

**NC State Natural Resources Foundation, Inc.
Board Meeting Open Session Minutes
Talley Student Union and via Zoom
September 29, 2022, 3:00 p.m.**

Members Present: Hunter Jenkins, Myron Floyd, Jennifer Piercy, Mary Peloquin-Dodd, Lewis Ledford, Blas Arroyo, Barbara McCutchan, Sam Cook, Brian Dangler, Miles Daniels, Georgia Brown, Larry Perkins, Gray Carter, Genie Ussery, Tom Hines, Lou Boos

Members Absent: Harry Sideris, Gary Allred, Erin Delehanty

Others Present: Brooke Labashousky, Shane Jarvis, Chris DePerno, Erin Elliott, Cathy Moon, Melissa Pasquinelli, Rob Scheller, Sarah Corica, Josh Gira, Jennifer Viets, Joann Cox, Ross Meentemeyer, Paula Harrod

Chair Hunter Jenkins called the Annual Meeting of the NC State Natural Resources Foundation, Inc. to order at 3:02 pm. He welcomed Erin Elliott and the board introduced themselves.

It was announced earlier this morning that Jennifer Piercy had been chosen as the Assistant Dean of Advancement which also makes her President of the NC State Natural Resources Foundation, Inc. The board congratulated Jennifer Piercy on her new permanent role.

The Conflict of Interest statement was read. No conflicts were noted.

Jennifer Piercy reviewed the agenda for the meeting.

The minutes from the April 28th and 29th Board meeting were approved with a motion from Lewis Ledford, seconded by Barbara McCutchan. The motion passed.

A motion was made by Barbara McCutchan, seconded by Genie Ussery to approve Erin Elliott as the new Board Secretary. The motion passed.

Joann Cox, Brian Dangler and Georgia Brown were asked to leave the room. Chair Jenkins reviewed the Nominating Committee memo dated August 24, 2022. Georgia Brown was nominated to fill a vacant seat that will expire in 2025. Brian Dangler was nominated to fill the position vacated by Dick Ludington which will expire in 2024. Both of these individuals will still be eligible to be reappointed for an additional four year term. A motion was made by Blas Arroyo, seconded by Barbara McCutchan to reappoint Georgia Brown and Brian Dangler for the terms noted. The motion carried. Georgia Brown and Brian Dangler rejoined the meeting.

Chair Jenkins further reviewed the nominations for the open board seats. There are four openings and three nominees. Joann Cox, Dale Threatt-Taylor, and Michelle Wells have all agreed to be elected. There are ongoing conversations with a potential fourth candidate, but more time is needed to complete the process. There being no additional comments or questions, a motion to appoint Joann Cox, Dale Threatt-Taylor, and Michelle Wells to four year terms to expire in 2026 was made by Lewis Ledford and seconded by Barbara McCutchan. The motion passed. Joann Cox rejoined the meeting.

The leadership of existing committees was discussed. Barbara McCutchan and Genie Ussery are ending their service and Blas Arroyo has been the acting chair of the Audit and Finance Committee. Gary Allred has been nominated as Chair of the Forest Management Committee to

replace Barbara McCutchan, Gray Carter has been nominated to succeed Genie Ussery on the Advancement Committee, and Blas Arroyo has been nominated to be the permanent Chair of the Audit and Finance Committee. A motion was made by Genie Ussery and seconded by Barbara McCutchan to appoint these individuals. The motion carried.

Blas Arroyo presented the Audit and Finance Committee report. Mary Peloquin-Dodd presented the Treasurer's report, including an Investment Summary pie chart which was provided to the Board. At June 30, 2022 the Foundation had total investable assets of \$53.8 million. Operating Cash Investments made up about \$4.8 million of total investable asset. Of that amount, approximately \$1.9 million was invested in the NC State Intermediate Term Fund (ITF). This fund realized a net investment return of -5.7% for the one-year period that ended June 30, 2022, as compared to the benchmark of -6.1%. Additionally, \$2.9 million was invested in the State Treasurer's Short Term Investment Fund (STIF) at 6/30/22 with a current annual yield of 0.6%.

Life Income Funds consisting of two Charitable Remainder Trusts that are managed by TIAA-Kaspick had a market value of \$1.4 million at June 30, 2022. These funds experienced a net return of -13.1% for the one-year period that ended June 30, 2022 as compared to the benchmark of -11.9%.

Long-Term investments are the bulk of the Foundation's assets and are endowments that were valued at \$47.6 million as of June 30, 2022. Endowments are invested with the NC State Investment Fund, Inc., which realized a net investment return of 3.2% for the one-year period that ended June 30, 2022, as compared to the benchmark of -9.0%.

In addition to the endowments held by the Foundation, the College of Natural Resources also receives support from endowments invested in the long-term pool held by the University Endowment Fund. These entities provide support to the College of Natural Resources with combined market value of \$193.7 million as of June 30, 2022. This includes the Hofmann Forest Timber Deed proceeds invested in the long-term pool, as well as the non-timber deed portion of the Hofmann Forest. The College of Natural Resources had \$244.3 million in endowment support, including assets held by the Natural Resources Foundation and other associated entities as of June 30, 2022. This makes the College one of the strongest supported Colleges in the country.

Overall, the benchmark return on the portfolio was -11%, so a return of 3% was exceptional. The private equity investments had a return of approximately 35% which offset losses in other investments.

Barbara McCutchan presented the Forest Management Committee report. There was an overview of the Forestry and Environmental Resources Department and Chris Moorman gave a presentation. Sam Cook gave an overview of Forest Assets and various activities at the various forest properties. Barbara McCutchan noted that over the years the focus of the Committee had evolved from practical management of the forests to more of support of education in Forestry. Chair Jenkins thanked Barbara McCutchan for her leadership of this Committee.

Genie Ussery presented the Advancement Committee report. Jennifer Piercy gave a report of fundraising as of the end of the fiscal year. CNR has become the role model for stewardship despite several vacancies on the Advancement staff. Several large gifts are pending.

There will be a facilities tour tomorrow. The hope is to spark interest in those who might be able to help with needed upgrades.

Dean Myron Floyd gave the College of Natural Resources Update, with updates on the Management Team, student success, research and innovation, community impact, and the budget outlook.

The campus is back to near normal. CNR had 296 first year students (up three from last year) and graduate student enrollment slightly declined to 100 from 124 last year.

Soon the College will be hiring a Director of Career Advising and Professional Engagement. This will be someone dedicated to working with undergraduate students to connect them with potential employers. This will help students manage their professional plans.

Dean Floyd covered several challenges that the College is facing. Students have opportunities to participate in study abroad, undergraduate research, and alternative spring break. However, not all of our students have access to take advantage of these opportunities because of financial need. The Terry Enrichment fund helps with this. We are hoping to find more resources to allow more students to participate.

Mental health and wellbeing is a growing challenge. CARES (Student Behavioral Case Management at NC State) cases have risen significantly from 2020-21 and 2021-22. To respond to this, the idea of having case managers/councilors embedded inside the college is being considered, potentially sharing them with another college.

The College is also facing the challenge of financial need, which is a University wide issue. Many of our graduate students don't make a livable wage. 74% feel their financial situation negatively impacts their mental, emotional, and/or physical health.

The Research and Innovation total research portfolio is about \$60m. There were 12 awards over \$200k. The SAFI Consortium (Sustainable Alternative Fibers Initiative) netted \$1.2m for partners working together to study and promote utilization of alternative fibers.

With regard to philanthropy, as of June 30, 2022, \$4.4 million was raised, exceeding stretch goal by \$400k.

Three new named Distinguished Professors have been named:

- Dr. Ivani Mali – The Ecology Wildlife Foundation Distinguished Professorship in Conservation Biology
- Dr. Erin Seekamp – Goodnight Distinguished Professor in Coastal Resilience and Sustainability
- Dr. Corey Johnson – Karla A. Henderson Distinguished Professor in Parks, Recreation and Tourism Management

The Jim Buzzard Leadership Development program will be launching in the Spring of 2023. Jason Bocarro has been appointed Director.

CNR is proving to have an impact on the community through vacation supported agriculture, a Tourism Extension project run by Duarte Morais. Tourists that go to the coast can request produce to be delivered to them. Revenues in 2021 & 2022 were about \$90k.

Collaborations are also ongoing with St. Augustine's University, a local HBCU. CNR has worked with them to provide undergraduate research opportunities by hosting two students, but we would like to grow the program to 10 students. The cost is about \$3,000 per student.

A CNR staff appreciation cookout was hosted by the Executive Team.

Searches are ongoing for a Department Head in Forest Biomaterials, Associate Dean of Diversity and Inclusion, and a Director of Continuing and Professional Education. The latter position will be in CNR Extension and Engagement and is different from the Director of Career Advising mentioned prior. This person will serve the entire College and manage contracts, etc.

With regard to the Budget outlook, there was a FY22 Legislative increase for salaries of 2.5% and in FY23 the Legislative increase was increased to 3.5%. There was also a FY23 1% labor market adjustment approved for employees whose current salaries were below comparable positions.

There was also authorization to provide bonuses, but no guidance has been provided from Human Resources. This initiative was also not funded by the Legislature, leaving CNR to cover the cost of the program, thus we may not address the topic this year. There may be retention, sign-on, and recruitment components, but there will also be performance bonuses. This will be a real cost as it is likely to become an ongoing expectation.

CNR FY22 expenditures were \$45.7 million and a pie chart was presented showing the breakdown.

The Hofmann Forest timber deed value at 6/30/22 was \$106.339 million, which includes the current year spending budgets of about \$3 million. The value at 9/30/21 was \$110.6 million.

CNR priorities for the coming year include:

- Aligning with the University Strategic Plan
- Strengthening our Culture and Community
- Staff and Faculty Retention
- Completing our Leadership Searches

Jennifer Piercy presented the Advancement update. Day of Giving will be held on March 23, 2023. The board has had a 100% participation rate since inception of the event.

The CNR Enhancement fund raised \$121,000 of the \$90,000 goal for FY22. We now award \$20,000 in transfer scholarships, raising the need to \$110,000 for FY23.

Staffing issues in Advancement are a concern. We are planning to participate in a cost sharing model with University Advancement meant for a Stewardship pilot position. This is a centralized model that shares costs between Central Advancement and the College, but the role is dedicated to the College. We hope to have the role filled by January. The board is invited to provide feedback as many are recipients of stewardship efforts.

CNR will be benefitting from several University wide gifts. The new Goodnight Doctoral Fellows program will be allocating two students to CNR each year. Stipends for these graduate students are expected to be \$30,000 per year.

There is also a new International graduate student support and emergency fund. This will provide about \$10,000 per student for up to 50 incoming International students.

We are expecting a land gift of about 138 acres. This will be the first of its kind for the University. The property will be for programmatic purposes only and cannot be sold. It has two conservation easements on it so there are only two buildings. It also has significant deep water access and can be used for a wide variety of research in the College. Normally the University would not allow this type of gift to be accepted because it can never be sold, but because of what it offers, the University will allow us to accept.

Chair Jenkins thanked Mary Peloquin-Dodd for her long and distinguished service as her last day before retirement will be the next day, Friday, September 30th.

Jennifer Piercy reviewed logistics for Friday as the impact of Hurricane Ian was likely to be felt before morning.

Chair Jenkins reviewed upcoming meeting dates. The next meeting will be held January 26-27, 2023.

A motion to adjourn was made by Tom Hines and seconded by Lewis Ledford. The motion carried and the meeting concluded at 4:51 p.m.

Respectfully submitted,

Erin Elliott

Erin Elliott, Secretary

NC State Natural Resources Foundation, Inc.
Board Meeting Open Session Minutes
Tour of CNR Facilities
September 30, 2022, 8:00 a.m.

Members Present: Myron Floyd, Jennifer Piercy, Blas Arroyo, Barbara McCutchan, Sam Cook, Larry Perkins, Gray Carter, Tom Hines, Jazmin Varela

Members Absent: Harry Sideris, Gary Allred, Hunter Jenkins, Mary Peloquin-Dodd, Erin Delehanty, Lewis Ledford, Brian Dangler, Miles Daniels, Georgia Brown, Genie Ussery, Lou Boos

Others Present: Erin Elliott, Cathy Moon, Rob Scheller, Melissa Pasquinelli, Sarah Corica, Josh Gira, Jennifer Viets, Michelle Wells, Erin Sills, Paula Harrod

On Friday September 30, 2022, the NC State Natural Resources Foundation Board of Directors convened for a tour of CNR Facilities. Inclement weather due to Hurricane Ian impacted attendance, but the remaining members embarked on a review of the facilities.

The tour included:

- Hodges – Dry Kiln Area
- Hodges Wood Products Lab
- Biltmore Collaborative Space (Roots Café) and Courtyard
- Chemistry Lab in Robertson Hall
- Papermaking Pilot Plant
- Biltmore Main Lobby and Upper Lobby
- PRTM Department-4th Floor Biltmore
- Lab – Biltmore 2026
- Classroom – Biltmore 2010
- Classroom – Biltmore 3032
- Natural Resources Library and Café – Jordan Hall
- Graduate Student Spaces – Jordan Hall 3rd Floor
- Lab – Jordan Hall 3132
- Center for Geospatial Analytics – Jordan Hall 5103
- Classroom and Lobby Space – Jordan Hall Addition 1216
- ETM Lab and Classroom – Jordan Hall Addition 2214 and 2230
- Classroom – Jordan Hall Addition 3214

Each of the areas demonstrated completed renovations as well as some in progress or planned, modernizing spaces for the benefit of the whole CNR community. Several presentations by faculty of research and teaching in various areas were available along the route.

The tour concluded with a lunch and discussion of the facilities and brainstorming for next steps.

The meeting adjourned at 1:15 p.m.

Respectfully submitted,

Erin Elliott

Erin Elliott, Secretary