

**NC State Natural Resources Foundation, Inc.  
Board Meeting Open Session Minutes  
October 27, 2016**

**Members Present:** Jim Buzzard, Chairman; Jim Bowen, Sam Cook, Lara Brown Fuenmayor, Vicki Hardee, Hunter Jenkins, Lewis Ledford, Barbara McCutchan, Dick Porterfield, Phil Rea, Ron Terry, Genie Ussery, Scott Wallinger, Mary Watzin, Beth Wilson

**Members Absent:** Blas Arroyo, Lou Boos, Dick Ludington, Mary Peloquin-Dodd, Harry Sideris

**Others Present:** Robin Banker, Bob Bardon, Sarah Corica, Ellis Cowling, Scott Douglass, Thomas Easley, Myron Floyd, Tom Gower, Marko Hakovirta, Hasan Jameel, Sandy Jones, Matt Kollman, Marian McCord, Robert Narron, Jennifer Piercy, Brittany Sweeney, Jennifer Viets, Patti Woodbury

Chair Buzzard called the Annual Meeting to order at 10:55 a.m. at the Embassy Suites, Cary. He welcomed all present and introduced Hunter Jenkins, a new director of the board; Marko Hakovirta, new Department Head of Forest Biomaterials; Genie Ussery and Beth Wilson, being considered for appointment as directors to the Board; congratulated Ron Terry on being selected as the CNR Alumni of the Year and Sam Cook who started as Executive Director of Forest Assets July 1, 2106. Mr. Buzzard reminded members of the Conflict of Interest and Code of Ethics Policy.

Dean Mary Watzin provided an update on the College of Natural Resources. She discussed new hires, college recognitions, space improvements, student enrollment, the CNR budget expenditures and changes, Hofmann Forest management, timber deed analysis, other monetization opportunities, college sponsored projects, the college strategic plan, diversity and inclusion, graduate education and the college outlook for the future.

Chair Buzzard announced the Board recessed for lunch at 12:05 p.m.

Chair Buzzard reconvened the Board at 1:20 p.m. He presented a slate of nominees from the Nominating Committee for election or appointment as Directors, Officers, and Committee Members and a slate of recommended nominees for consideration by the full Board of Directors. Genie Ussery and Beth Wilson stepped out while the vote was taken. The vote was unanimous to elect Ms. Ussery and Dr. Wilson as directors of the Board effective immediately, and to approve the slate of officers and committees.

Dr. Hasan Jameel, Jordan Family Distinguished Professor for Natural Resource Innovation in the Department of Forest Biomaterials and Matt Kollman and Robert Narron, Graduate Research Assistants in Forest Biomaterials, provided insight to the board on their current research projects and the impact the Jordan Family Endowment has made to them and the college. They are currently studying biorefinery, lignin, and how they can be used and managed differently.

Lou Boos, whose term as director expired with this meeting, and Art Raymond, who resigned to accept a role with the Endowment Fund, were recognized for their service. Mr. Boos and Mr. Raymond were not able to be in attendance but were recognized for all of their time and support of this board.

Lara Brown Fuenmayor and Sarah Corica provided an update on the capital campaign and communications. Board members were asked to write thank you notes provided in their notebooks to donors as identified in their packets. Those notes would be mailed on behalf of the board.

The meeting recessed at 4:45 p.m. In lieu of a reception and dinner, board members were invited to attend the Evening of the Stars Gala where Dr. Terry would be recognized as the College of Natural Resources Alumni of the Year.

Respectfully submitted:

A handwritten signature in cursive script, reading "Vicki S. Hardee", is written over a horizontal line.

Vicki S. Hardee, Secretary

**NC State Natural Resources Foundation, Inc.**  
**Board Meeting Open Session Minutes**  
**October 28, 2016**

**Members Present:** Jim Buzzard, Chairman; Jim Bowen, Sam Cook, Lara Fuenmayor, Vicki Hardee, Hunter Jenkins, Lewis Ledford, Barbara McCutchan, Dick Porterfield, Phil Rea, Ron Terry, Genie Ussery, Scott Wallinger, Mary Watzin, Beth Wilson

**Members Absent:** Blas Arroyo, Lou Boos, Dick Ludington, Mary Peloquin-Dodd, and Harry Sideris

**Others Present:** Robin Banker, Sarah Corica, Ellis Cowling, Mike Dickerson, Shelia Fisher, Myron Floyd, Ann Goodnight, Sandy Jones, Jennifer Piercy, Jennifer Viets

Chair Buzzard reconvened the Annual Meeting to order at 8:37 a.m. at the Embassy Suites, Cary. A motion was made by Scott Wallinger and seconded by Jim Bowen to approve the open and closed session minutes of the following board meetings. The motion carried.

- April 28, 2016
- April 29, 2016
- June 27, 2016
- June 28, 2016
- September 1, 2016

Jim Bowen explained the purpose for originally creating two quasi endowments (established in past years) to cover financial needs of the college due to a shortfall in revenue from the Hofmann Forest. He made a motion (attached) to approve a resolution from the Executive Committee to liquidate the two quasi endowments totaling about \$4.6 M (NC State project numbers 671535 and 671604) if the need arises. The funds will not be liquidated unless needed. The motion carried.

A motion was made by Jim Bowen on behalf of the Executive Committee to merge the two quasi endowments mentioned above. The motion carried.

Jim Buzzard gave the Chair's report. He requested the board be thinking about new directors for consideration to serve on the board and emphasized demographics of the board. He reported that the CNR Foundation website will contain more information relative to the board including meeting location and committee appointments. It currently has the names of the board members, a very brief bio of each board member, the board meeting agendas, bylaws and other pertinent information, but the information contained on the site will be expanded.

The Advancement Committee report was given by Mr. Buzzard. The committee will meet more frequently between board meetings. The thank you notes from board members are a good idea. The role of the board and how it can engage with potential donors will be changing and the board will take an active role participating in the capital campaign. A suggestion was made that business cards might be printed for board members.

Jim Bowen gave a report from the Audit and Finance Committee. The committee reviewed the budget and the three-year anticipated budget for the foundation. Mike Dickerson provided an update on investment return and the quasi endowments.

The Forest Management Committee report was given by Dick Porterfield. He presented for consideration of approval a revised Management of College of Natural Resources Foundation Forests Portfolio (attached). The revisions to the portfolio are reflective of changes in roles with the addition of the Executive Director of Forest Assets. A motion was made by Hunter Jenkins and seconded by Jim Buzzard to approve the revised portfolio. The motion carried.

Dr. Porterfield also reported:

- Things are going well with RMS at Hofmann Forest.
- Hurricane Matthew did very little damage to Hofmann Forest and it has had substantial student use.
- We have paid the fine to EPA.
- The monitoring system has been implemented.
- Sam Cook is creating a report on all of the forests connected to the foundation with their use and statistical information.
- The Foundation is looking into the possibility of a Solar Farm at Hofmann.
- Mitigation credits continue.
- Other monetizing opportunities are being considered.

An update was provided by Lara Brown Fuenmayor on the current capital campaign, fundraising, partners and relationships with the college, and asked board members to help identify some of the corporate and foundation top partners with whom the board might have relationships or contacts. Discussion focused on connecting the college with top partners.

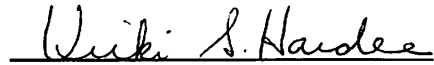
Ann Goodnight, an NC State University Trustee, brought brief remarks, encouragement, and a thank you to the board for their work and continued support with the capital campaign.

Chair Buzzard announced the meeting would go into closed session at 10:25.

The meeting was announced in open session at 11:05 a.m.

With no further business, the meeting adjourned at 11:07 a.m.

Respectfully submitted:

A handwritten signature in cursive script, reading "Vicki S. Hardee", is written over a horizontal line.

Vicki S. Hardee, Secretary

**NC State Natural Resources Foundation, Inc.  
Resolution Liquidating Two Quasi Endowments**

**Whereas**, the Foundation established two quasi endowments in past years to cover financial needs of the college due to a shortfall in revenue from the Hofmann Forest; and,

**Whereas**, a timber deed has been executed on the Hofmann Forest; and

**Whereas**, the college has short and intermediate term needs to meet its obligations,

**Now, therefore, be it resolved**, that the Board of Directors of NC State Natural Resources Foundation, Inc. authorizes the Foundation Treasurer or his/her designee to liquidate either or both of the quasi endowments (NC State University project #s 671535 and 671604), as needed to meet the cash flow needs of the College.

**APPROVED:**

**ATTEST:**

**By:** \_\_\_\_\_  
Lara Brown de Fuenmayor, President  
NC State Natural Resources Foundation, Inc.

**By:** \_\_\_\_\_  
Vicki Hardee, Secretary  
NC State Natural Resources Foundation, Inc.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

## Management of College of Natural Resources Foundation Forests Portfolio

(Updated June 1, 2015, [Oct. 24, 2016](#))

### College of Natural Resources Forest Ownership Objectives:

A portfolio of educational, research and demonstration forests is an asset that benefits the faculty and students in the College of Natural Resources (College) at N. C. State University. These forests are owned either by the NC State Natural Resources Foundation, Inc. (Foundation), the Endowment Fund of North Carolina State University or the State of North Carolina for the benefit of the College.

The Foundation seeks to ensure that the College has a diverse Forests Portfolio of suitably located educational and research forests to support the teaching, research and demonstration needs of the College. The Foundation has the responsibility for forests in the Forests Portfolio that are owned by the Foundation and will make recommendations to the Endowment Fund for forests owned by the Endowment Fund.

The Hofmann Forest is managed under direct oversight of the Foundation. The Bull Neck Swamp property is managed by the Wildlife Management faculty for wildlife research. The other forests in the Portfolio are managed by the Faculty Forester, currently Dr. Glenn Catts, with the active involvement of the [Executive Director of Forest Assets and College Faculty](#) Forests Advisory Committee<sup>1</sup> to ensure the forests are actively used by the faculty and students to the forests' full potential as teaching and research assets.

The **Forests Portfolio** includes:

Forest	Acres	County	Owner	Acquired	How Acquired
Goodwin	1,319	Moore	Foundation	1968	Bequest & Purchase
Hosley	265	Franklin	Foundation	1994	Gift
Taylor	118	Nash	Foundation	2007	Gift
Gates	3,735	Gates	Foundation	1976	Gift
Lee	126	Johnston	Endowment	2007	Bequest to University
Timaca	102	Person	Endowment	2008	Bequest to University
Schenck	360	Wake	State of NC	1937	Transfer from state
Hill	2,482	Durham	State of NC	1930	Gift plus Purchases
Bull Neck Swamp	6,037	Washington	State of NC	1995	Transfer from state
Hofmann Forest	78,940	Jones/ Onslow	Endowment	1934	Purchased via a bond issue

<sup>1</sup> A [College Faculty Forests Advisory Committee](#) within the College is comprised of the Head of the Department of Forestry and Environmental Resources, and a designated Faculty Representation from Forestry, Wildlife Biology, Natural Resource, Environmental [Sciences Studies](#) and Parks, Recreation and Tourism [Management](#), [Forest Biomaterials](#), and perhaps others with approval by the Dean.



## Forest Management Plan

A Forest Management Plan (a comprehensive plan to include all forests related to the College) guides the Faculty Forester in the management of the forests. The Faculty Forester has direct responsibility for preparing and implementing the Management Plan for forests except for Hofmann and Bull Neck Swamp. He will work with the assistance of a Silvicultural Liaison from the Department of Forestry and Environmental Studies and student interns. The Forest Management Plan seeks to ensure all the forests are optimally managed as a portfolio. The Faculty Forester reviews and updates the plan every five years in consultation with the Executive Director of Forest Assets and College Faculty-Forests Advisory Committee. The revised plan is then reviewed by the Foundation's Forest Management Committee and the Dean of the College.

The Management Plan contains two elements specific to each forest: Forest Management and Program Support.

**Forest Management.** The Forest Management element includes annual projected revenues from timber harvesting and hunting leases together with expenses associated with silvicultural activities. The income and expenditures on each tract are separate for accounting purposes, and all net income is spent in compliance with donor intent, if applicable, for those forests that were gifted to the Foundation or to the Endowment Fund. Funding for student interns who work on the forests comes primarily from the revenues of the Goodwin Forest, due to the educational value of the intern experience.

**Program Support.** The Program element identifies and tracks expected use of the forests for instruction, research and demonstration by the College and any other parties. The use of each forest for these purposes will be documented annually to include: use for scheduled summer or other camps; use by faculty and their classes, including the number of students who use the forests for documented hours or days; research studies in place or completed historically; and any grants for research that are received based on use of the forests.

The Faculty Forester will provide a report annually to the Dean and College Faculty Forests Advisory Committee on performance against the plan objectives and provide an opportunity for any refinement of the plan based on experience. The Executive Director of Forest Assets and/or Faculty Forester will provide a report annually to the Foundation's Forest Management Committee at its fall meeting and based on the prior fiscal year's performance of the forests against the management plan and on the programmatic usage of the forests. The Foundation's Board will receive a summary of the annual performance report from the Forest Management Committee.

When the Executive Director of Forest Assets with support of the College Faculty-Forest Advisory Committee determines that a forest owned by the Endowment Fund or by the Natural Resources Foundation is no longer needed for programmatic purposes or Portfolio funding, the Executive Director of Forest Assets and Faculty Forester will inform the Forest Management Committee of the Foundation. That Committee will then determine the future use or disposition of the particular forest and recommend appropriate action to the Dean and the Foundation Board or the



Endowment Fund Board, along with the recommended use of the funds received to support the forest portfolio and the College.

If, after review of historic and projected usage information about an existing Foundation or Endowment Fund Forest, the Foundation's Forest Management Committee may (with input from the Executive Director of Forest Assets and Faculty Forester) recommend to the Dean and Natural Resources Foundation Board and the Endowment Fund Board in the event the forest is owned by the Endowment Fund the disposition of the forest if that will better benefit the College's mission and needs. Similarly, the Forest Management Committee may recommend to the Dean and Foundation Board the acquisition of an additional forest to the Forests Portfolio to meet a programmatic need such as greater net revenue generation to support the portfolio, additional forest or soil types or topography, etc., that is not met within the existing portfolio.

### **Acceptance of New Forests**

1. NC State University has a Gift Acceptance Policy that applies to gifts of land.
2. Unless a donor planning a bequest or making a gift explicitly wishes a forest to be owned by the University Endowment, it is preferable for the Foundation to own the donated forest. This allows revenues from all Foundation-forests to be used as needed to maintain all of the foundation-owned forests in the Portfolio to compensate for variations in cash flow from individual forests. Surplus funds may be used for scholarships or other College purposes. The Foundation could elect at some point in the future, if appropriate, to gift some pieces of property to the Endowment Fund (with the agreement of the Endowment Fund).
3. The initial step in this policy requires a determination of the programmatic use for a land gift. If the Faculty Forester, with input from the Head of the Department of Forestry and Environmental Resources and others in the College as appropriate, verifies a programmatic purpose for the land gift, the gift (after other steps in the Gift Policy are completed) will become a part of the College's Forests Portfolio. The overall Portfolio Forest Management and Program plans will be revised accordingly.
4. If a land gift already owned by the Endowment Fund and or Natural Resources Foundation no longer has programmatic value, The College Advancement Office and Faculty Forester will make a recommendation to the Natural Resources Foundation's Forest Management Committee on the best use of the land, in accordance with donor intent and applicable laws.