Agenda

I. Call to Order – Drew Ernst

II. Review and Approval of Minutes – Drew Ernst

III. President’s Remarks – Jennifer Frum

IV. Development Report – Bill Kelso

V. Finance Committee Report – Jessica Henderson

VI. EPFI Report – James Shore

VII. Other Business – Drew Ernst
  a. Bylaws Amendment – Alumni Membership
  b. Commission Fund Endowment

VIII. Adjourn

Next Meeting: Friday, February 23, 2018 - Burnett Hall Board Room
The Board of Trustees for the Armstrong Foundation met in the Burnett Hall Board Rm. #125.

**Board attendees were:** Chair Drew Ernst, Jennifer Frum, Ellen Bolch, Carlton Hodges, Eric Johnson, William Kelso, Michael Kemp, Quentin Marlin, James Shore, Roger Smith, John Sobke, James Thomas, James Vaughn, Irving Victor.

**Representing the University were:** Chris Curtis, Julie Gerbsch, Amy Heaston, Jessica Henderson, Pete Hoffman, Samantha Levine, Georj Lewis, Hope Fuller, Valerie Garrison.

**Call to Order - Drew Ernst**
Chairman Ernst called the business meeting to order at 8:15 a.m. A quorum was present.

Chair Ernst welcomed and introduced Interim President, Dr. Jennifer Frum. Dr. Frum comes to Armstrong from the University of Georgia as Vice President for Public Service and Outreach. Mr. Ernst affirmed that we are happy to have Dr. Frum and appreciate everything she is doing in helping us through the transition of consolidation.

Bill Kelso introduced and welcomed James Shore, Interim VP for Business and Finance, who replaces Chris Corrigan. Mr. Shore comes to Armstrong from UGA with a wealth of knowledge and experience. He will be with Armstrong through the end of the year and will be working with the Finance Committee and serving as treasurer for the Armstrong Foundation.

Mr. Kelso introduced Dr. Chris Curtis, as Interim Provost, recently replacing Dr. Robert Smith who moved to Valdosta. Dr. Curtis has been with Armstrong for several years serving both as department head of History and more recently as the Dean of the College of Liberal Arts. He was recently appointed as Vice President for Operations, Armstrong Campus, for the new Georgia Southern.

Mr. Kelso also introduced and welcomed Roger Smith, this year’s Alumni Association President.

Chair Ernst noted the need to appoint an acting secretary to the foundation, as Lee Davis recently resigned and took a position with Valdosta State. The appointment would be in place through December 2017. Mr. Ernst asked the board for a motion to approve Bill Kelso as interim Foundation Secretary. Mike Kemp moved. Eric Johnson seconded. Motion carried, none opposed.
Review and Approval of Minutes - Drew Ernst
Chairman Ernst asked for a motion to approve the May 18, 2017, meeting minutes. Mike Kemp moved. James Vaughn seconded. The minutes were approved as presented with no amendments.

President’s Remarks – Jennifer Frum
Dr. Frum thanked the foundation members for their service to the Foundation and Armstrong while continuing to serve in the new university. Coming from the outside, she views her role as one of being an advocate, preserving what is the best of Armstrong and ensuring there is a plan for growth for the Armstrong Campus through the consolidation process.

Dr. Frum also noted the diligent work of consolidation implementation committee to ensure key programs are located on the Armstrong Campus that will expand educational opportunities in the area and region helping enhance workforce development pipeline for key industries. Key points benefitting the Armstrong Campus and Savannah region included:

- Three of the eight colleges will be headquartered at the Armstrong Campus: Waters College of Health Professions, Hsu College of Public Health, and the College of Education
- Business Related Programs:
  - Bachelor of Arts in Economics to include the BS in Business Economics will transition to a B.B.A. in Economics
  - MBA & MAC programs
  - B.B.A. with a concentration in Logistics and Hospitality Management, which will involve a collaborative with Savannah State University. The collaborative commits sharing of resources and faculty to allow for cross-enrollment for each institutions degree programs.
- Mechanical and manufacturing engineering programs
- Bio-medical engineering is being considered and would be welcome in Savannah.
- Admissions requirement changes that will amplify opportunities for the Savannah area and the Armstrong Campus to ensure enrollment growth and help facilitate access to qualified students from lower socio-economic backgrounds and non-traditional students. In addition, fall enrollment is strong as we move closer to fall enrollment targets. Armstrong is still enrolling students for the minimester session.
- The Commission on Colleges of the Southern Association of Colleges and Schools will vote on the submitted consolidation prospectus during the first week of December. The Board of Regents will then vote to approve the plan in January 2018.

Jim Vaughn emphasized the need to ensure consistent PR and public discussion of the opportunities and benefits for the campus and region.
Drew Ernst and Ellen Bolch asked for clarity as to when the new programs at the Armstrong Campus would be implemented and offered. Dr. Frum announced that Amy Heaston would be
leading key work groups over the coming months to develop timelines for implementation. Generally, it is believed all program initiatives will be in place that within five years. For example, the logistics program should be in place over the next year. However, engineering offerings will take some time. Dr. Frum also noted that the University System would continue its high level of oversight to ensure plan implementation.

**Development Report – Bill Kelso**

Mr. Kelso provided a handout showing a five-year fundraising comparison through FY17 ending June 30, 2017. Results include:

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<tr>
<th></th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
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<td>Target/Goal</td>
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<td>$1,667,700</td>
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<td><strong>Total Raised</strong></td>
<td><strong>$689,055</strong> (Baseline)</td>
<td><strong>$1,029,484</strong></td>
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<td><strong>$1,217,379</strong></td>
<td><strong>$4,531,670</strong>*</td>
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For FY17, Mr. Kelso noted the transformational gift from Don and Cindy Waters and a cash gift from EPFI for the Waters College of Health Professions.

Jim Vaughn asked about donor count and participation for FY17 compared to FY16. Mr. Kelso noted though total donors were down for FY17, average donor gift was up considerably. Mr. Kelso and Julie Gerbsch also noted the donor survey conducted in April of 2017 and a follow-up survey in late fall or early spring of 2018 to gauge Armstrong donor sentiment. Jim Vaughn offered his services to help interpret the data when the follow-up survey is completed.

In addition, prompted from a question by Eric Johnson, Mr. Kelso clarified the faculty/staff campus campaign success reminding Trustees that the campus campaign was completed prior to the consolidation announcement.

Drew Ernst asked for an update on the advancement organizational chart for the new university. Mr. Kelso noted the key functional areas within the org chart would include alumni relations, annual giving, planned giving, major gifts, and advancement/foundation services. Mr. Kelso also pointed out that all of the current remaining advancement staff would continue within the new university to include Julie Gerbsch, Valerie Garrison, Samantha Levine, and Trish
Wall. Kelso also noted that Dr. Amy Heaston has been named Chief of Staff and will work directly with Dr. Hebert.

Alumni Association Report – Roger Smith
Roger Smith noted the following regarding Alumni Development:

- This will be the last year the Armstrong State University Alumni Association Board will exist on its own due to consolidation
- Building on the Start Strong marketing campaign, a four-part alumni program called Always Strong centered on four events celebrating the four eras of Armstrong’s history: Armstrong Junior College, Armstrong State College, Armstrong Atlantic and Armstrong State University.
- Remaining events are Armstrong Atlantic and Armstrong State University Events.
- A wall of honor unveiling all of the faculty and staff being honored at these events will occur on June 2, 2018, in Burnett Hall. Email reminders will be sent to all Trustees.
- Armstrong Alumni Gala event will be held on October 20, 2017. Drew Ernst and Irving Victor will be honored with the Outstanding Alumni and Eminent Alumni award respectively.
- Lastly, Mr. Smith reminded all Trustees that the Alumni Association worked hard to ensure the “Armstrong Campus” would be part of the new university moving forward and ask that we all publically refer to the Armstrong campus when consolidation is official.
- Responding to a question from Eric Johnson regarding the future of the Armstrong Alumni Association, Mr. Smith outlined that the two alumni associations will consolidate in July 2018 with Armstrong alums holding 50% of the alumni board seats. The Georgia Southern Alumni Association agreed to the 50% representation. Mr. Smith also noted that if there were to be a separate Armstrong Alumni Association, it would require a separately funded organization, which is not likely to be successful at this point. If the consolidated alumni association becomes unsatisfactory for sitting Armstrong alums, a separate Armstrong association can certainly happen, but would operate outside of the new university and would be required to raise its own operating funds.

Finance Committee Report - Jessica Henderson
Q4 Financials – Action Required
Statement of Activities: Total Revenue for the year as of June 30, 2017, was $5,868,901. This was $3,342,948 more than the same period last year. This increase was mainly due to two major gifts and gains on our endowment.

- Overall contribution revenue was $5,001,047, which was $3,016,359 more than the same period last year. This is mostly due to two major gifts that total $3.5M from the Waters Foundation and the ASU Educational Properties Foundation, Inc. We have booked the entire Waters pledge (due to accounting rules) but have only received $400K in cash and the remaining $1.6M in pledge.
- Unrealized Gains / Losses on Investments
2016-17 has been positive for the investment market. The total gain of $662,308 for the year compared to a gain of $356,522 recorded on June 30, 2016.

Expenses decreased $234,003 for the year.

- Fund Raising Expense decreased by $201,000. The Unrestricted Budget was reduced in 2017, a result reduction of expense to Ruffalo Cody for phonathon services along with a reduced amount booked in the annual gift in kind entry as a result of vacant positions/less salary expense.
- The total combined changes in revenue and expenses create a Net Surplus for 2017 of $4,077,103.

**Statement of Financial Position:** Total assets increased by $4,077,103 as of June 30, 2017.

- Cash increased by $2,093,289. This increase is due to the two major gifts that remain unspent, that totaled $1,900,000, Waters Foundation and ASU Educational Properties Foundation, Inc.
- Pledge Receivable increased $1,544,505. This increase is due to the major gift from the Waters Foundation for the Health Professions Building.
- Investments increased by $449,309. Investments increased despite taking our scholarship spend withdrawal in August and January.
- Liabilities were unchanged.
- Armstrong State University, Foundation FY17 with an overall increase in ending fund balance of $4,077,103. Ending Fund Balance of $14,467,876.

Drew Ernst asked for a motion to approve the financial report. Mike Kemp moved, James Vaughn seconded. The financials were approved as presented with no amendments.

**EPFI Report – James Shore**

Mr. Shore noted the quality of Armstrong leadership and echoed Dr. Frum regarding enrollment and the work of the admissions and financial services staff.

Regarding EPFI, the board is working towards consolidated bylaws as the GSU Housing Board and EPFI look to consolidate in December of 2017.

Current properties owned by EPFI are strong financially. We will be completing a facilities assessment report.

Mr. Shore also outlined the planned membership of the consolidated properties foundation.

**Other Business – Drew Ernst**

- Armstrong Foundation Bylaws and Articles of Incorporation
  Amendments – Discussion and Action

Drew Ernst introduced the proposed amended and restated bylaw. Mr. Kelso provided a handout and talked through the proposed changes as noted on the redline copy of the proposed bylaws. Key amendments include:
• Changing foundation name to the Armstrong Foundation of Georgia Southern University, Inc.
• Armstrong and Liberty campus of GSU identified as the purpose of the foundation
• Removed SGA President and Alumni Association President as non-voting trustees
• Identified replacement officers and voting privileges to include:
  o President – President of GSU, Dr. Hebert, Voting
  o Executive Vice President – Assoc. VP for Advancement, Bill Kelso – Voting
  o Treasurer – VP for Finance and Operations, Rob Whitaker, Non-voting
  o Secretary – Executive Council, Maura Copeland, Non Voting
• Armstrong Commission Fund Committee - Keep in place allowing chair and soon to be appointed committee of trustees to determine the future purpose of the Commission Fund endowment.

Much discussion centered on the removal of the Alumni Association President membership. Mr. Ernst asked that the board vote to approve the amended bylaws as proposed with a commitment to revisit alumni membership language and submit recommendation prior to the November board meeting for consideration. Roger Smith agreed to the approach but noted that this is a sensitive time in the history of the university and among alumni. For both tangible and psychological reason, continuing alumni membership on the foundation will be very important symbolically but also for potential giving purposes. Ellen Bolch did ask Roger Smith if the 50% percent representation on the proposed consolidated alumni board also includes leadership. Mr. Smith noted that was an excellent question and is still a work in progress.

Dr. Victor noted his long history with the Armstrong Commission and his and other alums role in establishing the Armstrong Commission Fund endowment, now valued at over $460,000. The fund was incorporated into the assets of the Armstrong Foundation many years ago with income from the corpus benefiting the Presidents office of Armstrong. Dr. Victor requested that a committee is established through the foundation to include Dr. Victor, Drew Ernst, and Carleton Hodges to determine the future of the Armstrong Commission Fund endowment to determine its future and purpose. Mr. Ernst agreed and appointed the committee as requested.

Mr. Ernst explained that the current bylaws require a 7-day notice of intent to change bylaws. Though Trustees were updated on bylaws due diligence via email on August 23, 2017, out of an abundance of caution, Mr. Ernst asked for a motion to waive the 7-day notice of intent to change bylaws. Mike Kemp moved. Carlton Hodges seconded. The motion was approved with no further discussion.

Mr. Ernst then asked for a motion to approve the amended and restated bylaw as presented. James Vaughn moved, Mike Kemp seconded. The amended and restated bylaws were approved as presented with no further discussion.

Mr. Ernst reminded Roger Smith of the follow-up with him regarding alumni membership on the Foundation.
Mr. Ernst then asked for a motion to approve the “Resolution of the Board of Trustees of Armstrong State University Foundation, Inc.” amending the articles of incorporation of the foundation to reflect the name change and change of mission of the foundation per the amended and restated bylaws. John Sobke moved. Ellen Bolch seconded. The resolution was approved as presented with no further discussion.

Mr. Ernst thanked everyone for attending.

The meeting was adjourned at 9:48 am.

Respectfully submitted,

[Signature]

William P. Kelso
Interim Foundation Secretary