

**Florida Agricultural and Mechanical University
Board of Trustees**



**Direct Support Organizations Committee Meeting
Wednesday, February 10, 2016
9:00 a.m.
Conference Call-President's Conference Room**

Committee Members: Bettye A. Grable, Chair
Thomas Dortch, Jr., Tonnette Graham, Kelvin Lawson, Craig Reed

AGENDA

- | | | |
|-----|---------------|--------------|
| I. | Call to Order | Chair Grable |
| II. | Roll Call | Chair Grable |

ACTION ITEM

- | | | |
|------|--|--------------|
| III. | Approval of December 10, 2015, Committee Minutes | Chair Grable |
|------|--|--------------|

INFORMATIONAL ITEMS

- | | | |
|-----|--|-----------------------|
| IV. | Update on Divisional Activities | Vice President Cotton |
| | A. University Advancement | |
| | B. FAMU Foundation, Inc. - Foundation Operations | |
| | C. FAMU Rattler Boosters, Inc. | |
| V. | New Business | Chair Grable |
| VI. | Adjournment | |



**Florida Agricultural and Mechanical University
Board of Trustees
ACTION ITEM**

**Direct Support Organizations Committee
Wednesday, February 10, 2016
Agenda Item: III**

Item Origination and Authorization			
Policy _____	Award of Bid _____	Budget Amendment _____	Change Order _____
Resolution _____	Contract _____	Grant _____	Other _____

Action of Board				
Approved _____	Approved w/ Conditions _____	Disapproved _____	Continued _____	Withdrawn _____

- Subject:** **Approval of DSO Committee Meeting Minutes (December 10, 2015)**
- Rationale:** In accordance with the Florida Statutes, a governmental body shall prepare and keep minutes or make a tape recording of each open meeting of the body.
- Attachments:** DSO Committee Meeting Minutes (December 10, 2015)
- Recommendation:** Approve the minutes of the December 10, 2015, DSO Committee Meeting.

**Florida Agricultural and Mechanical University
Board of Trustees**



**Direct Support Organizations Committee Minutes
Trustee Kimberly Moore, Acting Chair
Thursday, December 10, 2015**

The meeting was called to order at 12:30 p.m. by Acting Committee Chair Kimberly Moore. Ms. Angie Wiggins called the roll, and the following committee members were present: Trustee Cleve Warren and Trustee Karl White. A quorum was established.

Approval of the July 21, 2015, Committee Minutes

The Committee reviewed the minutes from the July 21, 2015, Direct Support Organizations (DSO) Committee Meeting. Trustee White moved approval of the minutes, and the motion was seconded by Trustee Warren. The motion carried.

Acceptance of DSO Budgets

Vice President George Cotton, Sr., presented the FY2015-16 DSO's Budgets - FAMU Foundation, National Alumni Association, and Rattler Boosters - to the DSO Committee for acceptance. The budgets have already been approved by each governing board. The Committee voted to accept the DSO's Budgets as presented and to recommend them to the Board of Trustees (BOT) for acceptance. Trustee Warren moved approval and Trustee White seconded the motion. The motion carried.

Update on Divisional Activities by Vice President Cotton

- **A snapshot was presented on fundraising:**
 - Year-to-Date, slightly over \$3M. Currently, less than \$188,000 this time last year.
 - Roughly \$585,000 are in the pipeline for pledged gifts. This puts the University on target with fundraising numbers this time last year, with expectations to surpass last year.
 - \$5.5M has been the goal for the past four year averages. Approximately \$3M has been raised per year with the exception of last year at \$5.8M, almost doubling prior years' averages.
 - Vice President Cotton also advised, the Advancement team put together preliminary plans to talk about a capital campaign, and have framed a \$100M capital campaign designed to be a five year initiative. Staff will come back to the BOT to discuss specific strategies, timelines and targets. Staff already presented the initial strategies to senior leadership. As a matter of process, he will come back to the BOT to talk about a peer-to-peer program that identifies FAMU's top 500 prospects and put in place planning for the soft launch of the campaign.

Trustee Kelvin Lawson inquired of VP Cotton when will perspectives be available regarding the capital campaign/fundraising strategy. VP Cotton responded that senior leadership will meet in January. Foundation staff are not in a position to advise until after senior leadership has had an opportunity to discuss the broader institutional vision as there is a lot to be considered. The Associate Vice President for Development, Mechelle English, has taken a look at the portfolio, determined who the top prospects are, and broken them down into giving categories. There are approximately four dozen people, at quick glance, who have a capacity to give \$500,000 and above. At this point, it is unrealistic to say when to start a campaign until it's determined how many people fit into a soft launch category. While the capacity

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is there to raise money through a capital campaign, such a campaign should be over a five year period, per VP Cotton.

Trustee Lawson also inquired of VP Cotton, when a plan is brought forward, how will it wrap the Booster Club into the plan, given that advancement will be soliciting funds for a number of things around the University and the Boosters will be soliciting for athletics, etc. President Elmira Mangum responded, as part of developing the overall capital campaign and the strategic plan for raising the goal set, they have started with a leadership team retreat planned in January. They plan to talk with Advancement staff to develop a strategy around which they will develop the capital campaign, and will develop the campaign around the needs of the University. The strategic planning process will define how and who is pursued. The resources raised have to be connected to the future of the University/where the University is going. Prospective donors will be defined and tied to the resources needed to push the University in the direction FAMU wants to go in as part of the overall institutional strategy to move the University forward. Stakeholders including Boosters are part of that conversation and will be a part of developing that plan.

Trustee Warren stated that it is critical for the case statement to be considered involving the strategic objectives of the University. He offered that there is this litany of items that make sense as investments for potential benefactors, and stated that consistency of synchronization of the plan and the implementation strategies around it are key.

Trustee Betty Grable commended VP Cotton for being at FAMU for a short time and already having plans for a capital campaign. She inquired what the key factors are in the decision to look at a \$100M capital campaign. VP Cotton responded the first thing looked at was the vision and focus from the President. The next was to take a look at the prospect pool. FAMU has approximately 51,000 alum which has been broken down to 21,000 alum of record that Development has good information on. Staff is identifying and getting a snapshot of those alum, breaking it down to the top 500, and reviewing how many pipeline and estate gifts there are. Timelines, and climate has also been discussed.

- **VP Cotton discussed his 90 Day Work Plan:**

- A target was set for reorganization and restructuring. This has been completed.
- A fundraising team has been put in place, starting with the hiring of a new Associate Vice President for Development, Mechelle English.
- Will move forward with filling vacancies previously discussed. The expectation is to have some positions posted by January, and new positions in place as early as March.

- **Alumni Affairs Updates:**

- Assistant Vice President John Michael Lee and Executive Director Carmen Cummings of the Alumni Affairs office, have done a fantastic job of expanding alumni relations.
- Legacy Events were held in Tampa, FL; Birmingham, AL; and Washington, DC. More than \$65,000 was raised from over 200 alums.
- Mr. Tommy Mitchell's term ends as president of the National Alumni Association (NAA). VP Cotton thank Mr. Mitchell for his leadership. NAA officer elections commenced Nov. 10 and close Dec. 18.

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- **VP Cotton presented several Foundation Updates:**

- FAMU Foundation Board Meeting recently held.
 - A highlight was a Welcome and Fundraiser Reception for the College of Law and School of Business & Industry, hosted by Foundation Board Member John Crossman. \$157,000 was raised to support the Crossman & Company Endowed Real Estate Scholarship Fund.
 - Retired Colonel Brodes Hartley, after more than 30 years, retired from his service on the FAMU Foundation Board and transitioned to emeriti board status.
- The investment report was provided by the Foundation fund manager. The Foundation Board will be looking at steps to take to strengthen the portfolio.
 - The Foundation endowment stands at approximately \$120M. Down roughly \$7M over the past two years. Strategies are being reviewed as to how resources are managed, and what decisions need to be made to turn around the Foundation's resources.
 - A discussion between VP Cotton and members of the DSO Committee and a visiting FAMU trustee followed VP Cotton's presentation regarding the Foundation's investments.

Trustee Warren inquired about the Foundation's investment manager's term of relationship, and how often it is up for review. VP Cotton responded that the Foundation just signed an agreement with investment manager, The Bogdahn Group. The Foundation has an agreement with The Bogdahn Group that basically allows a walk-away clause if either party is not satisfied at the way things were going, it doesn't cost the Foundation nor The Bogdahn Group anything, but requires a 30-day notification stating either party's desire to move in another direction. VP Cotton advised logical next steps will be discussed regarding this relationship, and other options are being reviewed to help strengthen the Foundation's portfolio.

The Bogdahn Group came on board with the Foundation during a time when the market was "upside down," and they helped stabilize the Foundation's portfolio. The Bogdahn Group is aware that a broader conversation will be had with them regarding the Foundation-Bogdahn Group relationship.

VP Cotton stated The Bogdahn Group's role is not to invest on a day-to-day basis, but to manage and work with the Foundation's investment managers.

Trustee White provided a couple of observations in regard to investments. The industry term around the relationship of investment advisor/consulting is, the managers are below that level. The big thing to look at is, all of these entities are around 65-70 percent equity and 35 or so percent fixed income, not just whether it's down but versus the benchmark whether you outperformed or not. Trustee White wanted to make sure this Board understands that is another consideration.

Trustee Warren asked how has the portfolio performed relative to the benchmark. VP Cotton responded that the Foundation has performed on par with the Benchmark in some areas, but not met all targets. Even given a struggling market, there should be a clear strategy that talks about how to exceed the 3.9 percent targets and move forward. A relationship with the management consultant

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will need to be maintained to where the consultant make recommendations to increase performance. Conversations will be had to build the portfolio.

- **VP Cotton presented an update on Rattler Boosters:**

- The Rattler Boosters is a DSO that support the activities of the Athletic program.
 - The Boosters supported the 2015 Florida Blue Classic by hosting a pre-game event. Over 150 parking spots were purchased for Booster premium givers.
 - The Boosters purchased two tables for the Florida Blue Classic Coaches Luncheon.
- At the Boosters October Board of Directors Meeting, Athletic Director Milton Overton met with the Boosters about the future of Athletics and his vision for strengthening that program.

There being no further business, the meeting adjourned at 1 p.m.

Submitted by,
Trustee Kimberly Moore, Acting Committee Chair

**Florida Agricultural and Mechanical University
Board of Trustees**



**Direct Support Organizations Committee
Wednesday, February 10, 2016
Agenda Item: IV. A.**

Subject: Update on Divisional Activities: University Advancement

Summary: The following information provides fundraising and alumni affairs updates.

Fundraising / Development Progress Points

- \$4.54M in Cash Contributions to-date / 20% increase over same point 2015.
- Average gift to-date \$1,541.83 / 49% increase over 2015.
- End of year giving included \$1M Hershey Foods gift / Sybil Mobley Endowed Chair.
- Assessment in progress of readiness capacity for Silent Phase of FAMU Capital Campaign.

Alumni Affairs Updates

- Gregory Clark, a lieutenant colonel with the U.S. Army Reserves, has been elected president of the FAMU National Alumni Association.
- FAMU's Inaugural National Day of Service was held January 15-18, 2016. Performer, writer, director, producer, and FAMU alumna T'Keyah Crystal Keymáh, served as the inaugural honorary chair.
- FAMU Day at the Capitol will be held February 4, 2016.
- FAMU will host the Kinsey Collection in the Foster-Tanner Fine Arts Gallery January 23 - March 25, 2016.
- FAMU will host A Conversation with John Thompson in Lee Hall Auditorium on February 15, 2016.
- FAMU Alumni will host the Hoops Group Reunion to support FAMU Women's and Men's Basketball Team and Cheerleaders during the Basketball Homecoming Weekend that will be held February 18-21, 2016.

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**Direct Support Organizations Committee
Wednesday, February 10, 2016
Agenda Item: IV. B.**

Subject: Update on Divisional Activities: FAMU Foundation, Inc.

Summary: The following information provides FAMU Foundation updates.

- Plans are underway for the Spring Foundation Board Meeting: May 25-27, Tampa, FL (in conjunction with the NAA National Convention).

Foundation Operations

- The FAMU Foundation portfolio generated a return (loss) of -4.01% vs. -1.61% for the policy index for fiscal year to date through 12/31/15. The second fiscal quarter has been volatile and uneven in terms of return generation. Within fixed income funds, the returns of the global bond market lagged while the Foundation's US fixed income allocation was able to avoid losses due to interest rate increases with the Fed's initial rate increase. Hedge Funds and Real assets made positive contributions to returns at the end of the quarter. However, the diversified real asset fund continues to suffer the effects of falling commodity prices and the lack of inflation globally.

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**Direct Support Organizations Committee
Wednesday, February 10, 2016
Agenda Item: IV. C.**

Subject: Update on Divisional Activities: Rattler Boosters, Inc.

Summary: The following information provides Rattler Boosters updates.

- The Rattler Boosters started their 2016 membership drive with their traditional "Early Bird Special". This allows "premium giving" Booster members to receive a non-premium parking location. The Rattler Boosters radio promotion encouraged listeners to join the National Alumni Association and to support Florida A&M University.
- The Rattler Boosters Board of Directors will meet February 20th during the Rattler Basketball Reunion Weekend. The Board of Directors would like to make a presentation to the University and the Athletic Department during Reunion Weekend (since the football scoreboard and basketball scoreboard will be paid off in February, nine months ahead of schedule).
- In an attempt to assist with drawing attendance for the men and women's basketball team games, the Boosters have not charged for general admission for the games. Premium parking has still been provided for premium Booster members.
- The Rattler Boosters, at the request of the new National Alumni Association President, LTC. Col. Greg Clark, will be in attendance at FAMU Day at the Capitol on February 4th and will assist the NAA in promoting the event.



Direct Support Organizations Committee Meeting

George R. Cotton, Sr., Vice President, University Advancement

Wednesday, February 10, 2016

Florida Agricultural and Mechanical University



III. Approval of Minutes

Recommendation:

Approve the minutes of the December 10, 2015,
DSO Committee Meeting.





IV. Update on Divisional Activities

A. University Advancement

Fundraising / Development Progress Points:

- \$4.54M in Cash Contributions to-date / 20% increase over same point 2015.
- Average gift to-date \$1,541.83 / 49% increase over 2015.
- End of year giving included \$1M Hershey Foods gift / Sybil Mobley Endowed Chair.
- Assessment in progress of readiness capacity for Silent Phase of FAMU Capital Campaign.

Alumni Affairs Updates:

- Gregory Clark, a lieutenant colonel with the U.S. Army Reserves, has been elected president of the FAMU National Alumni Association.
- Events (FAMU's Inaugural National Day of Service, FAMU Day at the Capitol, Kinsey Collection, A Conversation with John Thompson, Hoops Group Reunion, and FAMU NAA Annual Convention).





IV. Update on Divisional Activities

B. FAMU Foundation, Inc.

2016 Spring FAMU Foundation Board Meeting:

- May 25-27 in Tampa, FL.
- The Board Meeting will be held in conjunction with the FAMU NAA Annual Convention, May 25-29, Tampa, FL.

Foundation Operations:

- Portfolio Update.





IV. Update on Divisional Activities

C. FAMU Rattler Boosters, Inc.

Booster Activities:

- 2016 Membership Drive.
- The Rattler Boosters Board of Directors will meet February 20th during the Rattler Basketball Reunion Weekend.
- Men and Women's Basketball Team Games.
- Participation in FAMU Day at the Capitol.





“At FAMU, Great Things Are Happening Every Day.”

established 1887

