

SUMMIT CHRISTIAN COLLEGE

Board of Trustees Meeting January 15, 2016

PRESENT: Andy Gudahl, Rick Derr, Larry Berlin, Jeff Holloway, Academic Dean Scott Gribble, President Dave Parrish, Jonathan Seng, Angie Arnold, Willie Coop, John Steele, Lyle Hinebauch and Chuck Schmidt

ABSENT: LaRita VanBoskirk

Meeting was brought to order by Larry Berlin.

Willie Coop opened with prayer.

Minutes of the past meeting on September 12, 2015, were approved with motion by Jonathan and 2nd by Willie to accept as written; unanimously passed.

Jeff Holloway arrived and conducted the committee reports.

PERSONNEL COMMITTEE

Four board members' terms expired this month. All were contacted by the committee. June McQueen does not wish to continue to serve on the Board. Angie Arnold, Larry Berlin and Andy Gudahl will continue and were reinstated on the board. The board now stands at 11 members and is in non-compliance as there need to be 12 members.

The committee made some recommendations for new board members including: Wayne Roads (businessman who attends North Christian Church in Cheyenne. Roger Aurand will contact Wayne and let Dave Parrish know if he is interested in serving); Matt Branum (church planter from Spearfish. Larry Berlin will make contact); Dale Bartscher (former minister in Rapid City, South Dakota, who oversees Family Heritage Alliance. Willie will contact); Marcia Mehring (Local ICL graduate currently working on Master's degree and working at the hospital. Jeff will contact); Steve Brown (retired principal from Longmont and former attendee of college. Andy will contact); Kris Mickey (local lawyer and serving as a Scotts Bluff County Judge. Lyle will contact); and Isaac Stephanus (Summit Christian College graduate and currently serving as Youth Minister at Clifton Christian Church in Clifton, Colorado. Dave will contact). A couple other names were mentioned during the meeting including: Mike Andrews (Student Pastor at WestWay Christian Church) and Stuart Rusch (local businessman. Lyle will contact).

The committee was tasked with establishing a time frame for the President's annual performance review. Dave was asked to complete the Annual Performance Review before the May meeting and the Personnel Committee will plan to meet with him in May to review. As suggested at the September 2015 meeting, the employees will also be requested to complete the President Evaluation before the May meeting so it can be shared with Dave as well as compared to the previous evaluation.

FINANCE COMMITTEE/DEVELOPMENT COMMITTEE

The 2014-15 Audit was presented by the committee for acceptance. No glaring issues were found. Concerns were noted and Scott responded to each one: Lack of segregation of duties (staff is small and every effort is made to designate duties in the best way possible as far as opening mail, writing checks, etc.); Lack of expertise required to prepare the financial statements (our bookkeeper seeks assistance from the CPA for preparing some financial statements); Missing payroll documentation (with the transition from Sonia to Sheryl, some documentation was not updated but that has been remedied); Not using proper gross wages when preparing form 941's (has also been remedied); Lack of underlying documentation on purchase of computers (the computers were purchased by an individual using their Apple ID and a receipt was not provided). We are slowly consuming assets and that needs to change. Our Financial Responsibility Score for 2015 is 1.78. We have not been able to budget for deficits and if the

revenue has not matched projections budget cuts have been made. The goal is to grow a reserve for unexpected expenditures. The motion was made to accept by Rick with by 2nd Chuck; passed unanimously.

The committee presented the 2016-17 Faculty & Staff Salaries & Housing Allowance for acceptance. It was noted there is no increase in salary for Administration and Faculty. For the remaining staff, adjustments were made to reflect increased minimum wage in Nebraska and comparable compensation was given to lower paid staff. The addendum was added that if there is a 40 FTE in the fall, administration and faculty will be given a raise. Lyle moved to accept the 2016-17 Faculty & Staff Salaries & Housing Allowance with the addendum as noted above; 2nd from Andy; unanimously passed.

Scott pointed out the new budget format in the financial statements that were forwarded to the board and the general consensus was that it is easier to follow and understand. He also shared 'The Dashboard.' This tool was developed to give a snapshot of finances, indebtedness and recruiting progress. 'The Dashboard' is current as of the last day of the previous month. The plan is to send 'The Dashboard' to the board on the 2nd Friday of every month. The question was raised if all salaries current? Yes, they are as of today. Everyone agreed that 'The Dashboard' is very helpful and keeps the board current on what is happening at the school.

The current financial health of the school is not good. With the current tuition for this semester that was paid up front the staff was able to catch up on past indebtedness but it did not carry us through February like it usually does. Love Month will help carry the college through March, but at that time decisions will need to be made whether to borrow or not. The question was raised 'What limits need to be set?' It was agreed a limit has to be set.

Cutting staff to save money is not the best option since to move forward as an accredited school we need personnel in place. But, we can't continue to borrow money. The goal has been that if we become accredited we will bring in more students. If that doesn't happen, the school will be done. We need to see the fruits of that accreditation.

Scott was asked what bills will be coming due? There are bills of \$20,000-\$25,000 (\$2700 due to ABHE for site visit; fees due for grading enrollment system, insurance, utilities, copy machine and others) in addition to salaries.

The recent appraisal for the college was: \$750,000 (Fire Sale) and \$900,000 (up to 36 months to sell).

If the college was to cease operation, the current indebtedness includes: \$183,000 Building Loan; \$25,000 operating loan; boiler debt \$6,000; Department of Ed Letter of Credit \$57,000 and salaries (2 months salary to contract employees and 2 weeks to non-contract employees).

Income has been short about \$10,000 per month since October. Part of the problem is the lack of student income, including Ascend the Summit students and scholarships, as well as employee dependents (attend for free) and minister dependents (pay 50%). Upcoming fundraisers include: Love Month and the Golf tournament. There is the possibility of making the Summit to Summit in May more of a fundraiser where people participating can get sponsors with funds that are raised going to the school.

John Steele made a proposal to the board to consider meeting and speaking with 'Carpenter's Plan,' a professional fundraising organization based out of Nashville (initial cost would be about \$50,000). John has spoken with Jason Thompson. He explained that Board members would have to be on board and be prepared to work along with the organization. Jason is willing to come and talk to the board at his cost.

Discussion followed. We don't have the funds to pay a consultant. There is no guarantee of funds from the organization. Raising money to build a building is different than raising funds for the school for its operating budget. John will share info with Dave Parrish and Dave will draft a proposal (pay the building off and take care of indebtedness). Dave will contact the organization and have a phone conversation to determine the feasibility of this program.

There is no question that what we need are students to raise the income of the school. It was agreed that the financial status at the college is a mirror reflection of what is happening in the churches.

Dave & Scott were asked that with current expenses, how many full time students do we need to bring the student revenue to 25%. They responded 30 FTE with no student discounts and 40 FTE with current student discounts. We are presently below 20% for total revenue from student sources. 80% of income coming from donations is huge. Currently every penny coming in is going to pay for operating expenses of the college.

Moving forward from right now right now we are \$50,000 short for the semester. Our debit limit with the bank is down to \$25,000. Before the appraisal, the bank believed we could handle \$500,000. With the appraisal, the debt limit from the bank could be increased.

The request was made by Jonathan that we as a board pray for the college before this day is over.

After discussion, the board unanimously agreed to give Scott & Dave the okay to borrow more money up to the amount of the loan authorized to pay off the boiler, not to exceed a total debt of \$250,000, in order to make payroll this semester.

The question was raised if there are there any personal guarantees on our loans, of which there are not.

EXECUTIVE COMMITTEE

As noted in Dave's report, he has proposed a revision of the College's Mission Statement. The current statement reads: *Summit Christian College, an institution of higher learning, educates people for Christian leadership.* The proposed statement reads: *Summit Christian College, an institution of higher learning, educates leaders for Christian service.*

Gives the message to the students that they are already considered leaders. Service is the focal point and there here is no question what is meant by Christian service. It gives us a broader appeal and resonates with students and faculty. The proposed statement does not change the mission of the school. Willie moved to accept the proposed change to the Mission Statement, 2nd by Chuck; unanimously passed.

STUDENT LIFE COMMITTEE

The committee reported that the girls dorm has lost five students, some due to engagements and others renting own facilities. Emily Brown is girls Resident Assistant and Ryan Yates is the boys Resident Assistant.

Dave Robinson is working on a campus security policy for fire safety, emergency procedures and active shooter. Flee, hide and fight is the suggested procedure for an active shooter. How does the board view faculty and staff having a concealed carry permit? It was agreed that the staff should have the option of being able to protect students if someone is on campus for the purpose of taking lives. Andy moved and 2nd by Lyle that Dave Parrish write a policy and put it in place. After some discussion the motion was rescinded. Rick moved that Dave Parrish will write a policy and get it to us for approval. What is the approval process? When e-mail is received respond in a timely manner so the policy can be put in place and if faculty and staff want to carry a weapon they can. The motion passed unanimously. February 4 during the chapel hour they may show a video to student body to help students see the need for the overall flee, hide and fight policy.

DEVELOPMENT COMMITTEE

The committee presented Ben Poole's recruitment report and he believes he has a possible 18 students, in addition to three others. Historically, that only means half of that number that will make a commitment. This spring semester, only one student joined the school instead of the two that were planned. Three students coming in the fall are Ascend the Summit students. Ascend the Summit has been suspended at this time.

EDUCATION COMMITTEE

The committee presented Catalog revisions (as noted in Scott's report) including a realignment of courses. Some have been combined and condensed. All courses are 3-hour courses, doing away with 2 and 4 hour courses. This change will take place in 2017. Some of the scholarships have been reworked as well. Motion was made by Rick and 2nd by Andy to accept the catalog revisions as presented; unanimously passed.

As noted in Scott's report, in order to increase student numbers we may need to go to the pool of non-traditional students. Previously many students were not able to enroll due to the fact we were not accredited. Is it time to reconsider? The proposal would be that ICL would be reinvented with certificate programs directed toward current church leaders and members, presented from current professors. The mode of delivery would have to be determined: online only or a hybrid of online and on-site. Scott will begin meeting with local ministers to discuss additional classes, certificates and degree options.

Ben Poole shared in a letter to the board of his desire to share the college with area churches that are not necessarily restoration movement and asked for the Board's support. Discussion ensued and it was agreed that as long as the mission of the school is presented and those attending classes agree with that mission they are welcome to attend. Lyle will take Ben to lunch and assure him that the Board is supporting him and is available to help him if needed.

Before a closing circle of prayer, it was suggested that the Board members make every effort to spend some concentrated time in prayer every Monday for the college.

The next Board meeting will be Friday, May 13.

Respectfully submitted,

Angie Arnold
Secretary
Summit Christian College Board of Trustees