to CE classes and students by the College today. This includes course management services, facilities, equipment, and insurance, all of which will continue to be provided to CE classes and students by the College.
3. The College will be reimbursed for the use of all resources and services by a rate that is established as a percentage of use (e.g. 10%). The basis of the charge is the revenue realized by each course offering. This charge is intended to cover use of College facilities, staff support and liability insurance. This is consistent with the College's charge model in use today for public projects and grant use.
4. All instructors will be independent contractors of the Foundation under signed contracts and receive 1099 from the Foundation. This applies to all instructors whether they are also employed by the College.
5. The Foundation will employ staff for doing the following functions: Planning, Enrollment, Registration, Public Relations, Sales, Marketing, Course Development, Operations, Quality Control. Foundation staff will be independent of College staff and will not be employed by both the College and the Foundation, unless this is determined acceptable under the advisory opinion.
6. Bookkeeping for CE will be managed by the College, as it is for the Foundation today. P&L, Balance Sheet, and Cash flow reports will be managed separately and as a project of the Foundation's. The College will not be reimbursed for this service unless this is determined not acceptable under the advisory opinion.
7. All proceeds from CE will be reinvested in Foundation projects or donated within the scope of the Foundation's mission.
8. Oversight of CE will be accomplished by an advisory committee that will report to the Foundation's Executive Committee and Board of Directors. The advisory committee will be comprised by volunteers and may also include College Staff and a Representative from the Board of Trustees.
9. All of the CE course offerings will be offered as "not for credit".

Questions Regarding Our Non-Profit Status

1. Clearly the cost (a standard practice) to the Foundation (at 10%) is significantly less than if the Foundation were to do these functions for themselves. Will the Foundation's non-profit status be jeopardized by using College resources and services with the percent payment schedule described in the assumptions?
2. Will the Foundation's non-profit status be jeopardized by using Foundation funds for the CE project that were raised through other than CE means? Can the Foundation invade it's non-restricted funds to initiate CE projects? This will (most likely) be necessary during startup and transition.
3. In the event that the CE project is successful in raising significant funds, will that pose a risk to the Foundation's non-profit status? If so, at what point and under what conditions will this become an issue?
4. Within the scope of the Foundation's Mission Statement, will the Foundation's non-profit status be in jeopardy by taking over the management of CE? If so, how would the Foundation's mission need to change?
5. We define CE as Community Education, Contract Education and Continuing Education. Will any of these subcomponents create an issue with the non-profit status?
6. Does use of College resources and staff to perform functions managed by the Foundation provide any issues with non-profit status? Are there specific functions that should be kept at arms length to demonstrate independent status from the College?

7. In light of the recent CSU Stanislaus controversy over fund raising and the challenge to the Foundation status, should the Foundation have independent offices, staff and facilities?
8. Other than the above questions, are there any other risks to the Foundation's non-profits status that need to be considered

Questions Regarding State Funding

1. It is clear in the State of California Education Code and from recent discussions with a representative from the Chancellor's office that State Funding (e.g. apportionment) cannot be used to subsidize Community Education classes. It is agreed in this documentation that District funds can be used to subsidize Community Education classes. *District funds are subsidized by apportionment.* The distinction between State and District funding is blurred by this and poses an area of concern for the Foundation and the District if the Foundation were to base a business model on using College services. What are the negative ramifications to the College and/or the Foundation if the Foundation was to go forward with the business plan to use the College's services for Community Education?
2. Currently, District funding pays the salaries of Foundation staff that are doing committee work on this initiative. To facilitate the transition, the College plans to move the CE administrator, a current College employee, to the Foundation for one year. Under this scenario, the College is paying the CE administrator's salary and benefits. The CE administrator will not be providing any direct services to the College, all services will be to the Foundation. Are the College and/or the Foundation already in jeopardy?
3. With the government's recent tightening of regulations and transparency that are being enforced by 990, will the Foundation's non-profit status be in jeopardy by implanting this business plan?

Business Strategy and Plan

- Increasing Course Offerings
- Raising Student Rates
- Management and Oversight
- Staffing
- Cost Benefit (1-5 year Plan)

Next Steps

- Answers to Questions and Concerns
- Picking the right business model
- Foundation Decision to Go Forward or Not.

Mr. Messer said contract course generate more revenue, but there is more risk involved. Contract education offers workplace readiness or job skills. Many businesses would be interested in this opportunity if offered. Community Education classes are considered "ad vocational" (typically personal enrichment – i.e. knitting, dance, cooking, etc.). Mr. Messer recommended the Foundation Board vote to continue with the development and implementation of the COS Extension Program.

Motion was made (Roselli / Marmet) to continue with the development and implementation of the COS Extension Program. Motion passed.

Item 4: **Rural Health Sciences Endowment**
Mr. Roselli announced the \$80,000 goal for Year 4 has been met. The Short-Term Fund Development Committee will be meeting in November to develop a fundraising plan for the final year of the Endowment Campaign.

Consent Agenda:

Item 5: **Reading of the Minutes – July 13, 2010**
The minutes of the July 13, 2010 meeting were approved.

Item 6: **Summary of Accounts / Statement of Assets – July 1 2009 to June 30, 2010**
The Foundation Summary of Accounts / Statement of Assets report showing detail from July 1, 2009 to June 30, 2010 was approved.

Item 7: **Eagle’s Nest Summary of Accounts – July 1, 2009 to June 30, 2010**
The Eagle’s Nest Summary of Accounts report showing detail from July 1, 2009 to June 30, 2010 was approved.

Item 8: **Approval of Gift Acceptance and Executive Committee Recommendation to Approve Fire Commemorative Plaza Project**
The Fire Commemorative Plaza Project as recommend by the Gift Acceptance and Executive Committees was approved.

Item 9: **Date of Upcoming Foundation Board Meetings / Event Dates**
a) PAS: The Nutcracker – November 20, 2010 (COS Theater)
b) Holiday Craft Fair – December 3 and 4, 2010 (COS Gym)
c) Foundation Board Meeting – January 25, 2011 (COS Board Room)
d) PAS: Kenya Safari Acrobats – March 6, 2011 (COS Theater)

Motion was made (Roselli / Dixon) to approve the consent agenda. Motion passed.

Item 10: **Adjournment**
Meeting was adjourned at 8:57 a.m.

Respectfully Submitted:



Dawna Cozzalio, Interim Executive Director
COS Foundation

Prepared By:



Dawnie Slabaugh, Recording Secretary
COS Public Relations / Foundation