

**NORTH CAROLINA COMMUNITY COLLEGES
FOUNDATION**

Crystal Morphis
Chair

Minutes of the July 26, 2018 Telephonic Meeting**Call to Order**

Chair Crystal Morphis called the July 26 telephonic meeting of the North Carolina Community Colleges Foundation to order at 10:05a.m.

Roll Call

Roll call was taken by Ms. Kelly Barretto. The following members were present:

Chair Crystal Morphis
Smith

NCCCS Pres. Peter Hans

Mr. Michael

Vice Chair Jim Bryan

Mr. Donny Hicks

Mr. Korey Coon

Mr. Richard Hurley

Mr. Herb Crenshaw

Ms. Stephanie Lake

Mr. Lew Ebert

Mr. Henry McKoy

Mr. Grant Godwin

Mr. Stuart Powell (in person)

Absent: Ms. Brenda Berg, Mr. Kirk Bradley, Ms. Susan Jackson, Mr. Raul Peralta, Ms. Alice Schenall, Mr. Scott Shook, Mr. Barry Sink, Ms. Gwen Vass, Dr. Mark Kinlaw and Mr. Randy Vinson.

Others in Attendance: Ms. Chreatha Alston, Mr. Bryan Jenkins (by phone), Mr. Brian Long, and Mr. Jim Ratchford (by phone).

President Hans' Remarks:

President Hans thanked all members of the Foundation Board for their participation and volunteering their time and looks forward to the in-person meeting in October. New budget items will be vetted by the System Office and Executive Committee between now and the October meeting for presentation to the Board at that time.

Approval of Minutes

Chair Morphis asked for a motion to approve the minutes of the April 26, 2018 NC Community Colleges Foundation Board meeting. Mr. Crenshaw made the motion, which was seconded by Mr. Bryan, and the motion passed unanimously with none opposed.

STANDING REPORTS**Treasurer's Report**

Due to Treasurer Jackson's inability to attend today's meeting, Mr. Bryan Jenkins presented preliminary financial reports through June 30.

Highlights of Budget Summary:

- Wells Fargo assisted by expediting a \$100,000 distribution.
- Advertisement and advocacy are generating activity on the expense side.
- General operating expenses reflect a three-year insurance premium cost for coverage for directors and officers.

Highlights of Statement of Financial Position:

- The Foundation is in a good cash position moving into FY 2018.
- Wells Fargo investments are performing well at over \$8 million dollars in market value.
- Belk Endowment payment of \$300,000 was distributed in June to the System Office as financial assistance to the Student Success Center.
- Liabilities are at zero.

Highlights of Statement of Realized Revenue and Expenses:

- Revenue exceeds expenses by just under \$350,000 due to contributions, increased dividends and sold investments.
- \$45,000 in scholarships were distributed this year.
- Advocacy spending is expected to increase as marketing and branding efforts are developed.
- Student Leadership Development Program and Minority Male Success Initiative have been transferred to the Foundation's purview.

Highlights of Statement of Activities:

- Unlike the Assets/Liabilities statement, this report reflects unrealized gains or losses and provides a breakdown based on program codes.

Chair Morphis asked about the transfer of \$250,000 to the System Office related to a scholarship program to be awarded through the Business and Finance Division (see page 22). At the advice of Mr. David Miller, the Executive Committee, State Board Chairman and President Hans agreed that those funds should be included in the Foundation scholarship portfolio given the new fee structure with Wells Fargo. A letter from President Hans requesting revocation of the Trust allowed the transfer of these funds. This will be finalized in upcoming weeks.

STATE OF THE FOUNDATION REPORT

President Hans addressed the Board, noting his appreciation of the time commitment of the volunteer Board members. President Hans recommends that new budget items be proposed at the in-person, October meeting. This allows the Executive Committee and System Office time to vet ideas that meet the Board's goals and positively impact colleges. President Hans acknowledged the Board's interest in professional development and marketing. Pres. Hans expects to be able to give a detailed report at the October meeting with more information about the \$10.8 million-dollar John M. Belk Endowment grant awarded to NCSU College of Education for professional development at community colleges. There is room to change perceptions about opportunities with community colleges through marketing. A professionally-written RFP needs to be

drafted and presented to the Foundation Board to engage stakeholders and obtain feedback in the coming months. President Hans will request this be done on a *pro bono* basis. Concluding his comments, President Hans thanked all for the welcome aboard. Chair Morphis concurred with President Hans' remarks and invited questions from attendees.

Chair Morphis introduced Chreatha Alston noting that Ms. Alston has been working diligently to increase awareness of the Foundation.

Ms. Alston highlighted the following (see page 23 of Board packet):

- One-on-one meetings with Board members have been productive.
- The Foundation now enjoys membership with both the national chapter and North Carolina chapter of the Association of Foundation Professionals (AFP) at \$150 per year.
- Ms. Alston thanked NC CORD and credited Jenny Varner and Board member Barry Sink with leading efforts to create a professional development seminar and networking event in August at High Point University that will feature keynote speaker Dr. Nido Qubein.

COMMITTEE REPORTS

Investment Performing Report Jim Bryan, Chair

Mr. Jim Ratchford of Wells Fargo covered the highlights of the Summary Report (Q2 2018).

- See pp 1-6: US is doing well and leading in global economy.
- See p 7: Summary of Cash Flows with year-to-date values through June 30.
- See p 10: Unrestricted funds performance (a 2.2% growth to portfolio due to stocks) and fixed income breakdown (down 0.67%, which is fairly solid). List of fund managers found here.
- See pp 12-13: Recap of funds performance.
- See p 14: Measures of Risk. Portfolio contains 48% stocks, 44% bonds with remainder in inflation-protected asset category. After rebalancing, we are within target with policy statement.
- See pp 15-30: Breakdown of investments.
- See p 31: Qualitative update on managers.
- See p 32: Cost with blended expense ratio and estimated expense.

Mr. Bryan thanked Mr. Ratchford for the investment report and ceded the floor to Chair Morphis.

OLD BUSINESS

None.

NEW BUSINESS

Annual Report. Ms. Alston has been working on the first Annual report with a graphic and visual summary to be shared with other Foundation directors, presidents and stakeholders to raise awareness and strengthen relationships with local colleges with respect to fundraising. Copies are available upon request, and Ms. Alston will distribute a link to the Report.

Committee Interest. Chair Morphis proposed two new committees: Planning and Vision Committee to advance the Foundation Board on supportive initiatives, and Fundraising Committee to develop statewide fundraising efforts. There is ample opportunity to continue to look forward to ensuring that the Foundation's efforts align with President Hans' goals and those contained in the System Strategic Plan. The Fundraising and Planning Committee would work on key funding requests by partnering with local community colleges to pursue opportunities with businesses (e.g., Insurance Agents) that want to give through a state organization to benefit all localities. 80% of funding would go to a local campus and 20% to the Foundation scholarship fund. Page 91 contains an "interest form" to be completed and returned to Ms. Alston within ten business days.

FY2018-19 proposed Annual Foundation Budget. Chair Morphis requested a motion to continue operating under the existing budget until the October meeting. Mr. Powell made the motion with a second by Mr. Bryan. The motion carries with none opposed and no further discussion.

CHAIR'S COMMENTS

- It was clarified that the October meeting is lengthened to permit time to discuss an annual planning meeting. Chair Morphis and Ms. Alston will revisit timeframe to confirm.
- Mr. Jenkins gave details of the October SBCC planning meeting and extended an invitation to Foundation Board members to attend. Details will be shared electronically with members.
- Look for President Hans' newsletters in your email inboxes.

ADJOURNMENT

With no additional questions or comments, Chair Morphis adjourned the meeting at 11:02a.m.