

# HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

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## FOUNDATION

### OPERATIONS REPORT November 6, 2014

The following information provides an overview of operational activities in the Foundation offices since the April Board meeting.

#### GENERAL & ADMINISTRATIVE

##### Insurance renewals

Foundation insurance policies either have been or are in the process of renewal:

D&O/EPLI/Crime/Fiduciary Renewal for the period of 1/28/15 to 1/28/16  
General Liability and Excess Liability renewal 11/15/14 to 11/15/15  
Commercial Property renewal 11/15/14 to 11/15/15  
Railroad Liability renewal 05/31/2014 to 05/31/2015

Due to challenges with the current vendor, Kissman and Brennan will be looking at the possibility of doing an RFP for insurance services in the future.

##### Office Telephones

The office has changed over the phone system to a web-based phone system which will be saving the Foundation approximately 65% per year.

##### Office Computers

Have been updated and now include video cameras and speakers to accommodate video conferencing (see BOARD).

##### Tobacco-Free Campus

The Foundation will be concurrently adopting a new Smoking and Tobacco Use on University Property policies to those being issued by FAU on smoking effective January 1, 2015. As our tenant, Oceans, Reefs and Aquariums (ORA) has been informed of the expectation for employee and visitor compliance with this policy will be expected.

##### Background Checks

I have requested that Bill Stewart conduct background checks (criminal, credit and employment/education verification) on me and Colleen Brennan for our personnel files.

##### SOPs

We are continuing to codify Standard Operating Procedures (SOPs) for internal operations in the event of sudden employee turnover.

##### Emergency Succession Plan

We have completed an Emergency Succession Plan document with key organizational information in the event of sudden employee turnover.

#### 403(b) Retirement Plan

Currently HBOIF has a 401K plan for Kissman and Brennan. We have a previous 403(b) plan which are attempted to get closed. We are down to one former employee participant who is in the process of withdrawing from this fund so that it can be closed.

#### Johnson Ed Center Board Room

We have worked with HBOI to update the Johnson Ed Center Board Room to better accommodate our needs for future meetings. The expenses associated with these updates were born by HBOI.

### **BOARD OF DIRECTORS**

In addition to planning and pulling together background information and logistics for our Board of Directors meetings (Special and the upcoming November meeting), we have also planned and supported several Committee meetings.

We developed the 2015 Meeting Schedule for full board and Committee meetings (which includes the 2015 Audit timeline to meet FAU requirements).

As previously reported, the September visit to Scripps was very productive. See attached.

We hosted, provided a tour for, and had lunch with Board member candidate Marjorie Raines on September 29.

Kissman has been working with Stewart to understand the implications of telephonic meetings under Florida Sunshine. Based on Stewart's recommendation, Kissman and Brennan have reviewed opportunities for Video Conferencing and have determined that zoom.com may be the best option for the Board to consider. More information to follow.

### **FINANCIAL**

#### Policy Implementation

Implementations of all policies in the board-approved Financial Policies and Procedures manual have now been fully implemented. Implementation of all policies in the board-approved Human Resources manual have now also been fully implemented.

#### FY15 Mid-year Budget Revision

An FY15 Mid-year Budget Revision will be presented to the Finance Committee at its January 9 meeting with the intention of Board approval at its January 22 meeting.

#### Audit

The FY14 Audit process went very smoothly thanks to Brennan's tremendous organizational skills and attention to detail. A full report on the Audit can be found in the Audit Committee meeting minutes and documentation provided for the meeting.

#### Audit RFP

The Audit Committee has reviewed and agreed to circulate an RFP for a new Auditor. Best practices suggest a regular rotation of auditors. This is currently in process.

## **SPECIALITY LICENSE PLATE PROGRAM**

On July 23, HBOI scientists presented progress and findings relating to the FY 2014 SLP awards at the SLP Research Symposium. Kissman and Brennan attended and Kissman spoke on behalf of the Foundation.

Proposals for FY2015 SLP funds have followed a comprehensive call process resulting in a first round of approved and pending grants. As previously reported, FY 2015 Specialty License Plate call for proposals that included full scale studies for Aquaculture (AQUA) and Save Our Seas (SOS), and pilot scale studies for AQUA, SOS, Protect Wild Dolphins (PWD), and Protect Florida Whales (PFW) has been completed. Full proposals under a second round of funding under PWD and PFW SLP will be reviewed November 19. Michael Minton is the Foundation's representative to the review process with additional participation by Kissman and Brennan.

Kissman worked with HBOI staff to determine how best to reconfigure SLP marketing needs with the departure of the individual in the previous SLP Marketing position. Kissman and Brennan participated in the search process for the new Marketing Coordinator. With that hire, there has been a tremendous amount of collaborative work on the administration and marketing, and monitoring for legislative compliance of the SLP program thanks to Colleen Brennan, Conlan Kennedy, Carin Smith and Cara Perry.

As previously reported, the HBOI Communications team has created 4 great new video spots produced with SLP Marketing funds which are being used in a variety of ways, including on social media and as paid advertising spots.

Also as previously reported, FLORIDA OPINION RESEARCH was contracted to provide market research to assist with the promotion of the sales of our specialty license plates. At the conclusion of the research, staff received transcripts, topline, aggregate results, and a key findings presentation. This research assisted the HBOI Communications team in developing a comprehensive and targeted marketing plan to best allocate marketing dollars to increase specialty license plate sales.

A Webinar is being planned for the Board so that the Communications Team can more fully report on the results of the market research and the details of the marketing plan.

**Last but definitely not least**, monitoring for legislative compliance of the SLP program has been conducted primarily by Brennan. Using a structured system of timely checks and balances with HBOI accounting, HBOIF is in full compliance

## **GRANTS ADMINISTRATION**

Current grants made are on track. The LOBOs Discretionary Grant was invoiced and paid at the end of FY14. Operational grants for FY15 have been invoiced and paid. Ongoing funds toward the two initial hires (Dr. Laurent Cherubin and Dr. Mingshung Jiang) have been invoiced and paid in the first quarter; ongoing funds for the two initial hires and the hire for the third new faculty hire (Dr. Marty Riche) for the second quarter have been invoiced and paid. The first quarter Faculty Incentive Awards grant funds have been invoiced and paid. The first quarter Faculty Excellence/Salary Support grant funds have been invoiced and paid. Interviews for all three Development Team positions are well underway.

Kissman has been working closely with Davis regarding incoming grant proposals for the FY15 Discretionary Funds. Full proposals for consideration by the Grants Committee are due to HBOIF in early December. The Grants Committee will meet and consider whether or not to recommend funding to the full board at the January Board Meeting.

## **HBOI DEVELOPMENT**

Kissman participated in the development of positions descriptions and Kissman and Brennan have participated on the Search Committees for the three Development positions: Development Director, Assistant Development Director, and Development Program Administrator. All three searches are in the interview stage (the first Development Director search was a failed search).

In anticipation of the new team being put in place, the Foundation brought in temporary assistance to do basic foundation research through a subscription to the Foundation Directory Online as well as organize all previous Foundation development files. This should assist with the effective onboarding of a new Development team.

Kissman and Davis have had extensive conversations about the structure and opportunities for the new Development team which will also include the current Friends of Harbor Branch position and activities.

## **HBOIF REAL ESTATE HOLDINGS**

### Learning Garden Montessori

Thanks to the Ad Hoc Real Estate Committee and most especially Bill Stewart and his staff, Learning Garden Montessori is no longer our tenant at our parcel called "Lakela's Mint (property tax code 1408-311-0003-00-1).

### Oceans, Reefs and Aquariums (ORA)

The relationship with ORA continues to be strong. Kissman had a meeting with Serge Rivera and Kerri Malett to discuss ORA's request to HBOI to assume responsibility for the maintenance of the North Salt Water jetty wells. Kissman and Stewart are working with FAU and HBOI to make this happen.

### Other

Kissman is working with the Florida Petroleum Reprocessors Site PRP Group regarding the Foundation's involvement in remedial and ongoing monitoring of "area wide" groundwater impacts (by chlorinated hydrocarbons) through the four identified on-site wells, as well as other, off site properties. The Foundation has been notified that it will be necessary for the Group to raise additional funds to cover EPA's bill for past oversight costs, as well as future EPA oversight costs, remedy related, and common counsel costs. This will be the first cash call since the time of execution of the remedial design/remedial action (RD/RA) consent decree (CD) in 2004. The goal of the upcoming cash call should be to raise enough money to take the Group through the completion of the CD. The cash call will be based upon the final allocation percentages that the Group established in 2004. However, since the group last raised funds ten years ago, several PRPs have gone out of business. The Group's Steering Group is currently working to confirm the identities of defunct companies as well as determining if they have successor entities. The funds would be raised on a pro-rata basis, under the final allocation formula voted upon by the Group in 2004, adjusted for the defunct Group members. More information will be reported when made available.

Kissman also responded to several inquiries regarding the possible listing of "Greenacres" properties on Peacock Road. Realtors have been invited to submit offers from serious buyers.

## **2015 LOVE YOUR LAGOON**

As reported, planning for the 2015 is well underway.

The 2015 **Love Your Lagoon** Honoree is Mr. Mark D. Perry, Executive Director, Florida Oceanographic Institute.

The 2015 **Love Your Lagoon** Honorary Host Committee Co-Chairs are Mr. Karl M. & Mrs. Monica Steene. Honorary Host Committee Members include Mr. Michael & Mrs. Mimi Brown, Sr.; Mr. Bob & Mrs. Amy Brunjes; Mr. Noel A. Hoover, EA & Ms. Debrah J. Agnello; Dr. John & Mrs. Mary Beth McDonald; Mr. David & Mrs. Beth Moulton; Mr. Tobin R. and Mrs. Margaret Overdorf; Mr. Donald & Mrs. Linda Proctor; Dr. Dennis & Mrs. Jeannie Saver; Dr. Ed & Mrs. Susan Smith; Mr. Richard and Mrs. Diana Stark; Mr. Michael J. & Mrs. Leslie Swan; and Dr. Val & Mrs. Tracey Zudans.

The Save the Date postcard was snail mailed and emailed November 5 to over 2,000 individuals.

In addition to media releases sent, publicity includes ads in the Stuart Charity Datebook, Stuart Magazine, Vero Beach Magazine, and Scripps Treasure Coast Newspapers and postings on social media..

To date we have the following: sponsors

Oyster Sponsor (\$10,000)

PNC

Scripps Treasure Coast Newspapers (almost confirmed!)

Dolphin Sponsor (\$5,000)

Katha Kissman (to again cover the cost of HBOI IRL Faculty and Spouses to attend)

Colleen Brennan (to cover other HBOI Faculty and Spouses to attend)

Manatee Sponsor (\$2,500)

Stuart Magazine

Seahorse Sponsor (\$1,000)

Dr. John and Mrs. Mary Beth McDonald

The seven students who have been awarded Indian River Lagoon Graduate Research Fellowships from the proceeds of 2014's **Love Your Lagoon** will also be attending the dinner.

## **GIFT SHOP**

Operations at the Gift Shop are much approved as reported to the Finance Committee it is now running pretty much break even. However, overseeing the Gift Shop inventory and proceeds is extremely time consuming for little return. Kissman and Brennan are working on a report to discuss the advantages of moving Gift Shop operations completely from the Foundation and back to FAU (similar to the notion of a campus bookstore).

## **PUBLIC RELATIONS AND OUTREACH**

Additional activities have included:

- Kissman and Brennan have conducted faculty interviews in order to better understand HBOI research
- Kissman joined Impact 100 and ASAE on behalf of HBOIF
- HBOIF has joined BoardSource with an organizational membership
- Kissman invited Jim Seitz to Harbor Branch and had an opportunity to learn more about the history of the merger with FAU
- Kissman arranged for and hosted Clay Henderson and Dean Rollins from Stetson University visit 5/13/14 along with HBOI staff

- Brennan attended the HBOI Emergency Response Plan Refresher 7/2/14
- Kissman and Brennan attended the HBOI Research Recognition for Calendar year 2013 7/9/14
- Kissman and Brennan attended the FAU Harbor Branch IRL Observatory Science and Technology Advisory Committee 7/29/14
- Kissman and Brennan attended the 41st Annual Harbor Branch Summer Intern Symposium 7/31/14
- Brennan attended the Florida Specialty License Plate Meeting at the Kennedy Space Center 9/10/14
- Kissman attended the Harbor Community Bank and The American Cancer Society VIP Host Committee event re: The Relay For Life of Indian River Beaches 9/22/14
- Kissman and Brennan attended the HBOI Emergency Center Operations Training Workshop 9/23/14
- Kissman attended The Art of Networking Event, Indian River Cultural Committee at Riverside Theatre on 9/26/14
- Kissman and Brennan attended the Stuart/Martin County Chamber Of Commerce Council of Chambers luncheon 10/3/14 (President Kelly guest speaker)
- Brennan attended a Legislative Luncheon at HBOI which included Rep. Cary Pigman and staffers from Senator Nelson and Congressman Murphy's offices 10/20/14
- Brennan attended the HBOI Active Shooter in the Workplace Safety Workshop 10/23/14
- Kissman informally assisted with the Indian River VNA Presidential Search
- Kissman informally assisted with the Environmental Learning Center Executive Director Search
- Kissman presented at the BoardSource Board Leadership Forum in early October
- Kissman met with Amos Bussmann in DC in early October
- Kissman met with Congressman Murphy's and Congressman Rooney's aides in DC and visited the HBOIF-maintained aquariums in early October
- Kissman and Brennan working with HBOI staff on the planning for the Moorings Gunkhole Gang visit on 12/10/14
- Kissman and Brennan worked with HBOI staff on the planning of the Indian River Land Trust 25<sup>th</sup> anniversary event featuring the Junior Scientist program to be held 11/13/14
- Andrew W Callahan Congressman Tom Rooney (FL-17) tour 10/31
- Economic Development Council of St. Lucie County, Inc. meeting (guest speaker President Kelly) 6/3/14
- Kissman worked with HBOI staff on the donation from Sustainable Treasure Coast dissolution (funds and archives)
- Kissman and Brennan assisted with the 2014 HBOI Annual Report copy
- Kissman and Brennan are working with HBOI staff on the status of the Wild Dolphin App

**From:** Katha Kissman

**Sent:** Saturday, September 06, 2014 8:33 AM

**To:** C. Amos Bussmann; Jacqui Thurlow-Lippisch; Joe Duke ; Karl M. Steene; Marilyn C. Link; Megan Davis; Michael Minton; Michael O'Reilly; Michael Toner; Nancy Higgs; Robert Stilley; Sherry Plymale; William J. Stewart Esq.

**Cc:** Colleen Brennan

**Subject:** Hello from La Jolla!

Dear Members of the Board,

Taking a moment before packing and heading to the airport to update you on our visit to Scripps Institution of Oceanography (and just a couple of photos – Cara and Megan have many more if you are interested!)

We have benefitted greatly from all that we have observed and learned. Just as we have our science presentations at our Board meetings and opportunities formal and informal board development is considered a governance best practice. Ensuring that Board members have access to relevant information to help inform decision making provides opportunities for greater organizational growth and mission fulfillment.

First, and most important, Margaret Leinen sends her very best. She is thinking of coming to **Love Your Lagoon** this year. Hopefully her plans work out so that everyone will be able to see her.

Margaret and her staff arranged a very extensive lineup for us. Starting with an overview of the Institution with Deputy Director Jeff Gee, we were able to ask specific questions about where Scripps is in its organizational life cycle compared to that of Harbor Branch, particularly in its relationship under UC San Diego like ours with FAU. Scripps was founded in 1903 with legacy giving from members of the Scripps family. Today it encompasses both ocean and Earth science research, public service, undergraduate and graduate training. Over the years, it actually had been affiliated with two other Universities before it came to be under the UCSD system in 1960. In terms of organizational development, we are definitely “younger” than Scripps in many ways. We do have an advantage over Scripps in that our campus and our buildings, thanks to FAU, are not currently aging. Maintenance and repair are huge issues facing Scripps right now.

In addition to this, we have also had a chance to hear from scientists and students regarding Scripps’ areas of research that are similar to ours. These can provide possible opportunities for institutional collaboration under the goals of HBOI’s Strategic Plan: Marine Biotechnology and Biomedicine, Marine Mammal Research, Coastal Physical Oceanography, Coral Reef Ecology, Ocean Observatory Systems, Engineering. Megan now has great contacts to follow up with and many ideas for collaboration were discussed. Cara was able to meet with her counterpart here (Kathleen Ritzman) to learn more about how Scripps handles communications, legislative advocacy, and external relations/outreach. We are also confident that what we have learned will also help to inform the incoming Development Department team (news on that front should be coming shortly!)

Big “aha’s” for me were:

- They are about twice HBOI’s size (budget, staff, and array and complexity of programs) but the deferred maintenance issues they are facing now may be something that probably needs to be on HBOI’s (and our) radar.
- Their location is a huge advantage for many aspects of their research (right on the ocean) particularly with the Scripps Pier. They are right on top of the water; while we do have the channel, our labs and operations are set back from the water.
- Despite their age, their current endowment is actually less than the Foundation’s corpus (around \$62 million) and restricted.
- They are heavily reliant on Federal grant funding and State allocations through the University which could leave them highly vulnerable if those giving pockets are impacted. HBOI currently has a far more diverse funding pool with 60% coming from a variety of external funding. While this can be seen as both a positive and a negative, HBOI’s strong history of scientist activism in finding soft money combined with the HBOIF’s ability to be nimble is significant for us.
- They shared some very interesting information on their IP process as well as how they have taken advantage of deliberate intersects with other areas of the University (School of Medicine, Chemistry)
- However, a key difference (and possible opportunity for HBOI) is that they have taken great advantage of using their beautiful open campus to increase connections with the public as well as generate alternate revenue streams (and help with stewardship and cultivation of donors). They have a newer building called The Forum which they regularly rent out – there is a wedding booked there virtually every weekend year around. They provide the land, electricity and water for the Birch Aquarium, which while a separate

501(c)(3), is inextricably branded with Scripps (The Birch Aquarium at Scripps) – a huge visibility feature and outreach opportunity. The manner in which Birch sets up its exhibits and works collaboratively with Scripps' researchers may provide an excellent model for helping to establish more effective outreach opportunities to engage with the public for Harbor Branch. Their open access has members of the public using the campus for fitness walking, enjoying the views, and their extensive Café is open to the public, another revenue stream. There is great sense of pride by the community to have Scripps here and to be able to use their campus.

There is much food for thought to bring to the Board about possibilities to leverage HBOIF future grants. These would be in line with the goals developed by Mike Toner and the Grants Committee to consider HBOIF funding opportunities that:

- a) have a potential to make a big impact on Harbor Branch,
- b) may be for something that may not have the possibility of funding from another internal or external source, and/or
- c) may be leveraged as needed matching funds to another external source

And ultimately, to use HBOIF's funding to send a powerful, visible message to the external community that will demonstrate Harbor Branch success so as to attract additional funders for Harbor Branch (supporting the development strategy) and/or that will help us in our efforts to grow our Endowment which would ensure a significant and everlasting revenue stream for Harbor Branch (our stated mission and fiduciary responsibility).

Most helpful was how generous and forthcoming Margaret and her staff were with sharing their observations on what has worked and what were hard lessons learned. This spirit of openness and sharing was greatly appreciated by us all!

Back in the office on Monday if you have any questions!

Katha

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