

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

Minutes Meeting of the Board of Directors Board Room, 2nd Floor, Johnson Education Center January 22, 2015

PRESENT: C. Amos Bussmann; Joseph Duke, Chair; Michael O'Reilly, Treasurer; William J. Stewart, Esq., Secretary; Megan Davis, PhD., Interim Executive Director, HBOI; Nancy Higgs; Marilyn C. Link, Director Emeritus; Jacqui Thurlow-Lippisch; Michael D. Minton, Esq., Vice Chair Sherry Plymale; Karl Steene; Robert Stilley

ALSO PRESENT: Katha Kissman, President & CEO, HBOIF; Colleen Brennan, Director of Operations, HBOIF

ABSENT: Mike Toner

Call to Order

The meeting was called to order at 8:40 am by Chair Duke. Secretary Stewart determined there to be a quorum.

Chairman Comments

Chair Duke welcomed Board Members and thanked the Committees for carrying the heavy lifting of the business of the Foundation since the November meeting. He noted the Agenda actualized how we now fulfill our mission from the results of our generative conversation with Vernetta Walker of BoardSource at that meeting. Duke reminded the Board that a board of directors operates in three different modes at different times for different reasons:

- Fiduciary. Stewardship of tangible assets...Shift from Oversight-only to Inquiry—A key part of any board's job is to ask questions, Audit example...“this is the bedrock of governance....If a board fails as fiduciaries, the organization could be irreparably tarnished or even destroyed.” What do we do?
- Strategic. Partner with senior staff to determine future strategic directions...Shift from episodic every 2-3 year planning retreats to Strategic Thinking every meeting...“Without Strategic, governance would have little power or influence. If the board neglects strategy, the org could become ineffective or irrelevant.” How do we do it? How do we capitalize on it?
- Generative. This is when you are talking about the meaning of an issue, as a group trying to better understand an important issue from different perspectives, talking about different ways to look at the challenge or opportunity...this is your source of leadership to discern, frame, and confront challenges rooted many times in values, traditions, and beliefs—Interactive. Why should we (shouldn't we) do it?

The Generative Mode is **what comes first** – It generates the other important decisions about mission and strategy, problem-solving and decision-making. Generative often asks questions like “What are we about?” or “How do we interpret our mission, knowing we cannot do everything?” Boards often do not spend enough time on the big question, “What is really going on here?”

At that meeting, the Board agreed that we fulfill our mission by:

- The careful investment and stewardship of our Endowment and providing strategic and impactful grant funding to Harbor Branch.
- And as a Foundation Board that is fully educated about Harbor Branch who acts individually and collectively acts as ambassadors to inspire the public about Harbor Branch

We agreed to continue our generative discussions on two issues:

- the role the Foundation should or shouldn't play in advocacy and lobbying
- the role the Foundation should or shouldn't play in building the corpus

Chair Duke reported that Katha Kissman, President & CEO, would be facilitating the generative discussion on advocacy and lobbying later at this meeting and Megan Davis and Cara Perry, FAU Harbor Branch's Director of External Relations will provide the Board insight from the FAU Harbor Branch perspective.

Chair Duke noted that we will have a generative discussion about building our corpus at the April meeting.

Chair Duke welcomed our newest Board Member, Marjorie Raines, provided a brief reminder of her background, and reported that he had asked Raines to assume the role of Chair of the Audit Committee following Michael Minton's request to step down from that role. As our Bylaws state the respective Chairs and Members "shall be selected by the Chairperson in consultation with the Chair of the Nominating Committee and elected by the Directors at the Annual Meeting" the motion to confirm Raines as the Chair of the Audit Committee passed unanimously.

With regard to Minton's service as Audit Chair, Chair Duke commended Minton for leading the Audit Committee through some very complicated audit years on behalf of the Foundation, positioning the Foundation to a clear and comprehensive SLP audit and monitoring process.

Consent Agenda

Secretary Stewart called for approval of the Consent Agenda:

- Approval of the November 13, 2014 Board Meeting Minutes
- Audit Committee Report (see Minutes of the January 8, 2015 meeting)

The motion to approve the Consent Agenda was unanimously approved.

Committee & Operational Reports:

Foundation Committees ensure that we fulfill our mission through the careful investment and stewardship of our Endowment and providing strategic and impactful grant funding to Harbor Branch. Committee Meeting Minutes were provided to Board Members in advance of the meeting to fulfill their Duty of Care.

Governance Committee

Referring to the minutes of the last Governance Committee meeting, Secretary Stewart provided the Governance Committee Report which outlined the Committee's work with regard to both Board Leadership Succession Planning in light of Chair Duke's announcement that at some point in the not too distant future he will likely step down. Stewart further reported on the planned CEO Performance Evaluation Process which will be launched in February and concluded in preparation for the March Finance Committee meeting.

Finance Committee

Treasurer O'Reilly reported on behalf of the Finance Committee from its last meeting regarding the current investments (approximately \$67,000,000), the retirement of two hedge funds to save fees and

how those funds will be reallocated within the portfolio. There was discussion about the value of doing an RFP for investment services in the future. Kissman reported on the FY15 Mid-Year Budget Revision. The motion to approve the FY15 Mid-Year Budget Revision with a slight modification of the Audit and Form 990 prep fees per the engagement letter from Berger, Toombs, and a possible renegotiation of the Legal - Other line (fees for the Metz, Husband, & Daughton contract) was approved unanimously.

Grants Committee

Kissman reported on behalf of Committee Chair Toner on the Grants Committee meeting of January 20 in which members heard proposals for two innovative projects for possible FY15 Discretionary Grant funding:

- **Applying New Technologies to Transform Marine Natural Products Discovery**
(Request: \$320,000.00)
- **Detection & Characterization of Fish Spawning Aggregations using a Novel, Persistent Presence Robotic Approach**
(Request: \$330,795.00)

Total combined request: \$650,795.00

With further input from Committee members Duke and Bussmann as well as from Dr. Megan Davis, the following motion was approved unanimously:

To approve funding for these two projects up to the combined amount of \$629,828.61 which is the sum of \$500,000 in discretionary funding budgeted for FY15 and \$129,828.61 in the FAU Foundation Discretionary Fund for use by HBO at the discretion of HBOIF with the understanding that the grant award will be contingent upon:

- a. The balance of \$20,966.39 needed to fully fund both projects will either be provided by identified funds from HBOI or trimmed from one or both projects at HBOI's discretion;
- b. The establishment of benchmarks for both projects provided within 30 days of the grant award, and
- c. The establishment of a communications plan for announcing progress on each project both internally and externally within 30 days of the grant award.

Davis reported that FAU Harbor Branch had already identified funds to cover the gap between the request and the funding if the projects were funded.

HBOIF Operations Report

Kissman provided a written report of operational activities since the last Board meeting. Kissman reported that the Foundation was actively moving toward video conferencing technology for Board and Committee meetings as may be needed and will be sending information to Board Members to sign up for *zoom* technology. It was noted that attendance at meetings in person was always highly preferred, video conferencing was second best, and telephonic participation in meetings was acceptable. She also went over plans for the 2015 **Love Your Lagoon** event on February 6, encouraging Board members to make a last strong effort to sell tickets and consider donating additional silent auction items.

FAU Harbor Branch Operations Report

Davis provided a written report of HBOI activities since the last Board elaborated on several of the items to the Board. In particular, Davis provided additional information about Research Activities and Funding to HBOI, HBOI's education activities, an update on Foundation grant projects including the newly hired Development Director and Development Program Administrator, and several operational initiatives and activities: Explore Harbor Branch – Fee-based guided tours are far into the planning stages and the anticipated start date is March 2015; a new HBOI Overview video launched in December; the 2014 Harbor Branch Annual Report; and the changes with the Link Port Café.

[There were no formal reports from the Audit Committee, Nominating Committee, or Ad Hoc Real Estate Committee for this meeting.]

Generative Discussion

Cara Perry, FAU Harbor Branch's Director of External Relations joined the meeting

Kissman introduced the Generative Discussion: Engaging in Advocacy on behalf of Harbor Branch: "In what way does Advocacy and Lobbying contribute to our mission to support FAU Harbor Branch? What role should or shouldn't the Foundation play in Advocacy and Lobbying?" Kissman reminded the Board of the Duty of Care and that a nonprofit board speaks with one voice.

After lengthy discussion, it was agreed that Kissman would draft an Advocacy Policy for the Foundation in conjunction with Davis and Perry and vet it with Stewart as legal counsel prior to circulation to the Board for their review and discussion at the April Board meeting. Said policy is to focus on the Foundation's support of FAU Harbor Branch that would be based on the facts in scientific research rather than opinion on potential solutions to issues or problems.

Adjournment

There being no further business, the Board Meeting adjourned, followed by lunch, a science presentation/lab tours, and a reception with team members from the Robertson Coral Reef Research and Conservation Program – Coral Reef Discovery and Conservation and Coral Reef and Molecular Ecology programs. These activities were designed to further fulfil our mission by being a Foundation Board that is fully educated about Harbor Branch who can individually and collectively acts as ambassadors to inspire the public about Harbor Branch.