IN RE: DIRECT SUPPORT ORGANIZATION COMMITTEE MEETING.

COMMITTEE MEMBERS: BELINDA SHANNON, CHAIR
KELVIN LAWSON
KIMBERLY MOORE

DATE: TUESDAY, JULY 21, 2015

TIME: COMMENCED AT: 4:40 P.M.
CONCLUDED AT: 5:00 P.M.

LOCATION: BAND REHEARSAL HALL
FAMU CAMPUS
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER
ALSO PRESENT:

Rufus Montgomery
Lucas Boyce
Karl White
Cleve Warren
Robert Woody
Torey Alston
DIRECT SUPPORT ORGANIZATION COMMITTEE

TRUSTEE SHANNON: The July 21st meeting of the Direct Support Organization Committee has now been called to order.

Ms. Wiggins, could you please call the roll?

MS. WIGGINS: Trustee Belinda Shannon.

TRUSTEE SHANNON: Here.

MS. WIGGINS: Trustee Kelvin Lawson.

TRUSTEE LAWSON: Here.

MS. WIGGINS: Trustee Kimberly Moore.

TRUSTEE MOORE: Here.

MS. WIGGINS: Madam Chair, we have a quorum.

TRUSTEE SHANNON: Thank you.

The first action -- and only action item we have is review and approval of the March 4th, 2015, Committee meeting minutes. I assume you've all had an opportunity to read those minutes. May I have a motion for approval of the March 4th, 2015, DSO Committee minutes?

TRUSTEE LAWSON: So moved.

TRUSTEE MOORE: Second.

TRUSTEE SHANNON: It has been moved and seconded. All in favor, say aye.

(AFFIRMATIVE INDICATIONS).
TRUSTEE SHANNON: The motion carries.

We now have some informational items. I would like to extend a warm welcome to Florida Agricultural and Mechanical -- from Florida Agricultural and Mechanical University to Mr. George Cotton, Sr., the newly appointed Vice President of University Advancement and Executive Director of the FAMU Foundation.

VP Cotton served as the Assistant Vice President for Major and Planned Gifts at Wake Forest Baptist Medical Center in Winston-Salem, North Carolina, and brings to FAMU nearly 30 years of experience and advancement. His first day on the job was July 1st. I would like -- I would also like to thank and welcome Mr. Cotton.

VICE PRESIDENT COTTON: Thank you.

TRUSTEE SHANNON: I would also like to thank Ms. Angela Poole for serving as the Interim Vice President and Executive Director these past four months. Where is she? Oh, there she is. Thank you so much for your hard work.

We will now have an update on the DSO budgets by VP Cotton.

VICE PRESIDENT COTTON: Good evening, Madam Chairman, and thank you for the opportunity.
I also would like to say good evening to the President and the other members of the Board of Trustees.

Before I get into a brief presentation, and since I know that I'm the only thing standing between the Chairman, the gavel, and you and the door, I'm also going to ask for your indulgences because I'm going to try to collapse the formal presentation into just key points. And if, in fact, the Board wishes to ask additional comments, I'll address those.

So I won't try to walk through the entire presentation, but I would also like to offer my thanks to Angela Poole who definitely did a fantastic job in transitioning the Office of University Advancement. Without her support and the support of Angela Wiggins, I could not be standing before you presenting this information.

Let me also say that I've had a fantastic meeting from the time of my interview up to now with the President in reference to goals and objectives. And I've had a chance to speak to at least two community groups up to now, and I can tell you, if you talk to them, what they'll tell you is George Cotton is out preaching the gospel of
orange and green.

My son was a student here in the '90s at FAMU, and I come here because I want to do what was talked about earlier; and that is, I want to work to help restore the confidence and the greatness of this fantastic University. I chose to apply for this job, and I want to make sure you understand that, because I came after this job six years ago and didn't get it, so I walked this job down.

And I'm excited to be here, and I stand here to tell you that we're going to raise a bucket load of money, and you can quote me on that, I guarantee you. We're going to raise a bucket load of money, and not only are you going to be proud of the work that we've done, but you're going to be extremely proud of the team that we have accumulated.

In reference to the reports and the budget, I will just make a quick update and let you know that we should have all budgets for you by August the 31st. We're working on the budget from the FAMU Foundation. As a matter of fact, we will probably have that one preliminarily done by Friday, but we want to give ourselves time, since I'm new, to make sure we've got all the I's dotted and the T's crossed; but we will have all of the
budgets available for you by August 31st.

Just a quick snapshot if we can, Angela, on the first slide -- and, again, I'm going to run through this, so please stop me when you have questions.

I'm proud to say that we were able to surpass the 5.5 goal that was set last year, and we have raised -- and the President talked about this earlier, and I'm glad she did focus on it the way she did. We believe that a lot of last year's success when it came to finance was, quite frankly, due to the fact that you had a President that nationally people looked to and they were excited about the new vision of FAMU.

I've had a chance to talk to some of the people who have been new donors, and people are looking south and asking, quite frankly: Is FAMU a place that they want to write the checks and send the money? So I'm definitely counting on us to continue that progress that was started.

We raised a little bit over $5.8 million last year, and we've accumulated roughly $10.2 million in cash and pledges; and if we have time, I'll come back to that. You probably already know that largely our success was due to the confidence of
one donor, and Doctor Mangum mentioned that earlier. So we will have a chance, again, to talk about that a little bit because I do have some thoughts on that.

In addition to -- and I think we can go to another slide. The other thing that we took a look at was the four-year comparison. As you can see, the end of fiscal year 2014/15 we raised -- we exceeded our $5.5 million goal by 300,000, but there is a caveat that I'd like to come back to on that.

If you also take a look at our 2014 goals, we've exceeded each prior year by an increase of more than 2 million. Now all of that sounds fantastic until I get to what I have to say in a few minutes.

If you go to the next slide, when you take a look at fundraising, several key initiatives need to be pointed out. Beginning last year, we increased our fundraising totals by 81 percent; that's a significant improvement, 81 percent over where we used to be. Any University, Madam Chair, would be excited about that. But there's some bottom lines, again, that we're going to have to come back to.
But I want you to take pride in the fact that last year really began a good trend, the numbers really peaked, the fundraising is going up, our alumni giving is going up. If you take a look at what faculty and staff did, due to the Faculty and Staff Campaign, we've raised a little bit over $1.2 million. As a matter of fact, the faculty/staff campaign last year, we took a look at raising with that -- well, in addition to that, we raised 183,000 in the 10 for 10 Volunteer Campaign. So people are excited about FAMU and the things that we are doing. You know, the Faculty and Staff Campaign raised a little bit over $194,000, so the money is coming in. We're doing exciting things. We're taking the initiative to bring funding in from a lot of different categories.

But I said I wanted to come back to something, the good thing -- the good news is that we raised over $5.8 million last year; the bad news is we raised $5.8 million last year. The point is, and Doctor Lee is our AVP for Alumni Relations, Doctor Lee has let me know that we've got over 65,000 alum. 65,000 alum raising $5.8 million isn't good enough.
As a matter of fact, there's an old saying --
Doctor James Comer is an African-American educator
from Harvard that says: The first step toward
doing better is to realize what you've done so far
is not good enough.

I'm here as your fundraiser to say
$5.8 million -- and Doctor Mangum and I've talked
about that -- $5.8 million is not good enough.
We've got to ramp that up. And 65,000 talented
affluent, successful FAMU Rattlers can do better
than $5.8 million; and we're going to do better
than $5.8 million.

So the good news is the trend is peaking
upwards. Donations are up. The number of alumni
who are giving is up, but we've got a long way to
go.

Moving to the next slide, if we could, Angela.
I want us also to take a quick look at where the
Foundation is because it's important that you know
this. Our endowment stands right now at about
123,844,000 and some change, down a little bit from
127 million, which is absolutely positively
fantastic until you compare us to our peers.

Now someone said to me the other day,
Mr. Cotton quit talking about FAMU compared to
other people. That's the only way I know how to talk. That's the only way you can tell if you're doing good. You have to compare yourself to your peers.

I've heard the terms "best in class." That's what I want us to be. As a matter of fact, I don't want us to be best in class, I want us to be the best in class. When we think of who our peers are, our peers are other universities who know how to raise money.

We're going to put a team in place that knows how to raise money, and we're going to aggressively go after people who are Rattlers and who are stakeholders. Anybody who can see is a prospect. As a matter of fact, people who can -- we're going after people who can't even see because there is money that we need to be going after.

One of the things that people tell me all the time about our ineffectiveness in fundraising is we're not asking me. As a matter of fact, I've been told by other Rattlers that the reason they don't give is because people aren't asking them. We're going to stop that. We're going to start asking people for money.

So 123,844,000, but real quick, if you take a
look at other peer institutions -- you know, I heard us talking about FSU and University of Florida and University of South Florida, just real quick, let me show you a couple of things, and I'm going to stop in case people have specific questions.

University of South Florida has an endowment of 417 million. University of Florida, you know, they consider themselves in another class, and you know why? Because of their endowment. They've got $1.5 billion. FSU has $625 million in their endowment. What did I say ours was? 123 million give or take some change, but don't worry about it, we're going to fix that, we are; and I'm not just talking. We're going to fix that.

I told a group I spoke to last week, I think the 20/20 Club, I told them that when I was in Missouri, my license plate says: In the Cash. Because that is what we are going to do. We're going to raise a lot of cash here at FAMU, but we've got to begin by understanding we're not raising enough money.

So when I say "this," I don't want people to get sensitive or get offended. I'm pointing to the -- you know, Chairman Montgomery was talking about
data, so were you, Trustee Lawson. Mr. Cotton is
going to be pointing to data. So when Mr. Cotton
comes to you and says we're reorganizing staff and
we're reorganizing teams, it's because we need
people who know how to raise money, it's that
simple. It ain't personal, it's business.

The President told me when I came in for the
interview, she wanted me to raise some money, and
she told me she didn't want any excuses. I don't
give them. So I'm telling you: We have the
ability to do it, but I'm going to need the help,
the influence, and the push of this Board of
Trustees.

The last thing about the investments, if you
can take a look -- and I'm assuming you have all of
this in your sheet. If you look at our
investments, we've done a pretty decent job. Our
return is right about 3.39 percent. We set an
investment goal of 7.79 percent, so we're a little
bit off. But if the trend continues, we should be
okay because it looks like last year we actually
exceeded our investment goals.

So our investment side -- and I had a chance
to talk to our investment director the other day.
Our problem isn't that we're not doing a good job
of investing, our problem is we're not giving our investment coordinator enough money to invest. You know, and if you think about your own checkbook, you'd earn more interest if you had more money, the thing with us: We'd have more interest if we were able to earn more money. But we also need to take a look at how we are investing because our peers are doing a slightly better job. We're right there in the middle, okay?

The last thing I'll mention is our alumni affairs, and Doctor Lee is here, so we can kind of rush through that, Angie, we'll come back to a few more things.

Our alumni giving rate, I think Doctor Lee told me it's eight percent. Again, the good thing is our alumni giving is eight percent, the bad thing is our alumni giving is eight percent. That's not good enough. 65,000 Rattlers, we've got to do better than eight percent.

And the reason we've got to do better than eight percent is because Spellman does better than eight percent; Morehouse does better than eight percent. A & T, we beat them this year, but historically they do better than eight percent.

So we've got to ramp up because the Rattlers
need to set the pace. We need people chasing us. You know, they say that we're -- you know, we say that we are preeminent, we want to be best in class, in this business, in fundraising, the way you do that is by raising the money.

So our alumni efforts are up. We've got alumni leadership gatherings that are taking place in the northern states. As a matter of fact, we've got one that will convene in Dedham, Massachusetts, for the 51st anniversary of the National Alumni Association, and FAMU Board of Trustee Chairman Rufus Montgomery has been invited, and I think he's accepted, the opportunity to be the keynote speaker for that event. Doctor Mangum will serve as a keynote speaker for an event in Quincy, Florida, on Saturday.

Rattlers are everywhere, our influence is everywhere. Doctor Lee is engaging additional alumni all across the country. The Rattler Boosters, as you're aware, are one of our extensions in fundraising arms, and they're preparing for their game edition of the Snake Bite Magazine which will highlight some of our activities.

The membership drive is continuing for the
Boosters, and the fall kickoff for the Rattler Booster initiative is scheduled for Saturday, August the 29th, put that on your schedule. It's at The Moon.

I ran through it because I want to save time for questions. You have the packet that gets more into specificity, but I want you to get an idea of where we're headed.

Okay. Mr. Chairman, are there questions or --

TRUSTEE LAWSON: Well, first of all, thank you; and, again, welcome Mr. Cotton.

And then I guess I would open the floor quickly to see if there are any questions regarding Mr. Cotton's presentation.

TRUSTEE MOORE: Just a quick comment, Mr. Chair.

TRUSTEE LAWSON: Yes.

TRUSTEE MOORE: Mr. Cotton, I'm absolutely impressed with the energy, and I know you are a bit modest; however, I would still ask: What is your goal in terms of fundraising, give or take a few million.

VICE PRESIDENT COTTON: That's an excellent question. And let me say that we have not set one yet and let me tell you why. We've got to do three
things, and I had a chance to talk to Trustee
Shannon about this.

We've got to do an internal assessment first.
So the first thing we're going to do within the
first 90 days, and we've already started it with
Associate VP Poole and Associate VP Lee. We're
sitting down and we're taking a look at our entire
staff, and we're asking tough questions: Are we
currently staffed the way we need to be to raise
money?

Let me say this so in case you hear it in the
bathroom or on the way to, you know, to Wal-Mart,
you get it from me first: We are not staffed to
raise money. We've got a staff of roughly
35 people, and there's one person in the office
that has the title of a major fundraiser. You
can't raise money staffed like that, so we've got
to revisit our staffing pattern.

So we've got to do an internal assessment, and
then we've got to ask ourselves: Who is FAMU?
What are the fantastic things about FAMU? What
would compel an individual to write a six figure or
seven figure check to FAMU? So we've got to ask
ourselves those questions. What does the community
look like? How does the community feel about FAMU?
We've got to talk to the deans, and we've got to talk to the faculty. We have to talk to the students and ask the students about what their needs are. We've got to answer all of those questions before we put dollar signs to it.

The way we do this in the fundraising business is we ask the questions first and then we ask: What does it take to do what the students cost? We're sitting here with a 7, $8 million deficit in athletics. We've got to figure that in. So we've got to come up with the questions and put the dollar signs with the questions before we set the figure.

Although, I have to be honest with you, the President, when I first came in, already told me that she didn't want to hear $5 million any more. So I can tell you five million won't be the goal; it will be considerably more than that because I've already been told by the boss $5 million is not going to work.

TRUSTEE MOORE: Absolutely. Thank you.

TRUSTEE LAWSON: Okay. Any other questions for Mr. Cotton?

(NO RESPONSE).

TRUSTEE LAWSON: Okay. If not, Mr. Cotton,
again, thank you. Welcome. We look forward to your activities.

MR. COTTON: Thank you.

TRUSTEE LAWSON: This concludes this committee and I believe I'm handing it off to Audit.

TRUSTEE WHITE: Yes.

(WHEREUPON, THE DIRECT SUPPORT ORGANIZATION COMMITTEE MEETING WAS ADJOURNED).

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CERTIFICATE

STATE OF FLORIDA   )
COUNTY OF LEON     )

I, NANCY S. METZKE, RPR, FPR, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 25th day of July, 2015.

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NANCY S. METZKE, RPR, FPR
Court Reporter
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