

# **NOTICE OF PUBLIC MEETING**

## **GREAT BASIN COLLEGE FOUNDATION**

### **Finance Committee Meeting**

**1025 Chilton Circle**

**Elko, Nevada 89801**

**Conference Room**

**Thursday, May 2, 2019 at 12:00 pm**

Video Conference from the Meeting Site to:

GBC Battle Mt. Center  
835 N. 2<sup>nd</sup> St.  
GBC BM 2  
Battle Mountain, NV 89802

GBC Ely Center  
2115 Bobcat Dr.  
GBC 118  
Ely, NV 89301

GBC Pahrump Center  
551 E. Calvada Blvd.  
GBC PVC 115  
Pahrump, NV 89048

GBC Winnemucca Center  
5490 Kluncy Canyon Rd.  
GBC 124  
Winnemucca, NV 89445

Members of the public may attend the meeting and provide testimony or public comment at these sites via video conference connection.

### **Minutes**

*Call to Order of the Great Basin College Foundation Finance Committee*

#### **1. ROLL CALL:**

12:16 p.m.

##### Present

James Glennon  
Shirley Alen-Kellerman  
Tana Gallagher  
Mark Laffoon

##### Call-in

John Pryor

##### Absent

Danny Gillins

##### Guests

Cami Gerber  
Matt McCarty

#### **2. Public Comment (see foregoing notation regarding public comment)**

**Information Only**

None.

#### **3. Approval of Minutes**

**Information/Action**

a. March 3, 2019

**MSP: Mr. Laffoon, Ms. Gallagher**

#### **4. Controller's Office Update**

**Information Only**

None.

#### **5. Finance Committee Chair Report**

**Information Only**

Mr. Glennon and the Committee welcomes Shirley Alen-Kellerman to the Committee. Mr. Glennon is pleased that the Foundation is financially moving in the right direction and gaining traction.

#### **6. Finance & Accounting Information/Action Items**

**Information/Action**

- a. The GBCF Finance Committee will discuss and/or take action to approve the record of expenditures/check register for the months of March through April 2019.

Mr. McCarty informed the Committee that the April expenditures are currently incomplete, but are as current as possible at this time of print. There are some checks that need to be paid out that were just signed during this meeting.

- b. The GBCF Finance Committee will discuss and/or take action to approve the income/deposits for the months of March through April 2019.

Mr. McCarty reported there were a couple of additional deposits made to the Operating Account after this deposit report was printed. One of which was the quarterly transfer from NSHE from the endowment for spending and management fees (\$73,814.84 of which \$12,000 was put back into the DWRF fund). For the newest accounts that were transferred into the endowment fund, the third fiscal quarter saw a drop. This is not a true accurate picture of longevity. This was a result of no income first quarter, light income second quarter.

- c. The GBCF Finance Committee will discuss and/or take action to approve the income/deposits from Online Giving for the months of March through April 2019.

Mr. Glennon noted that the March and April Online Giving was up due to the Gala. Mr. Glennon asked if there were any reconciliation issues. Mr. McCarty stated there was only one issue: an excess of \$65.00 that has not been yet accounted for.

**To approve the expenditures and both deposits: MSP Ms. Gallagher, Mr. Laffoon**

- d. FY 18/19 Summary of Activity by fund

Mr. McCarty noted that while there was \$1.9 million in deposits, \$1.2 million of that number is restricted to the new building in Winnemucca. And almost \$250,000 is a straight transfer back to GBC for miscellaneous Programs and Departments. Mr. Glennon asked about a Rotary check of \$1000.00 that was to be donated to the Gala that has not been accounted for in the Rotary books; Mr. Glennon will look into this.

- e. Account Balance Change Report PFYTD vs. FYTD:

Mr. Glennon is pleased with the way Mr. McCarty has consolidated the reports as they now more accurately represent account activity, especially because the Foundation is a nonprofit that has larger fluctuations of revenue and spending; having the Fund Balance is helpful.

- f. NSHE Pooled Endowment Report for second quarter of FY 18/19

See handout. NSHE information was sent in two separate emails. Mr. McCarty reported our endowment is a product of NSHE's rolling FY20 Rolling Quarter balance and then the Foundation's endowment is a percentage of that. The GBC Foundation endowment is a 3% spend and 1.5% management fee. So the anticipation is that every quarter the endowments are able to generate 4.5% on the funds invested. Most of 3% spend is scholarships, and that is what we issue out. And the 1.5% comes back to the Foundation for operating costs (unrestricted).

- g. FY2019 Audit Services: Board of Regents policy.

The Board of Regents/System of Higher Education Policy states that because the GBC Foundation had a financial review last year, the Foundations must do a full audit this year. The Board of Directors for the Foundation are the Board of Regents. There is an annual Board of Directors meeting for about 15 minutes every December. The Foundation is tied to the NSHE system, and therefore the Foundation is tied to such NSHE-

wide practices as minimum wage, bidding processes, etc. It is Mr. McCarty's intent to meet with the NSHE Board of Directors to propose a change in policy: because the Directors already audit their endowments every year, the Foundation should not duplicate that auditing process for our assets. The additional auditing fees are a waste of money. However, if we do have to continue to audit our accounts, Mr. McCarty and the Finance Committee agreed that the Foundation would continue to use Eide Bailey as the auditor.

## **7. Director's Report**

### **Information/Action**

#### **a. Winnemucca Health Sciences & Technology Building**

### **Information Only**

The current fund for the Winnemucca Health Sciences & Technology Building is at \$1,237,175.00. The building committee has received qualification bids from 11 design builders. Mr. McCarty has not been informed as to who the committee is, though Vice President Sibert is one of the participants, nor as to in which point of the contract process they are. None of the 11 bids that came in included costs. The latest update is from the Pennington Foundation who indicated they not want to spend any of their money on pre-design work; it is estimated that \$100,000 would be needed for pre-design work. Because the Pennington Foundation made these expectations clear, Mr. McCarty is going to other donors. Yesterday, Mr. McCarty received a call from a donor that is 95% certain they could bid this pre-design work; however they need to clear it with people in their organization. Once Mr. McCarty gets that response, he will notify Vice President Sibert and President Helens that we need to go to bid on pre-design work. In order to do that we would need to have the committee formed to go through the 11 design builders, rank the 11, and contract with one to do pre-design work, get that result back, and then evaluate at that time. The reason the Pennington Foundation does not want to put their monies toward this part of the building process is because they want to be able re-award that money to GBC if this project is well beyond our scope. The Pennington representative is concerned that if we used the \$100,000 and the project fell through, the Pennington Foundation board would not likely gamble money on us again. The representative's recommendation is to therefore leave the \$5.5 million whole. Mr. McCarty stated the other donors that would be able to fund the \$100,000 pre-design work would be Newmont, Barrick, or the Humboldt General Hospital. It is doubtful the Hospital will allow us to spend that money and the Barrick-Newmont merger venture has muddied the water as well. Both Barrick and Newmont have said that they want to get their accounting cleaned up before the joint venture takes place, so this may be an opportunity to approach them for these funds. Mr. Glennon asked Mr. McCarty for an update on the Humboldt County's and City of Winnemucca's financial support of the Building. Mr. McCarty stated that he approached the County and City in February as they were getting ready to do their budget. The City Manager said the City was not going to give cash, so Mr. McCarty asked if there was a possibility to waive connection or permitting fees, parking lot requirements, anything to keep our costs down, and she said, absolutely there is potential for that because we do not budget for projects that are designated "potential." Because these requests do not impact the budget, the Foundation can approach the City for this ask at any time. Mr. McCarty did request the County that as they finish out the 2019 fiscal year, that if there are additional funds that they will contribute these to the Building project, or as they budget for fiscal year 2020, that they allocate money to the Building fund. This was an information only item. Due to the timing of the project, construction will be at least three years out, so Mr. McCarty did ask that the City Council and County Commission to consider a \$700,000 overage of what is currently budgeted. Mr. Laffoon asked if there was a timeline on the Pennington Grant. Mr. McCarty said that commencing this project has moved to at least June 2020, and that if we have not broken ground by October 1, 2020, the Pennington Foundation can reconsider funding. Mr. McCarty does not have the Pennington final offer date at this time. Mr. McCarty expects that he will know within the next 45 days if the Foundation can go forward with the pre-design, and if there is no way to proceed with the pre-design, we will back to the Pennington Foundation and state either we need to give back the \$5.5 million and shut down the project, or we need \$100,000 from the Pennington Foundation to move forward with an analysis of the pre-design. Mr. Laffoon asked if the Foundation could foot the

\$100,000. Mr. McCarty said we could, however the Foundation does not have the funds to do it in cash flow currently—it would have to be created—and with the \$900,000 that has already been allocated to the College, Mr. McCarty recommended the Foundation to hold off on this until October 2019, to see what the GBC student enrollment is for Fall. Mr. McCarty stated that Mr. Laffoon's idea is a great option.

b. Talisma Database data append update

**Information Only**

The data append has been completed and updated, but Mr. McCarty has not yet reviewed the data. All five mailing pieces should be completed within the next two weeks. The mailings incorporated the Invest a Day's Pay campaign with some campus-specific wish lists.

c. Dinner Dance Gala recap

**Information Only**

The Dinner Dance Gala was a success. Total revenues were \$33,500. Expenses were at about \$24,500. So we had earnings of about \$9,000. That money has been put in an unrestricted account. If anyone feels it should go into a different account, please contact Mr. McCarty. Mr. Glennon stated that he felt the event was a success because it put the Foundation's presence back in the community and was great advertising for the Foundation. Everyone that Mr. Glennon spoke to had had a nice time at the event. Mr. McCarty stated his expectation going into the Gala was to not lose money on it.

d. Invest a Day's Pay campaign

**Information Only**

Mr. McCarty reported that the Invest a Day's Pay campaign has been lightly rolled out. Mr. McCarty will be going on radio Elko Live next Friday (May 10, 2019). Mr. McCarty also stated that the Elko Daily Free Press newspaper utilized some of the information Ms. Gerber and Dr. Collett put together and visited with Mr. McCarty for an hour, and after this meeting the newspaper will interview Dr. Collett at the Foundation office and that article will probably run next week or the week after. After which Mr. McCarty will go through the media circuits in the other communities in the GBC service area. The mailer (aforementioned) will go out shortly. Mr. McCarty said he will approach the civic organizations and make sure they know about the campaign, and that the Foundation Development Committee will meet next week and begin separating out the businesses, in the Elko area at least, to start getting the information out to them. Fliers and pledge cards have been prepared that can be emailed to the Foundation. Mr. McCarty stated that some pledge cards were turned in from the open house. Several cards have also been mailed in as a result of the Gala. Ms. Gerber stated that the campaign has brought in over \$6,000. Mr. Laffoon asked about the mailers and who would receive them. Mr. McCarty answered that the mailers would be sent to previous donors and alumni—that addressees must be in our database. If Mr. McCarty sees positive results from the mailer, then Mr. McCarty plans on going back to the Finance Committee and the full Board to approve additional expenditures with the Stockade Group and to create free standing pamphlets that GBC campuses can hand out and to purchase broad mailing mailers. Mr. Glennon suggested that Mr. McCarty access the county property owner addresses from Ms. Katrinka Russell. Mr. McCarty ran a report on the Invest a Day's Pay during next meeting item and later reported that \$7,140 has been received toward the Invest a Day's Pay campaign.

e. DWRF earnings expenditure

**Information/Action**

Mr. McCarty was not sure what he has been authorized to spend as the Director, and looking through Policy and Procedure, he did not find a set spending amount for the Director. So, Mr. McCarty asked the Finance Committee what amount they wanted to set as a spend limit for the Director before the Director needed to go to the Finance Committee and/or Board of Trustees for approval. This inquiry came about as a result of the following two spend requests:

i. Light fixtures on the creek fountain

**Information Only**

Mr. Tony Cortez, GBC Buildings and Grounds Manager, approached Mr. McCarty to request that DWRF monies be used to purchase new light fixtures for the campus creek fountain. The lights were originally priced at \$500; however, the lights have to be LED, so the new quote came in at \$2,000. Mr. McCarty told Mr. Cortez to go forward with the purchases because it is only an information item on today's agenda, so that the Buildings and Grounds did not have to delay their campus work.

ii. Wrought iron railing painting

**Information/Action**

(Please see handout). This bid came in at \$23,000. Given the higher price request, Mr. McCarty wanted to make sure the Finance Committee had an option to review this and then he will take it to the full Board for review. The current DWRF is \$86,830. Mr. McCarty visited with Tami Potter and Vice President Sibert and they are not aware of any other campus expenses at this time. Mr. McCarty commented that the quarterly investment of this fund should average about \$12,000, so this request from Mr. Cortez would be about two quarter's worth of investment income for this fund. The lifetime of this paint is 10 years plus, so the treatment is more robust than regular paint. The DWRF is for the use of grounds, maintenance, and beautification; the Hoop House does fall under this. Mr. Laffoon asked if these funds can be used for the dormitories. Mr. McCarty answered no. The DWRF is a terminal Foundation, so by June 30 of this year, they will have expended their money. At that point funding would be 100% on the Foundation. Mr. McCarty recommended leaving the endowment alone and let it continue to grow. Mr. Glennon remarked that he does not think boards like us are involved in minutia decisions such as these. Mr. Glennon suggested, and it was agreed to by the Finance Committee that the Director can make monetary decisions if costs are below 25% of the balance. If the request for funds is above 25% it needs to be agendized and go before the Board of Trustees for approval. Mr. Glennon said that this request from Mr. Cortez is clearly within the scope of the DWRF and should be recommended for approval. Mr. McCarty stated this item will need to be agendized in full Board meeting in two weeks. Mr. McCarty further stated that he believed that such "changes" to policy do not need the Board of Directors approval, but can be handled internally with the Foundation's Committees and Board. Mr. Laffoon asked if there was a procedure in place in case of an emergency, and Mr. McCarty stated that the College does have some capital policy in place. Emergency the college has some capital improvement for those matters.

**To recommend the \$23,604 wrought iron railing painting expenditure to the Board of Trustees to be funded through the DWRF: MSP Ms. Gallagher, Mr. Laffoon**

f. FY2020 Budget

**Information/Action**

(Please see handout.) The FY2020 Budget was reviewed by the Finance Committee. Mr. McCarty stated that Vice President Sibert recommended the Foundation remove the capital expenditures from this budget and either footnote it as "Expenditures" or create a capital that is not just expenditures, but also revenue, and either footnote that or put it in as a second budget. Mr. McCarty further explained that the current report, therefore, has a larger Restricted Revenues coming in at \$2.4 million of that other restricted income would be capital; \$17,000 would be to the CDL Program. The other side of the ledger would be disbursements of \$4.5 million. 4 million would be the Health Sciences & Technology and \$100,000 would be the CDL. Mr. Glennon

recommended to run a report of the expenses adding another line item showing Projection: “Fund Balance”, “Unrestricted”, and “Being Released”. This gives a more realistic read on the Foundation’s budget.

**To recommend the budget to the Board of Trustees and report going forward as discussed MSP: Ms. Gallagher, Mr. Pryor**

g. Director’s authorized spending limit  (See item 7 e.).	<b>Information/Action</b>
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<b>8. Committee Members Reports</b>  None.	<b>Information Only</b>
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<b>9. Public Comment</b> ( <i>see foregoing notation regarding public comment</i> )  None.	<b>Information Only</b>
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**10. Adjourn**  
  
1:18 p.m.

**This notice and agenda has been posted at or before April 29, 2019, no later than 9:00 am, which is the third business day before the meeting, in accordance with NRS 241.020, at the meeting location and at the following public locations:**

- GBC Foundation’s website (<http://www.gbenv.edu/foundation/index.html>)
- The Nevada Public Notice website pursuant to NRS 232.2175 (<https://notice.nv.gov/>)
- Physical meeting location: Great Basin College, 1025 Chilton Circle, Elko, NV 89801, Conference Room
- Great Basin College Ely Center, 2115 Bobcat Drive, Ely, NV 89301, GBC 112
- Great Basin College Pahrump Valley Center, 551 E. Calvada Boulevard, Pahrump, NV 89048, GBC PVC 115
- Great Basin College Winnemucca Center, 5490 Kluncky Canyon Road, Winnemucca, NV 89445, GBC 123

## **IMPORTANT INFORMATION ABOUT THE AGENDA AND PUBLIC MEETING**

**NOTE:** Above is an agenda of all items scheduled to be considered. Notification is hereby provided that items on the agenda may be taken out of order and presented, two or more agenda items may be combined for consideration, and an agenda item may be removed from the agenda or discussion relating to an item on the agenda may be delayed at any time.

Some agenda items are noted as having accompanying reference material. Reference material may be accessed on the electronic version of the agenda by clicking the reference link associated with a particular item. The agenda and associated reference material may also be accessed on the Internet by Great Basin College Foundation’s webpage at: <http://www.gbenv.edu/foundation/meetings.html>. To request a copy of supporting documentation please contact Matt McCarty at (775) 753-2260.

Reasonable efforts will be made to assist and accommodate physically disabled person attending the meeting. Please call the GBC Office of the President at (775) 753-2265 in advance so that arrangements may be made.

**PUBLIC COMMENTS:** Public comment will be taken during this agenda item. No action may be taken on a matter raised under this item until the matter is included on an agenda as an item on which action may be taken. Comments will be limited to two minutes per person. Persons making comment will be asked to begin by stating their name for the record and to spell their last name. The Council Chair may elect to allow additional public comment on a specific agenda item when that agenda item is being considered.

In accordance with Attorney General File No. 00-047 (April 27, 2001), as restated in the Attorney General’s Open Meeting law Manual, the Council Chair may prohibit comment if the content of that comment is a topic that is not relevant to, or within the authority of, the GBC Institutional Advisory Council, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational or amounting to personal attacks or interfering with the rights of other speakers.