Armstrong Foundation of Georgia Southern University, Inc.
Board of Trustees Meeting
Burnett Hall Board Room
Friday, May 18, 2018

Agenda

I. Call to Order – Drew Ernst

II. Review and Approval of Minutes – Drew Ernst

III. University Update – Dr. Chris Curtis

IV. Advancement/Development Report – Bill Kelso

V. Finance Committee Report – Rob Whitaker
   • Q3 Financials – Action Required

VI. Other Business – Drew Ernst
    a. Bylaws Resolution – Action Required
    b. Report and Recommendations of Nominating Committee
       i. Appointment of Trustee(s)
       ii. Election of FY19 Officers
    c. Special Presentation

VII. Adjourn

Next Meeting: TBA – Burnett Hall Board Room
Armstrong Foundation of Georgia Southern University, Inc.
February 23, 2018, Quarterly Meeting
Meeting Minutes

The Board of Trustees for the Armstrong Foundation of Georgia Southern University, Inc., met in the Burnett Hall Board Rm. #125, Armstrong Campus of Georgia Southern University.

Board attendees were: Chair Drew Ernst, President Jamie Hebert, Ellen Bolch, Geoff Carson, Susan Hancock, Paul Hinchey, Carlton Hodges, Eric Johnson, William Kelso, Mike Kemp, Quentin Marlin, Diana Morrison, Ben Price, Alex Salgueiro, John Sobke, Rob Whitaker, James Thomas, James Vaughn.

Representing the University were: Tina Adams, Chris Curtis, Julie Gerbsch, Jessica Henderson, Christopher Johnston, Valerie Garrison.

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

Chairman Ernst welcomed everyone to the first meeting of the Armstrong Foundation of Georgia Southern University, Inc. Chair Ernst also welcomed Dr. Jamie Hebert to his first meeting of the Foundation as President.

Review and Approval of Minutes - Drew Ernst
Chairman Ernst asked for a motion to approve the November 17, 2017, meeting minutes. Ben Price moved, and Mike Kemp seconded. The minutes were approved as presented with no amendments.

President’s Remarks — Jamie Hebert
Dr. Hebert thanked Drew Ernst and the foundation members for their service and noted it was an honor to join the Armstrong Foundation.

Dr. Hebert outlined the following points of progress as we are two months into consolidation:

- Strategic planning process for the new Georgia Southern was launched back in November of 2017 through a SWOT analysis performed by executive leadership for their respective units. The academic deans completed and presented to the President’s Cabinet their SWOT analysis results in December 2017. Finally, in January 2018, the Student Government Association, Staff Council, and Faculty Senate completed and presented SWOT findings to the President’s Cabinet. Many intersections between all three campuses regarding strengths, weaknesses, opportunities and threats were identified among all internal constituent groups.

- On February 22, 2018, Dr. Hebert charged the established strategic planning committee who will write the first set of strategic priorities for review. Dr. Hebert explained that he expects the first set of strategic priorities from the committee to be in place by June 2018.
Through the summer, each Vice President will then write operational plans aligned to the strategic priorities. In the fall, the university budget process will then be tied to the strategic plan.

- One of the key strategic priorities is the execution of an academic regional plan. For many in Savannah, it is one of the most exciting aspects of consolidation. For example, Fall 2018 will see Logistics and BBA of Economics classes offered on the Armstrong Campus. In addition, over the next two years we will be migrating the MBA program and the Masters of Accountancy to the Armstrong Campus to meet local workforce needs.

- The College of Education will be located at the Armstrong Campus. Middle grades education classes will be offered on the Armstrong Campus in the fall of 2018. Outreach programs will also come to Savannah in partnership with the SCCPSS.

- Also, first- and third-year Mechanical Engineering classes will be offered at the Armstrong Campus in the fall of 2018. After the accreditation process is completed by 2020, Manufacturing Engineering classes will be offered on the Armstrong Campus.

- No real changes to the Health Professions program are planned for Fall 2018 as the Waters College of Health Professions has 5,000 active students within the consolidated university. We look to maintain this healthy enrollment within the college over the next year; however, beginning in 2019/2020, we are looking to develop and start program offerings in Occupational Therapy. We will also be working with the medical community to identify and develop other Health Professions programs in demand locally. In addition, Public Health programs not currently offered in Savannah will be available on the Armstrong Campus beginning Fall 2018. Examples include the BS in Public Health and core courses for the MPH (Masters in Public Health) with an emphasis in urban and global public health.

- Lastly, Dr. Hebert emphasized that no academic programs are diminishing at the Armstrong Campus. Instead, thirteen new programs are or will be offered over the space of a few years on the Armstrong Campus increasing academic opportunities for students. This message is an important message to get out into the community.

- Regarding Fall 2018 enrollment, Dr. Hebert noted the university is up five percent overall for new applications compared to last year. The Armstrong Campus is down in applications a little with the Statesboro campus up in applications. A marketing campaign focused on the Armstrong Campus is underway in the Atlanta market with key messaging targeted to high school leadership and counselors.

Dr. Hebert finished his remarks saying he remains very encouraged about all of the opportunities this consolidation offers for our region. The most recent joint alumni events in Savannah and Atlanta demonstrated to Dr. Hebert the energy and excitement many of our constituents are articulating in public. As an example, he pointed to Spence and Sheila Hoynes. The Hoynes are profiled in the upcoming Georgia Southern Magazine. Spence graduated from Armstrong, Sheila from Georgia Southern. They have been married for over 40 years. Their history of support and love for both institutions is an example of how our communities can and have embraced the
consolidation to better provide for the educational and workforce development needs in this region.

Dr. Hebert thanked the Trustees for their support over the past few months and looks forward to getting to know all of the Trustees much better over the coming year.

John Sobke asked Dr. Hebert to synthesize and distribute to the Trustees a summary of the academic program changes he enumerated. Dr. Hebert asked Dr. Curtis to follow-up based on a presentation that was recently delivered by Dr. Hebert and members of his cabinet to the Board of Regents.

Ben Price asked if resurrecting high school leadership programs within the local high schools would help to drive graduating high school seniors to Georgia Southern University and the Armstrong Campus. Mr. Kelso noted the Savannah Youth Leadership Program Mr. Price was referring to. The program was sponsored by the Chamber of Commerce and Armstrong. The program was no longer sustainable and ended in the early 2000’s. Mr. Kelso and Dr. Chris Curtis would take the idea into consideration and evaluate if a gap in high school leadership programs exists. Dr. Curtis did note the Gulfstream student leadership program in the local public school system and highlighted other initiatives Armstrong faculty are involved in such as STEM and music programs which bring high school students to campus for summer camps and workshops.

James Vaughn emphasized the South Carolina and Georgia artificial border where little marketing has existed to attract high school students from South Carolina. Armstrong tuition has historically been two thirds less than many South Carolina private and public colleges and universities including the University of South Carolina. Dr. Hebert agreed with Mr. Vaughn noting that it must be a strategic enrollment goal given that the Armstrong Campus is approved to continue offering in-state tuition to South Carolina residents.

Chair Ernst asked if coastal conservation focused academic programs can be considered at the Armstrong Campus in the future. Dr. Curtis stated that, though not part of the regional academic plan, opportunities do exist, including emphasizing marine biology at the Armstrong Campus.

Hearing no other questions, Chair Ernst thanked Dr. Hebert for his comments and report.

Development Report – Bill Kelso
Mr. Kelso pointed to biographical information in Trustee packets introducing new ex-officio Trustees who are joining the Armstrong Foundation due to consolidation and given the amended and restored bylaws approved in September 2017. Mr. Kelso introduced the following persons:

- Mr. Rob Whittaker, Vice President for Finance and Operation, and Treasurer for the Armstrong Foundation
- Ms. Maura Copeland, Executive Council, and Secretary for the Armstrong Foundation
Mr. Kelso also introduced Mr. Geoff Carson, Associate University Attorney, who will serve as foundation secretary in Ms. Copeland's absence.

Mr. Kelso then introduced Ms. Tina Adams, Director of Foundation Accounting. Ms. Adams will manage all foundation financial accounting services for the Armstrong and Georgia Southern Foundations, as well as the Georgia Southern Athletic Foundation.

Mr. Kelso also noted Mr. Trip Addison's biographical information. Mr. Addison is Vice President for University Advancement and External Affairs, which includes direct responsibility for university strategic marketing and communications. Mr. Addison is also the President of the Georgia Southern University Foundation. He was unable to attend the meeting.

Mr. Kelso reviewed the new organizational chart for University Advancement. The organizational chart shows five direct reporting units to Mr. Kelso, including Alumni Relations, Annual Giving, Development (major gifts), Trusts/Estate Planning and National Engagement, and Foundation Operations. He gave brief descriptions of each unit.

Mr. Kelso introduced Ms. Julie Gerbsch, Executive Director for Development, who briefly described the work she and her team of major gift officers have engaged in over the last several months. Re-aligning donor and prospect portfolios, developing funding priorities for each college, defining FY19 fundraising targets, and reworking gift officer metrics has been the focus. Regarding fundraising, Ms. Gerbsch then told the story of a recent meeting with a prospective donor who is interested in endowing an engineering scholarship. Her message to the Trustees was how good it felt to transition back to fundraising and to discuss with donors about their passion and interest in giving, after a long year of consolidation planning and implementation.

Operationally, Mr. Kelso outlined to Trustees the data migration project consolidating all donor and financial information in Raiser’s Edge and Financial Edge, a Blackbaud, Inc. product. The new instance should go live in July 2018.

Lastly, Mr. Kelso noted an invitation in the Trustee packets inviting them to a joint Armstrong and Georgia Southern Foundation dinner on May 10, 2018. This dinner will be the first formal opportunity for both foundation Trustees to meet.

Chair Ernst, ask for any questions. Hearing none, Chair Ernst thanks Mr. Kelso for his report and encouraged all Trustees to attend the joint foundation event on May 10.

Finance Committee Report: 2nd Quarter Financials - Jessica Henderson
Ms. Henderson provided the following narrative via PowerPoint presentation:

Executive Summary of 2nd Quarter FY18 Financial Statements
**Statement of Activities:** Total Revenue for the second quarter as of December 31, 2017 was $1,366,493. This was $105,926 more than the same period last year. This increase was mainly due to positive market performance. Total Expenses for the second quarter as of December 31, 2017 were $735,532.

A. Overall contribution revenue was $482,413 which was $336,317 less than the same period last year. This is mostly due to several major gifts that have not been renewed or have not been received yet; Athletics related $60K (Tennis Court Facility), faculty and staff pledges during campus campaign-FY17, Hammond for Hope Scholarship-FY17, Red Cross Donation-FY17.

B. Unrealized Gains / Losses on Investments 2017-18 has been positive for the investment market. The total gain of $773,617 for the year compared to a gain of $341,666 recorded at December 31, 2016.

Expenses increased $72,818 for the year.

C. Program Expenses increased by $93,255, mainly due to a redirection of an athletic gift per donor’s wishes to the Georgia Southern Athletic Foundation.

**The total combined changes in revenue and expenses create a Net Surplus for 2018 of $630,961.**

**Statement of Financial Position:** Total assets increased by $630,961 as of December 31, 2017.

A. Cash increased by $194,216. This increase is mostly due to receiving ½ of our scholarship draw-down from our endowment and it is remaining unspent.

B. Pledge Receivable decreased $188,553. This is largely due to two major gifts, Lettie Pate Whitehead and BOR that were booked as pledges at 7/1/17 that have been paid, reducing their pledge amount.

C. Investments increased by $625,298. Investments increased despite taking ⅔ of our scholarship drawdown in August.

Liabilities were unchanged.

**Armstrong State University Foundation, Inc. FY18 with an overall increase in ending fund balance of $630,961. Ending Fund Balance of $15,098,837.**

Chairman Ernst asked for a motion to approve the 2nd quarter financial. Mike Kemp moved, and James Thomas seconded. The financials were approved as presented.
Other Business – Drew Ernst

Mr. Kelso noted that copies of both the Armstrong and Georgia Southern history books were on a table in the back of the conference room. He invited Trustees to pick up a copy of both if they were interested.

Chairman Ernst thanked everyone for attending and reminded Trustees of the next meeting scheduled for May 18, 2018.

The meeting was adjourned at 9:12 am.

Respectfully submitted,

[Signature]

Maura Copeland, J.D., LL.M.
Foundation Secretary