

Jackson State Community College Foundation
Board of Trustees

Meeting/Business via Email
Wednesday, February 15, 2017

A memo was sent to all JSCC Foundation Board of Trustee members on Wednesday, February 15, 2017, regarding the Foundation budget recommendation from the October 17, 2016 BIF Committee meeting. The memo read as follows:

“Trustees:

Mr. Emmitt Smith, former Dallas Cowboy and “Dancing With the Stars” champion, will be our featured speaker at the Foundation Scholarship Banquet to be held April 11, 2017. Emmitt Smith has a great motivational and inspirational speech regarding his life and life lessons. We will be sending more info very soon.

We are trying to get things in order for our upcoming Jackson State Foundation Scholarship Banquet. Here is the process that is needed:

- 1. The Foundation Board of Trustees approved having the Foundation Banquet in April, 2017. This vote was done at the Sept. 29, 2016 trustee meeting. Please see attached minutes.*
- 2. The Budget, Investment, and Finance (BIF) committee of the Foundation met Oct. 17, and voted and approved the Foundation budget. For 16-17 year. Please see attached minutes and budget.*
- 3. The Foundation Board of Trustees must vote on approval, or lack of, regarding the BIF committee’s recommendation to accept the Foundation budget.*
- 4. As we have not had an in-person meeting since the BIF committee met, your attention is needed at this time to approve their recommendation.*

At this time we need the Trustees to make a motion, second, and vote regarding the approval (or lack of) of the BIF committee’s recommendation.

May we have a motion and a second? Please follow with your vote.

Should the vote carry to accept the budget recommendation of the BIF committee, we will then need to transfer funds from the Foundation Operating Fund into the Foundation Scholarship Banquet Fund. The amount that needs to be transferred is \$58,890.94 to proceed with immediate needs for the banquet. If the vote carries to accept the BIF committee recommendation, Lisa will then send you an email for a motion, second, and vote to move the funds to the needed account.

Funds that are in the Foundation Operating account are funds that are donated to the Foundation with no designation by the donor(s) on their use, but rather to be used by the Foundation as needed. I personally give my annual donation to this account for use for non-scholarship things such as this event.”

The Foundation Board of Trustees were asked to review the BIF Committee's meeting minutes and recommendation and to provide a motion, second and vote.

Dr. Walter Nelms made the motion to approve the Foundation budget as described in the memo.
Mr. Cary Vaughn provided a second to the motion.

The votes received were:

In favor of the BIF Committee's 2016-17 Foundation budget recommendation:

- Mr. Chris Allison – email
- Mr. Jim Ayers – email
- Mr. Richard Ayers - email
- Mr. Jim Crone - email
- Dr. Tony Emison - email
- Mr. Floyd Flippin - email
- Mr. Jeff Lewis – email
- Mr. Randy McKinnon - email
- Dr. Walter Nelms - email
- Mr. Lamont Nelson – email
- Mr. Paul Phelan - email
- Mr. John Rountree – email
- Mr. Cary Vaughn - email

With thirteen votes in favor, the Foundation budget for 2016-17 has been approved by the Board.

Respectfully submitted,
Lisa Kincaid,
Institutional Advancement
February 17, 2017

Jackson State Community College Foundation
Board of Trustees

Meeting Minutes

Thursday, September 29, 2016, 8:30 a.m. – Foundation Board Room/Student Union

The Jackson State Community College Foundation Board of Trustees met on Thursday, September 29, 2016 in the Foundation Board Room in the Student Union Building at Jackson State Community College.

The following were present: Mr. Chris Allison, Dr. Larry Bailey, Treasurer Horace Chase, Mr. Jim Crone, Mr. Floyd Flippin, Mr. Brian Gann, Mrs. Dee Henderson, Mr. Jeff Lewis, Mr. Randy McKinnon, Mrs. Beth Murley, Dr. Kris Nakutis, Dr. Walter Nelms, Mr. Lamont Nelson, Mr. Paul Phelan, Mr. Pat Riley, and Mr. Reggie Smith, and Mr. Cary Vaughn.

Those unavailable to attend: Mr. Jim Ayers, Mr. Richard Ayers, Mr. Bobby Dyer, Dr. Tony Emison, Senator Ed Jackson, Mr. Jonas Kisber, Ms. Neta McKnight, Mr. Bobby Smith, and Mr. Scott Woods.

Guests: Mrs. Dawn McGee, Ms. Mary Rowland, Mrs. Sara Vonderheide, and Mr. Tim Dellinger.

Call to Order

Chairman Cary Vaughn called the meeting to order at 8:36 a.m.

Welcome and Introductions

Chairman Vaughn welcomed all in attendance. New members Mrs. Beth Murley, Dr. Kris Nakutis, and Mr. Brian Gann were introduced to the Board.

Approvals

Copies of the September 29, 2016 meeting agenda, and meeting minutes for April 12, May 31, and August 17, 2016 were presented for review and approval. With no questions or corrections, Mr. Chris Allison made the motion to approve the agenda and minutes as presented. Mr. Randy McKinnon provided a second. There was no discussion; the motion passed.

Finance & Investment Reports

Treasurer Horace Chase introduced Mrs. Dawn McGee and Ms. Mary Rowland with Regions Bank to present the investment report.

Mrs. McGee, Relationship Consultant for the Regions Institutional Services Group, introduced herself. Copies of Regions Asset Management introduction packet and the Jackson State Community College Foundation Investment Overview as of September 27, 2016 were presented to the board for review. She then introduced Ms. Mary Raymond, the Investment Consultant for Regions Asset Management/JSCC Foundation portfolio manager, who presented the investment report to the board.

Ms. Raymond reviewed the investment overview as of September 27, 2016 which reflected a negative return for the month of September. She then incorporated the contents of the packet to further provide a sense of asset allocation to the board. Regions understands that the primary emphasis of the Foundation's investment policy is preservation of capital.

With the CPI as it is and inflation at 1.1% to get to a 5.5% rate of return the Foundation would have to take more risk with capital using the present approach. This is a conversation that the board would need to have with Mr. Chase to consider the best objective and whether to take more risk for more return. The Risk Return Tradeoff on page three of the Regions introduction packet depicts the balanced investment mix of the Foundation, the investment policy's expected 8% total return on a 3 year market cycle and the level of risk the of the investment portfolio currently. This chart is a good representation of the relationship between more risk and rate of return.

Page four of the packet shows asset allocation by market index.

Page five shows the portfolios positioning with the balanced investment mix with an average tolerance for risk based on a current market evaluation. Right now the portfolio is slightly over in fixed investments and slightly under in equity investments. In looking at page six, if the goal is 4.4% over inflation, we will have to determine what the best positioning. Page seven shows what the last twenty five years have looked like and looking forward, page eight reflects the market assumptions for the next ten years.

Ms. Rowland noted with a 3-year market cycle it would be difficult to know where the market would be within that cycle to reach a 4.4% rate of return. She added that generally a market cycle is 5-7 years.

Treasurer Chase added a brief history of the Foundation's investment. The Foundation originally operated with only a savings account and CDs and wasn't until the last seven years did it move to investments/investment manager. For five years the investment mix was a 75%/25% asset mix until the BIF and Foundation Board voted to more to a more balanced 50%/50% asset mix in 2015.

There was no further discussion.

Treasurer Chase presented the JSCC Foundation's preliminary Balance Sheet and Income Statements through June 30, 2016. These documents were awaiting approve from the Tennessee Board of Regents (TBR). Copies of each were presented to the Board for review and approval.

Treasurer Chase explained that in the two years there was the \$1.5 million disbarment for the Nursing Building and \$1 million for the Health Science Building. There is no anticipated large disbursements in the future that would lower the asset value on the balance sheet.

The income state was reviewed next. Included in the revenues were the annual banquet and in-kind contributions. Mr. Lamont Nelson asked Treasurer Chase to explain the difference between "In-Kind-Other" and "In Kind Institutional Support" on the statement. The difference was "other" is considered products or services while the institutional support was the contribution of time dedicated by JSCC staff to the function of the Foundation Treasurer Chase explained. Additionally, Treasurer Chase addressed a question presented by Mr. Chris Allison at the April 12, 2016 Board meeting regarding the transfer and establishment of the Billy Wesson Quasi Endowment on the February 2016 Income Statement. Treasurer Chase stated that the \$100,000.00 transferred was erroneously listed as an expense and that this error had been corrected.

The balance sheet as of August 2016 and income statement July – August 2016 were reviewed next. Copies of each were presented to the Board for review and approval.

With no questions, a motion was made to accept the preliminary balance sheet and income statement as of June 2016 as well as the August 2016 balance sheet and the July-August 2016 income statement by Mr. Randy McKinnon; a second was provided by Mr. Pat Riley. With no further discussion, the motion passed.

Director's Report

Mrs. Dee Henderson thanked everyone for coming to the meeting.

Mrs. Henderson reminded the board members that it was time to complete the annual TBR Disclosure Forms. These forms were included in today's meeting packets and may be completed and returned today or mailed after today's meeting.

The financial status of the April 21, 2016 Foundation Banquet was presented to the board members. Revenue from the banquet totaled \$36,512.00, expenses \$46,277.94, netting a -\$9765.94 with in-kind contributions of \$77,595.00.

Mrs. Henderson asked the board members to share their comments of the overall program, traffic flow, keynote speaker quality with the others. Several board members conveyed the excitement of guests at their tables, their overall enthusiasm of what a great atmosphere there was at the banquet as well as how engaging Lt. Col. Oliver North was with everyone he interacted with.

Mrs. Henderson announced that, should the Board vote to have another banquet in April 2017, that sub-committee would be developed for the selection of the speaker, sponsorships, and ticket sales. A list of proposed speakers was included in today's meeting packet but these were not final choices; only feedback from JSCC faculty and staff. The feedback of the Foundation Board of Trustees was strongly encouraged. Chairman Cary Vaughn added that it was imperative to have the commitment of the Board to solicit not only a title sponsor, but also a food sponsorship and table sponsors to cover the expense of the event. Chairman Vaughn asked for a show of hands of all board members interested in being a part of the speaker selection subcommittee; those interested were Mr. Randy McKinnon, Mr. Pat Riley, Mr. Jim Crone, Mr. Lamont Nelson, Dr. Larry Bailey, Mr. Brain Gann, and Chairman Vaughn.

Dr. Walter Nelms added that if the Board chose not to host a banquet next year, it would be more difficult to start one back up at a later time.

Mr. Jim Crone asked "why" we have the banquet. Mrs. Henderson explained it was a fundraiser for scholarships and building needs across the campus. Dr. Nelms added it was not just about raising the funds, but developing a long term positive image in the community.

Mr. Brian Gann asked if there was a correlation between the banquet and any increase in donations after the event. Mrs. Henderson _____

Mr. Lamont Nelson added that we need to make our event "unique" each year; appealing to different markets through the speaker selection. There will always be that "core segment" but there is a bigger segment to be reached.

Dr. Larry Bailey shared that the exposure JSCC gained in the community last April from the banquet was positive, although, the question that had been presented to him was "what was the purpose" of the banquet. Dr. Bailey felt that we didn't relay that clearly to the public. He recommended that we be more definitive about what the banquet is for. Mr. Nelson suggested using a short video to tell the story behind the banquet that would go out to media.

Mr. Reggie Smith made a motion to continue with the banquet in April 2017; a second was provided by Mr. Lamont Nelson.

Mr. Jim Crone clarified that the purpose of the banquet would be student scholarship and exposure for JSCC; that he agreed with Mr. Nelson's concept to reach out to different markets with speakers from all-American heroes,

writers, reporters, and athletes. Mr. Brian Gann reiterated the JSCC niche/market and maybe focus on speakers who were impacted by a community college. Dr. Nelms added not to let the fee drive the final decision.

Chairman Vaughn asked for all in favor; there were no opposed votes. The motion passed.

The next item of discussion was the Foundation Board of Trustee annual donations. Each year the board members are required to raise \$1,000.00 for the Non-Traditional Student Scholarship fund. Mrs. Henderson asked the board members if they wanted to continue with the contribution to this fund or to reconsider the amount of the donation. With no discussion, Dr. Walter Nelms made the motion for each of the Foundation Board of Trustees to be responsible for a \$1,000.00 to the Non-Traditional Student Scholarship fund; a second was provided by Mr. Reggie Smith. The motion passed.

There was no further discussion.

President's Report

Interim President Horace Chase addressed the Board. Our fall enrollment is up 3%. The Occupational Therapy Assistant program has completed its accreditation process with only two findings out of 164. The Respiratory Care program has been approved and will be starting back. This program will be beneficial to West Tennessee. The Health Science building is coming along and there is an expected completion date for the mid spring semester. Once completed, the next renovation would be of the Classroom Building where the Allied Health department is currently located. The Quad will be extended over to the new Health Science building. Interim President Chase added that all the vice presidents have been very helpful during this transition period.

There were no questions.

Vice President Reports:

Student Success and Institutional Effectiveness:

Mrs. Sara Vonderheide, Director of Institutional Research, provided a report in the absence Mr. Bobby Smith. JSCC hosted Wes Moore, advocate for education and mentoring, on campus September 20, 2016 with an audience of approximately 800 students, faculty and staff.

Fall enrollment numbers were as follows: JSCC headcount is down 1.2% but the TBR average is 1.5% which means we are experience a smaller decrease than other community colleges. FTE is up 3% and JSCC is 4th out of the 13 community colleges in Tennessee. With higher FTE and lower headcount, this means our students are enrolling in more credit hours.

There were no questions.

Academic Affairs:

Dr. Larry Bailey, Vice President for Academic Affairs, updated the board that the Physical Therapy Assistant program will soon begin their accreditation process in two weeks. The national team will be on-site during that time. Dr. Jane David and her staff have been preparing.

A special thank you to Interim President Horace Chase for re-establishing the Respiratory Therapy program. JSCC will be the only provider of this education in West Tennessee. JSCC will be grandfathered in to the accrediting board in November 2017. West Tennessee Healthcare has a tremendous need for respiratory therapists. Dr. Bailey has received numerous letters expressing the great need for the re-establishment of this program in this area.

Dr. Bailey had recently met with the city and county mayor of Henry County and Paris, TN in regard to JSCC offering classes in the area. Both mayors have been actively promoting JSCC in the area and jointly working with area civic clubs. JSCC has many students who drive from Paris, TN to Jackson for classes. JSCC will now have a minimum of four classrooms in which to offer classrooms. Dr. Bailey has been working the PR coordinator, John McCommon to develop a marketing strategy and spring 2016 schedule. It is the hope of both mayors to eventually have a JSCC center in Paris, TN and have been working to form a community foundation to raise funds for this endeavor. Dr. Nelms added that in 1967, he and Dr. Wright met with Paris officials to offer classes in this area but were unsuccessful. Dr. Bailey said this initiative had both TBR and THEC support.

Mr. Jim Crone asked about the location/building JSCC would be provided space in. Dr. Bailey explained it was a restored historically black high school building that currently had the state offices for agriculture and adult education. The faculty for the adult education/GED classes were excited at the opportunity to encourage their graduate to further education in college through JSCC.

There were no questions.

Student Services:

Mr. Brian Gann, Vice President for Student Services, addressed the Board. Mr. Gann expressed his pleasure with serving on the Board. Mr. Gann explained that he was a first generation college student, community college graduate. He has sat in the foundation director's role at another institution and knows too well the importance of fundraising, scholarships, and how they lend to student success.

Mr. Gann announced his primary goal his first year at JSCC is to improve communication with students for the application and admission process.

Two funding opportunities that he has recently secured for JSCC. The first was a \$5,000.00 ATT grant. Twenty-five non-traditional student scholarships were awarded in the fall 2016 semester and another twenty-five will be awarded in the spring 2017 semester. The second project was a \$160,000.00 THEC grant to help with graduation success rates.

There were no questions.

Chairman Vaughn reviewed the volunteers for the banquet sub-committee: Mr. Randy McKinnon, Mr. Pat Riley, Mr. Jim Crone, Mrs. Dee Henderson, Mr. Cary Vaughn, Mr. Brian Gann, Mr. Lamont Nelson, and Dr. Larry Bailey.

Chairman Vaughn reminded Board members the next meeting would be in late November/early December 2016; date and time to be announced via email.

With no further discussion, the meeting adjourned at 10:18 a.m.

Respectfully submitted by Lisa Kincaid
Institutional Advancement
September 30, 2016

JSCC FOUNDATION BANQUET STATUS
Featuring Oliver North
Held April 21, 2016

Financial Status as of September 27, 2016

In-Kind \$77,595.00

Expenses* \$46,277.94

Revenue** \$36,512.00

Net -(\$9,765.94)

*Expenses:

Oliver North	\$33,000.00
Venue/Equipment/AV	\$ 4,416.30
Banquet	\$ 6,356.85
Miscellaneous	\$ 2,504.79

** \$2,000.00 Donation to the Military Student Center fund included in revenue.

Jackson State Community College Foundation
Budget, Investment & Finance Committee
Meeting Minutes - Monday October 17, 2016

The Jackson State Community College Foundation's Budget, Investment & Finance (BIF) Committee met on Monday October 17, 2016 at 2:30 p.m. The meeting was held in the President's Conference Room of the Administration Building.

The following members were present: Mr. Richard Ayers, Mr. Jeff Lewis, Dr. Tony Emison, Chairman Horace Chase, Mr. Bobby Smith, and Mrs. Dee Henderson.

Committee Chairman Horace Chase called the meeting to order and welcomed those in attendance.

Chairman Chase presented two goals for the meeting: 1) review the JSCC Foundation's Unrestricted Budget for 2016-2017, and 2) address two concerns presented by Regions Bank, the JSCC Foundation Investment Manager, at the September 29, 2016 Foundation Board of Trustees meeting.

Copies of the 2016-2017 Unrestricted Fund Proposed Budget were distributed to the committee. The Foundation Banquet was a large portion of the projected expenditures and revenue included in the budget. Mrs. Dee Henderson began by reviewing the 2016 Foundation Banquet's financial status presented at the September 29, 2016 Foundation Board of Trustees meeting. She explained that the Trustees: 1) voted to move forward with the 2017 banquet, 2) to solidly state it would be a "*scholarship* banquet," and, 3) the need to consider additional spending for a more widely known speaker for the event in hopes of generating additional revenue. Mrs. Henderson reminded the committee that the figures included on the 2016-2017 budget were projections based on the 2016 banquet, current planning for the 2017 banquet and future economic scenarios to play out over the coming months (IE: presidential election, market conditions). However, for the 2017 banquet a planning subcommittee has been established and met October 11, 2016 concerning venue, sponsorships, and speaker selection. The subcommittee consists of Trustees and ex-officio members of the Foundation Board and with their assistance, networking, and buy in for the event, it is anticipated that revenue will increase in 2017.

Concerns expressed by Mr. Richard Ayers were the 1) if there is a shortfall of revenues (from the banquet) to cover expenditures, we know there are funds available to cover that shortfall, and 2) but is there a way to offset the potential increase in expenditures by increasing the "other" and "employee" gifts listed in the revenue section of the proposed budget. Dr. Tony Emison inquired about attendance for the 2016 banquet and was it enough to cover the expense.

Chairman Chase summarized the basics of the proposed budget; the figures included on the proposed budget were very similar to those of the 2015-2016 budget. However, for this year's increased budget and more specifically the banquet, we anticipated it to be more managed and for revenues and expenses to be more evenly matched. The projected increase in both revenues and expenditures should alleviate the constraints of selecting a lesser know speaker at a lower price that would generate lower revenue. The hope was that if the speaker fees were slighter higher, the revenue generated as a result should in turn be more.

Mr. Richard Ayers made the motion to accept the budget as presented; a second was provided by Mr. Jeff Lewis. The motion passed.

Chairman Chase continued with the JSCC Foundation Investment Policy. Copies of the Policy were presented to the committee for reference and review.

At the September 29, 2016 Foundation Board of Trustees meeting, Regions Bank Investment Consultant Ms. Mary Rowland addressed two concerns with the JSCC Foundation's Investment Policy. The first was the main focus of the policy of either preservation of capital rate of return. The second was market cycle. Ms. Rowland stated that to have a projected return of 4.4% above inflation with a balanced asset mix within a three year market cycle would be a challenge in current market conditions. Regions recommendation was to review the investment policy to determine if the primary focus should be rate of return or preservation of capital. If preservation of capital was deemed the primary focus, then the expected rate of return and asset allocation should be revisited.

Section 4.3 of the investment policy currently states "The Foundation should realize a total return over a market cycle of at least 4.4% over the inflation rate," and Section 4.4 states a market cycle is considered three years. Chairman Chase reminded the committee of the Foundation Board of Trustees' motion to move to a more balanced (equity and fixed income) asset allocation in September 2015. This more balanced move fell within the plus/minus 10% range of Section 5.1 of the Investment Policy.

Discussion continued regarding the asset mix, rate of return, and market cycle. Mr. Jeff Lewis inquired of the commitment the Foundation had with Regions Bank. Chairman Chase responded it was a five year commitment renewable annually. Discussion was had over the Committee's comfort level with assuming more risk above the balanced asset mix verses decreasing the expected rate of return from 4.4% and extending the market cycle. The Committee discussed the scenarios of other association's they had been involved in who faced a similar struggle. They agreed that ideally we would like to take a conservative approach and still make money however, current market conditions and the upcoming presidential election made decision making very difficult to still return the yield we would like to have. The question was posed of what we are likely to achieve over a market cycle; what is the max loss we are comfortable with and what is the max return we can expect. The Committee had the fiduciary responsibility to minimize stress without minimizing return.

A motion was made by Mr. Richard Ayers to recommend to the JSCC Foundation Board of Trustees that:
Section 4.3 of the JSCC Foundation Investment Policy be changed from a rate of return of 4.4% over the inflation rate to a rate of return of 2.6% over the inflation rate, and
Section 4.4 of the JSCC Foundation Investment Policy be changed from a three (3) year market cycle to a five (5) year market cycle.

A second was provided by Mr. Jeff Lewis. The motion passed.

The Committee then discussed that this recommendation would be presented to the Board at the next meeting scheduled for the end of November 2016.

Without any further discussion, the meeting adjourned at 3:19 p.m.
Respectfully submitted by Lisa Kincaid, Recording Secretary.

JSCC Foundation Proposed Budget
Unrestricted Fund
2016-2017

Estimated Beginning Balance at July 1, 2016		\$ 47,000.00
Projected Revenues:		
Employee Gifts	\$ 3,500.00	
Other Gifts	2,500.00	
Earned Income (interest, investments)	1,900.00	
Foundation Banquet	65,000.00	
Total Projected Revenue		\$ 72,900.00
Projected Expenditures:		
Print Services (printing, postage, etc.)	\$ 250.00	
Other (supplies, dues, services, etc)	165.00	
Board Meetings & Dinner	3,600.00	
Foundation Banquet	75,000.00	
Total Projected Expenses		\$ 79,015.00
Projected Ending Balance at June 30, 2017		\$ 40,885.00