Agenda

I. Call to Order – Drew Ernst

II. Review and Approval of Minutes – Drew Ernst

III. President’s Remarks – Linda Bleicken

IV. Development Report – Bill Kelso
   • Consolidation Update and Discussion

V. Alumni Development Report- Somi Benson-Jaja

VI. Finance Committee Report – Jessica Henderson
   • Q3 Financials – Action Required

VII. EPFI Report – Chris Corrigan

VIII. Foundation Board Officer Nominations – Bill Kelso

IX. Other Business – Drew Ernst

X. Adjourn

Next Meeting: September 22, 2017, 8:15 a.m.
Burnett Board Room #125
The Board of Trustees for the Armstrong Foundation met in the Armstrong Center Ballroom.

Board attendees were: Chair Drew Ernst, Linda Bleicken, Someari Benson-Jaja, Chris Corrigan, Lee Davis, Susan Hancock, Carlton Hodges, William Kelso, Michael Kemp, Quentin Marlin, Diana Morrison, Alex Salgueiro, John Sobke, James Thomas, James Vaughn.

Representing the University were: Cheryl Ciucevich, Julie Gerbsch, Amy Heaston, Jessica Henderson, Allison Hersh, Georj Lewis, Robert Smith, Hope Fuller, Valerie Garrison, Teresa Tatmon. Trish Wall, Guest.

Call to Order - Drew Ernst
Chairman Ernst called the business meeting to order at 8:18 a.m. Quorum was present.

Review and Approval of Minutes - Drew Ernst
Chairman Ernst asked for a motion to approve the September 9, 2016 meeting minutes. Mike Kemp moved, Carlton Hodges seconded. There were no changes or questions. The minutes were approved as presented with no amendments.

President’s Remarks - Linda Bleicken
Consolidation Update
- Dr. Bleicken noted that since the consolidation was announced, many faculty and staff on campus have put aside their original emotions and moved to one of cautious optimism. Some are beginning to look at the consolidation as an opportunity to create a vision as to what the new university could look like.
- Key questions include, how do we bring these very important pieces together (Armstrong, Liberty Center, Georgia Southern) into a university that is stronger collectively, and how do we create a new university that is truly an economic, cultural, and educational engine for this part of the state.

Process
- The Consolidation Implementation Committee (CIC) makes the key decisions. The CIC is comprised of 41 representatives, to include 20 from Armstrong, 20 from GSU, and 1 from Savannah State.
- 26 Functional Area Working Groups, 26 Operational Working Groups. All working groups focus on task-specific areas within divisions and units. Every part of Armstrong is represented.
Anticipated Timeline

- Consolidation is typically a 12-18 month process.
- April 2017: New university mission submitted for Board of Regents approval.
- September 2017: New university prospectus submitted to Southern Association Colleges and Schools Commission on Colleges (SACSCOC) for approval.
- January 2018: The BOR votes on the plan for the new Georgia Southern University.
- January 2018: Effective start date for the new Georgia Southern University.
- June 30, 2018: The Armstrong budget officially ceases operation.
- August 2018: The new Georgia Southern welcomes the first class of students in Savannah, Hinesville, and Statesboro.

What We Know

- Academic programs currently delivered on a specific campus will continue to be delivered at that campus through 2022.
- Georgia Southern President Jamie Hebert is a strong partner with a deep commitment to student success.
- The CIC is already addressing important issues (e.g. the Armstrong name, athletics etc.).
- Functional Area Co-Chairs and Operational Working Groups underwent training with USG officials on February 22 and are actively working.
- The consolidation will not impact funding progress or plans for the new College of Health Professions facility.
- We do not anticipate significant faculty or staff layoffs at Armstrong.

Important Questions

- How to honor the Armstrong name and legacy in Savannah? The Alumni Association Board has met two Fridays in a row and crafted a proposal that appeared in the Savannah Morning News.
- Athletics?-Because of the NCAA, there cannot be Division I and Division II programs in place at the same institution. This does not mean that athletics will disappear from this campus. How athletics will look in the future is unknown.
- Changes to tuition/fees?-For students entering Armstrong in Fall 2017, tuition and fees will remain the same throughout the years. There is a graduated tuition model for the Armstrong Campus and one at the Liberty Center.

How Can You Help?

Share the Facts

- This consolidation combines two strong institutions, both of which share a focus on student success.
- Armstrong is operating from a strong, healthy financial position.
- Armstrong has solid enrollment with 7100+ students from 43 states and 67 countries.
- Consolidation is happening to create an economic driver, to create more educational opportunities for the students, and to create opportunities for Southeast Georgia.
Dr. Bleicken thanked the board for creating a strong Armstrong and being a strong partner. She asked that when we hear any misinformation, we respond with facts. She opened the floor for discussion and conversation. Board trustees made the following suggestions:

- It is good to talk about the rumors and clear them up. Keep repeating the facts.
- Periodically do TV interviews/appearances stating the facts, thus getting positive information out quickly and taking down negative thoughts about the consolidation.
- Programmatic press release or update every two weeks that reinforces a positive message and reaches a wider audience.

Development Report – Bill Kelso

- Mr. Kelso introduced Trish Wall, Database Coordinator. She is one of two staff members who work closely with our CRM software, Raiser’s Edge. Both she and Dawn DeFrank are now Blackbaud Certified.
- Julie Gerbsch introduced Samantha Levine who has been hired as a part-time gift officer replacing Kaitlyn Slate. Samantha will manage the corporate and foundations relation’s proposals and post-award reports and related gift activities.
- Update on Rick Matthews, AVP of Operations. Rick and his family have moved back to South Carolina where he accepted a position at his Alma Mater, Coastal Carolina. Rick and family are doing very well.
- Mr. Kelso presented the numbers at the end of December 2016 which were lagging behind 2015 by a few thousand dollars. December 2016 – $665k. December 2015 – $697k.

Health Professions Building Initiative

- We continue to work with Bruce Barragan and his team in hope to get donors of the health care providers and their CEO’s. Many have provided letters in support of the Health Professions project. These proposals will be completed and delivered by mid-April and presented.
- A previously reported donor has decided to pause going forward with a $100,000 scholarship endowment for Nursing. The family is still committed but want to wait and see how the consolidation and academic program placement rolls out.

Corporate Foundation

- Lettie Pate Whitehead Foundation FY 18 Award-$115,000. This award is up almost $10,000 from last year.
- Georgia Power FY18 Award-$25,000 STEM Initiative Grant through the College of Science and Technology and $10,000 toward Commitment Fund.
- Gulfstream-Awarded $20,000, with $10,000 of the funds going to scholarships and $5,000 each to the Military Veteran’s Office and the Engineering Challenge. This is the largest gift Armstrong has ever received from Gulfstream.

Annual Giving

Impacts going into the Spring

- The spring phonathon has been paused.
- Following spring, the direct mailout has been paused.
- The athletic field lighting project and Phase II Tennis project has been cancelled.
- Campus campaign: Six employees (including one who made a particular large commitment) have cancelled their payroll deductions/pledge due to the uncertainties.
- The greatest concern is the financial impact on unrestricted annual giving which drives our unrestricted budget.
- We have received a few donor requests for gift refunds. We have worked with the Finance Committee, Chris Corrigan, and Jessica Henderson to come up with a decision tree as we consider these requests.
- Corporate giving remains stable at the moment. Samantha Levine presented her first proposal yesterday to Bank of America to renew a gift that they have continued for several years.

Regarding the consolidation, Mr. Kelso pointed out to the trustees the direct impact to the Foundation and the work that lay ahead within the structure of the CIC (Consolidation Implementation Committee). The initial question that impacts all is whether to merge or retain separate foundations. Mr. Kelso noted that Georgia Southern has four foundations: Fundraising, Research, Athletic and a Properties Foundation.

Chair Ernst, as a follow-up to Mr. Kelso’s comments, added that in order to take some of the pressure off the Board, he will be contacting a few board members to work with an Ad Hoc committee regarding issues and impact consolidation will have on the Armstrong Foundation. Chair Ernst also stated that he had received several phone calls from various constituents who felt that Armstrong’s Foundation funds were donated for an ongoing, local educational entity to help students at Armstrong and to benefit the local community, with the majority of the funds given by local citizens and businesses.

**Alumni Association – Somi Benson-Jaja**

- Mr. Benson-Jaja presented the official proposal from the Alumni Association Board of Director’s recommendations from their February 6, 2017 meeting (included in trustee packet). The number one point being to preserve the Armstrong name, going forward, in a consolidated environment.
- Officially, the Armstrong Alumni Association Board recommended that the former Armstrong State University be known as Georgia Southern University—Armstrong Campus, officially and legally, and on all signage, branding, print and virtual media, and in all other places where the name Armstrong or Armstrong State University currently exists. Alumni are very adamant about not being named the Savannah Campus.
- Mr. Benson-Jaja asked for feedback from the trustees, about “for” or “against” naming it the Armstrong Campus. He received general consensus supporting the recommendation.
- Alumni Awards Gala will be held in October 2017. Alumni award nomination forms were distributed. Trustees were asked to consider and submit nominations for Notable Awards, Distinguished, Outstanding, and Eminent Alumni Awards.
Finance Committee Report - Jessica Henderson

- **Financial Report 2\textsuperscript{nd} Quarter Fiscal Year 2017**

- **Statement of Activities:**
  - Total Revenue was $296k more than end of 2\textsuperscript{nd} quarter FY16.
  - Total expenses $102k less than end of 2\textsuperscript{nd} quarter FY16.
  - Cash balance is adequate and stable, increased from the beginning of the fiscal year.
  - Requested all of the scholarship drawn down and received ½ of annual scholarship drawdown from investment in July. Second disbursement requested and received in January 2017.
  - Fund balance increased $597k since July 1, 2016.

- **Total revenue**

  2\textsuperscript{nd} Quarter FY17 more than 2\textsuperscript{nd} Quarter FY16
  - Realized/Unrealized gains increased.
  - Contributions decreased slightly. Received an endowed gift of $40k in 2016.
  - Drastic revenue drop in FY16 due to realized/unrealized gain of $25k at the end of the 2\textsuperscript{nd} quarter compared to the FY15 $161k gain. FY17 $267k gain.

- **Total Expenses**

  2\textsuperscript{nd} Quarter FY17 less than 2\textsuperscript{nd} Quarter FY16
  - Expenses decreased in FY17 by $102,195.
  - Health Professions Scholarship paid in 2015 $30,000, not paid in 2016.
  - Goizueta Scholarships has ended paid $39k in FY16, not FY17.
  - Reduced the Unrestricted Operating budget in FY17 compared to FY16 by $105k.

- **Cash**

  Cash $459k increase since beginning FY17 (7/1/16)
  - Increase each year, past three years. Endowment drawdowns that have not been fully expended increase in TR gifts/major gifts that are not on hand. (Food Pantry, Tennis complex, some gifts late in Dec ‘16 that are unspent at this time).
  - Cash is adequate and stable.

- **Investments**

  Investments $203k increase since beginning FY17 (7/1/16)
  - Market has performed well in FY17. Specific months of July, Nov. Dec.
  - Drawdown made in July for ½ of the annual endowed scholarship spend (213k). Next quarter will reflect the 2\textsuperscript{nd} draw made in January 2017.
• Fund Balance

7/1/16 fund Balance: $10,390,772
Total Revenue: 1,260,567
Total Expense: (662,713)

12/31/16 Fund Balance: $10,988,626

○ $507,000 increase in fund balance since July is contributable to positive market growth in investments and unspent donations in FY17.

• Liabilities were unchanged

Motion to accept financial statement as presented was moved by Mike Kemp, seconded by Susan Hancock; approved unanimously.

EPFI Report - Chris Corrigan (Educational Properties Foundation, Inc.)

• Mr. Corrigan stated the EPFI Board met in December 2016 with Cathy Hill, Georgia Power, completing her second year term as Chair. Cathy accepted a promotion with Georgia Power and will be moving to Atlanta. Losing Cathy will be a loss to the EPFI Board and the community.
  ○ Board voted to install Gen. John Sobke as new Chair of Board and Gene Gibson as Vice Chair.
  ○ Meeting was well attended and included many EPFI past board members and current Armstrong Foundation board members.
  ○ Jessica Henderson reported that all of EPFI owned properties are in very good fiscal condition.

• Mr. Corrigan noted the highlight of the year was the refinancing of the Student Union building saving $6M on a cash flow basis for the life of the debt.

• Mr. Corrigan and Gen. Sobke talked about the recently completed Master Plan. Two projects of interest EPFI may be involved in include: 1) Renovation of the Student Recreation Center, and 2) Pedestrianize sections of campus by through conversion of roadways turning them into pedestrian ways pushing parking to the perimeters of campus.

• How does consolidation affect these projects? Mr. Corrigan noted that even with consolidation, the projects are relevant and needed, assuming the campus will continue to grow.
New Business: Chairman Ernst

- Discussion among trustees continued around ensuring Armstrong facts and strengths are out front in community and region as we move through consolidation process.

Next board meeting: May 18, 2017, 8:15 a.m.

Meeting adjourned at 9:33 a.m.

Respectfully submitted,

E. Lee Davis
Foundation Secretary