Armstrong Foundation of Georgia Southern University, Inc.
Board of Trustees Meeting
Burnett Hall Board Room
Friday, September 21, 2018

Agenda

I. Call to Order – Mike Kemp

II. Review and Approval of Minutes – Mike Kemp

III. President’s Remarks – Shelley Nickel

IV. Advancement/Development Report – Bill Kelso

V. Finance Committee Report – Rob Whitaker
   • FY18 Audit/Financials – Action Required

VI. New or Old Business – Mike Kemp
   • Foundation Consolidation Discussion

VII. Adjourn

Next Meeting is Friday, November 16, 2018 - Burnett Hall Board Room
Armstrong Foundation of Georgia Southern University, Inc.
May 18, 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, Ellen Bloch, Susan Hancock, Carlton Hodges, Eric Johnson, William Kelso, Michael Kemp, Quentin Marlin, Alex Salgueiro, Rob Whitaker, Maura Copeland, James Vaughn.

Representing the University were: Chris Curtis, Cheryl Ciucevich, Becca Gaston, Julie Gerbsch, Christopher Johnston, Valerie Garrison.

Call to Order - Drew Ernst
Chairman Ernst called the business meeting to order at 8:16 a.m. A quorum was present.

Chairman Ernst welcomed everyone to the May 2018 meeting of the Armstrong Foundation of Georgia Southern University, Inc. and thanked the Trustees for the flowers sent to his family in memory of his father who recently passed.

Review and Approval of Minutes - Drew Ernst
Chairman Ernst asked for a motion to approve the February 23, 2018, meeting minutes. Ben Mike Kemp Moved. Susan Hancock seconded.

Before the vote to approve, Carlton Hodges asked for the status of the briefing summary outlining the regional academic plan to be prepared and sent to Trustees as noted on page three of the minutes. Chris Curtis committed to develop as noted and send out as requested.

Chairman Ernst called for a vote to approve the minutes as presented. The minutes were approved with no amendments.

University Update –Dr. Chris Curtis, VP for Operation, Armstrong Liberty Campuses
Dr. Curtis presented a university update on behalf of President Hebert who was unavailable for the meeting.

Presidential Transition. Dr. Curtis noted President Hebert’s announced resignation as President. Shelley Nickel, Executive Vice Chancellor for Strategy and Fiscal Affairs and Treasurer for the Board of Regents, has been appointed as interim president. The official date of the transition is July 1. However, there will be overlap as we expect Shelley Nickel to spend time in June meeting with university leadership and visiting all three campuses and communities. Through the transition, university personnel will remain mission focused and well prepared for our students when they return in the fall. Dr. Curtis noted that Ms. Nickel is well qualified and
prepared to assume the role as interim president as she knows the university system and the consolidation process well, and knows many of the university cabinet leadership.

**Enrollment.** As the fall semester approaches, current enrollment projection is up. We look to be at least flat overall in enrollment compared to fall 2017. Regarding current students attending the Armstrong Campus, we are ahead in enrollment headcount compared to this time in 2017. Note however we graduated the largest number of students from Armstrong this month. As positive and uplifting as that ceremony was, remember that we have to replace those students to hit enrollment targets. Currently, new student applications for fall 2018 are down significantly compared to 2017. Reason’s include circumstances regarding the timing of consolidation, confusion among applicants regarding what campus to apply to, IT migration and integration not being fully implemented until this past February, and recruitment cycle challenges given the timing of consolidation. We should expect Armstrong campus enrollment will be down for Fall 2018.

**Regional Academic Plan.** The regional academic plan remains on track for implementation. As an example, new degree programs to be offered on the Armstrong Campus for Fall 2018 include; BBA Economics, BBA Logistics, BS Public Health, BA Sociology, BA Philosophy, BS Professional Writing, and the Masters of Business Administration.

**Partnerships.** Additionally, Dr. Curtis outlined how the university is working on many community partnerships. The Deans have been vital in developing these relationships not just for relevant academic programs but to also consider new programs to meet future trends and workforce demands. For example, The Dean for the Waters College of Health Professions will host members of HCA’s executive leadership team members on Wednesday, May 23, to tour the campus and begin a dialogue regarding the future. The Dean for the College of Education, Tom Kobala and Dean for the College of Behavioral Science, John Kraft, have been meeting with SCCPSS superintendent Ann Levett and City of Savannah officials regarding the city’s early learning initiative.

Also, Dr. Carl Reiber, the universities new provost, will be making a trip with Georgia Southern faculty and the Dean of Science and Mathematics to tour the GS research facility on St. Catherine’s Island. This facility is an example of a long-standing relationship as the university look to expand the academic program at the facility.

Dr. Curtis wrapped up his comments by noting that consolidation has been challenging particularly over the past few months as many issues have needed attention and resources to move the consolidation plan forward. Going into the summer, the executive cabinet is aware we need to be more proactive in solving issues before they become problems and barriers to progress. Once many of the structural issues are resolved (IT and budget integration for example) come July 1 with the new fiscal year, many items will fix themselves.

Lastly, Dr. Curtis mentions “Operation Empower Health”, a community collaborative between the Armstrong Campus of Georgia Southern University, St. Joseph’s/Candler, Department of
Defense, City of Savannah & Garden City, Chatham County, and Savannah State where military personnel from every branch will provide medical, dental, vision and veterinary services for more than 6,000 people in the community. This program is an excellent example of how partnerships can positively impact a community.

Eric Johnson asked for clarity regarding the Armstrong Campus commencement regarding where the graduate’s degree came from and will we continue with a separate ceremony for the Armstrong Campus. Dr. Curtis stated that the students received an Armstrong Degree. However, about one hundred asked for a Georgia Southern Degree as well. The entire commencement process is under evaluation via a committee to determine if a separate commencement ceremony will be held for the Armstrong Campus.

Bill Kelso asked on behalf of the foundation Trustees about the presidential search process and opportunities and internal process for submitting community members names to serve on a future search committee. Dr. Curtis noted no information has come forward but hoped to see details in the coming weeks. Chair Ernst followed up on Kelso’s question and suggested Mike Kemp would be a quality candidate to put forward given his community engagement history and Synovus connection when name submission process is clarified. Regarding communication about Dr. Hebert’s resignation, interim appointment and future search committee information and process, Susan Hancock asked if the communication is coming from Georgia Southern’s Marketing and Communication department or from the university system. Dr. Curtis confirmed the communication is coming from the central office of the university system of Georgia. Michael Kemp asked for talking points regarding Dr. Hebert’s resignation and the future of a presidential search. Dr. Curtis agreed and would work with university leadership to provide approved talking points. Ellen Bolch asked that the board entertain a motion to recommend Michael Kemp for service on a future presidential search committee. Chair Ernst requested Ellen Bolch to make the motion as presented. Carlton Hodges seconded the motion. With no further comments or questions, the motion was approved.

Mr. Kelso asked Dr. Curtis to invite the new provost, Dr. Reiber, to the fall foundation board meeting to meet the Trustees. Dr. Curtis agreed and would make it so.

Development Report – Bill Kelso
Mr. Kelso noted current fundraising revenue year to date at $524,338 compared to $932,591 in 2017. Contributions are considerably lower than the prior four years of comparable reporting. The consolidation effect is driving the low giving dollars for reasons that have been outlined before: mainstream alumni and faculty/staff are not giving, several major gift prospects are in a holding pattern until more definitive plans are laid out regarding the regional academic plan, and redirection from a few corporations who are giving annual dollars to the Georgia Southern Foundation exclusively.

On a positive note, a few significant gift commitments towards the new Waters College of Health Professions building project are still on track which we hope to report on more definitively in the fall.
Regarding consolidation planning for University Advancement, Mr. Kelso noted the leadership team to include Julie Gerbsch (Major Gifts), Christopher Johnston (Planned Giving), Gloria Goosby (Annual Giving), Wendell Thompkins/Cheryl Ciucevich/Becca Gaston (Alumni Relations), and Jodi Collins (Operations), are finalizing FY19 plans that will include a fundraising target for the fiscal year. Mr. Kelso will brief the Trustees of the plans and targets at the September 2018 Board meeting.

Mr. Kelso asked Julie Gerbsch to review gift agreement examples she and her team are currently closing. Ms. Gerbsch identified a donor from Glynn County who is moving forward with a $30,000 scholarship endowment for teacher education scholarships. The Hammond for Hope Foundation has committed another $20,000 for communication sciences and disorder scholarships. Lastly, Kathy Von Holland continues to commit more scholarship dollars from an estate she manages as Trustee. We hope to see $250,000 over the next five years for health professions scholarships.

Michael Kemp asked if the Advancement team is working on aligning gift agreement language between the Armstrong and Georgia Southern Foundation to create a standard template. Mr. Kelso responded in the affirmative and that by the start of fall semester 2018, this project should be completed. Ms. Gerbsch noted the difference in gift agreement administrative fees between the Armstrong and Georgia Southern Foundations as one of the issues and concerns regarding alignment. Mr. Kemp agreed.

Mr. Kelso introduced Cheryl Ciucevich, Associate Director for Alumni Relations — Coastal Region, to provide an update. Ms. Ciucevich introduced Becca Gaston who joined the Alumni Relations team in April. She most recently worked in development at the Savannah Humane Society. Before moving to Savannah, she worked in Alumni Relations at Augusta University. Ms. Ciucevich outlined the responsibilities of her office and staff within the coastal region of Georgia, North Florida, and parts of South Carolina. She reminded the Trustees that there are now over 130,000 alumni affiliated with the new university. Over Twenty thousand reside in Chatham County alone. Projects and events they are currently working on include:

- Scholarship Endowment fundraising initiative to honor Dr. Otis Johnson, the first African American graduate of Armstrong
- June 1 Open House for alumni, faculty, and staff to unveil the new “Wall of Honor” displaying noted faculty and staff honored through the Always Strong event series last fiscal year.
- June 21 True Blue Open House for Georgia Southern Alumni hosted by Armstrong Alumni. This event is a goodwill opportunity allowing both alumni bases the chance to interact and for Georgia Southern Alumni a chance to tour the campus and learn it’s history.
- June 25 Golden Graduates Luncheon is featuring Richard Kessler who will provide an inside look to the renovation of the Armstrong House in downtown Savannah.
- July 14 Alumni at the Braves Game and Savannah Bananas Game on July 25
Ms. Ciucevich also noted an event on May 10 that centered around Skippy Hancock, an Armstrong alum and basketball player, who authored a book chronicling Armstrong Basketball from 1970 to 1974. The event was well attended and evolved into a semi-reunion for many Armstrong alumni and athletes from that era. Chair Ernst attended the event as was a student at Armstrong during that period. He spoke fondly of Skippy Hancock and many of his contemporaries during that era of Armstrong’s history.

Lastly, Ms. Ciucevich mentioned that the Armstrong Campus Bookstore would continue to sell Armstrong alumni merchandise both online and on-campus.

Finance Committee Report: 3rd Quarter Financials – Rob Whitaker
Mr. Whitaker noted and thanked the work of Tina Adams, Director of Foundation Accounting, who is managing the financials and setup for five foundations.

Mr. Whitaker briefly went through the Statement of Activities and Statement of Financial Position noting his tendency in reporting to highlight and focus on the areas where there are significant variances that need explanation.

- Statement of Activities
  - Support and Revenues:
    - Net Contributions show a significant variance due to the impact of consolidation
    - Realized and Unrealized Gains on Investments reflect the 1st quarter of new calendar year investment result and demonstrate a volatile market
    - Contribution Revenue and Other Revenue are new charts to reporting and reflect income generation activities such as alumni and athletic event revenue and not related to philanthropic contributions. With the ending of Armstrong Athletics, revenue will decline year over year.
  - Expenses:
    - Program Expenses reflect scholarships paid. The spend percentage was on the books a year ago when the portfolio had a larger value which is why the large variance exists.
    - The rest of the expenditure items are steady or down which reflects good management of expenditures by the foundation.

Regarding Personnel Expenses, Eric Johnson asked if some cost shifting occurred moving personnel costs to a different university budget. Mr. Whitaker stated he would look into specific reason and report back to the foundation.

- Statement of Financial Position
  - Assets
Cash shows a significant increase due to the Armstrong Foundation acceptance of the EPFI $1.5 million gift in 2017 to support the Waters College of Health Professions building project.

Contribution Receivable variance reflects the Waters College of Health Professions gift by the individual.

- Liabilities and Net Assets
  - With no accounts payable or liabilities, total net assets will adjust accordingly and show increases in unrestricted, temporarily restricted, and permanently restricted lines.

Michael Kemp asked if there were plans to manage accordingly the $1.5 million in cash to realize a higher interest rate. Mr. Whitaker confirmed the $1.5 million in cash is in a Money Market account with remaining cash in checking. Mr. Whitaker is working with Tina Adams to understand the foundation spending patterns better to eventually develop a policy to get the cash down to $250,000 with remaining invested appropriately so we can access if needed.

Chairman Ernst asked for a motion to approve the 2nd quarter financial. Mike Kemp Moved. Eric Johnson seconded. The financials were approved as presented.

**Other Business – Drew Ernst**

Dr. Irving Victor Presidents Endowment Fund

Mr. Kelso referenced the May 17, 2017 email to the Trustees which provided detail regarding the Dr. Irving Victor Presidents Endowment Fund leading to the following request by Mr. Kelso:

That a motion be made at the May 18 (2018) meeting approving a gift of $50,000 to St. Joseph's Hospital Foundation toward the fund described in the draft “Contribution Agreement” between St. Joseph's Hospital Foundation (Donee) and Armstrong Foundation (Donor), pending Attorney General’s Office of the State of Georgia approval.

Chair Ernst ask for a motion. Michael Kemp moved. Carlton Hodges seconded.

Chair Ernst started the discussion by noting Dr. Victor's long history and support of Armstrong and St. Josephs/Candler. He thought the missions of Georgia Southern University, the Foundation and St. Josephs/Candler align due to the many collaborations that exist regarding nursing education and specific program partnerships.

Ellen Bolch asked if the entire corpus of the endowment would go to St. Joseph's/Candler. Mr. Kelso stated yes and noted that the other organization Dr. Victor was interested in, Christ Church, did not qualify per the Attorney General’s office via a conversation with the Foundation attorney, hired to handle this legal process.
Hearing no further questions, Chair Ernst called for a vote. The motion was approved as presented.

Resolution
Mr. Kelso presented a resolution to amend the Armstrong Foundation Bylaws as follows:

"That Article IV, Section 2, of the Bylaws (and each such other provision of the Bylaws as is necessary to effectuate the intent of this resolution) is/are hereby amended to permit the re-election by the Board of Trustees of three individuals named below, each to serve an additional term of one (1) year on the Board of Trustees beginning on the date of this meeting."

The Trustees identified in the resolution included Mr. Paul P. Hinchey, Mr. Eric B. Johnson, and Major General John F. Sobke (RET). Each agreed to serve another year contingent on Trustee approval of the resolution.

Mike Kemp moved. Ellen Bolch seconded. The motion was approved as presented.

FY19 Trustee Nominations for Membership
Mr. Kelso put forward from the nominating committee three Trustees who agreed to serve a one-year term to include Mr. Paul P. Hinchey, Mr. Eric B. Johnson, and Major General John F. Sobke (RET). Mr. Kelso also put forward Mr. James Vaughn who agreed to serve another three-year term. Michael Kemp moved. Quentin Marlin seconded. The motion was approved as presented.

FY19 Trustee Nominations for Officers
Mr. Kelso put forward as a motion from the committee officer nominations for FY19 to include Michael Kemp to Serve as Chair and Carlton Hodges to serve as Vice-Chair. Eric Johnson moved. Ellen Bolch seconded. The motion was approved as presented.

FY19 Meeting Dates
Mr. Kelso noted the FY19 meeting date schedule in Trustee packets. He mentioned that Valerie Garrison would email calendar invitation for all meeting after today’s meeting.

Special Presentation
Chairman Ernst took a moment to thank all Trustees for their service to the foundation during his tenure as chair over the last two years. He noted that we find ourselves in interesting times and mentioned that he had served four presidents in his role as chair. Chair Ernst suggested that as a foundation we all look forward to helping where we can to ensure this consolidation is successful and meeting the needs of our communities. He closed by reminding us all that the groundwork has been laid and the pathway defined that can create an exceptional regional university. He looks forward to working with all of the Trustees to make this consolidation a success.
Dr. Chris Curtis thanked Chair Ernst for his leadership over the past few years which has been exceptional. Dr. Curtis presented Chair Ernst with a framed sketch of Lane Library by a noted local artist initially created in 1985.

Chair Ernst thanked everyone for their attendance and support.

The meeting adjourned at 9:29 am.

Respectfully submitted,

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