Welcome and Introductions
Dan O’Leary called the meeting to order at 11:45 am. He stated how important it is for the Board to know that the college’s current financial challenges have had no impact on GPC Foundation funds. The Foundation is audited by an independent, external auditor annually and donations to the GPC Foundation have not been compromised in any way. Dan O’Leary introduced Interim President, Rob Watts. He thanked Mr. Watts for attending the Board meeting and being willing to update the Board on the current state of affairs at the college and discuss steps that are being taken to rectify issues.
SUCCESS

President’s Report

President Watts reported that the college’s is facing a $16 million deficit. He told the Board that all state agencies are required to balance their books by the end of the fiscal year, and as a result, a number of short term initiatives were implemented to try and balance the college’s budget by June 30, 2012. These actions include canceling purchase orders, travel and all spending that is not mission-critical. These short term initiatives have helped reduce the deficit by $7 million. $9 million will have to be borrowed from another institution in order for Georgia Perimeter College to end the 2011-2012 fiscal year with a balanced budget. As a result, Mr. Watts said, the college will start the 2012 – 2013 fiscal year on July 1, 2012, with a $25 million deficit.

President Watts informed the board that a reduction in force had to be implemented, and the college had to reduce its staff by 20 percent in order to decrease the college’s debts. This resulted in the displacement of 215 full-time employees and 67 part-time employees in non-faculty positions. No additional layoffs are anticipated. Currently, the variable as to what additional actions need to be taken in the future will be reliant on the college’s fall enrollment. Mr. Watts added that admission standards on the remedial level have been raised across the University System of Georgia, and may affect GPC’s enrollment. The college is working very diligently to push enrollment so that it can match previous enrollment numbers.

The President addressed a concern raised by Trustees, about how recent immigration laws may affect the college’s enrollment. These laws make it illegal to enroll undocumented students and have been enforced among five USG institutions; however GPC is not amongst the five institutions. Mr. Watts added that undocumented students are required to pay out of state tuition. The college is working hard toward a plan to increase the enrollment of international students.

President Watts also informed everyone that the college is on schedule to offer four year degrees in Health informatics as well as in Sign Language this fall.

Jeff Tarnowski addressed the importance of communicating to the public the message that great things are still occurring at the college.

Dan O’Leary emphasized the importance of Board members communicating to donors what is happening at the college, how GPC is communicating this to the public as well as how GPC will be handling this issue moving forward. Donors also need to know that the Foundation’s endowment is not being affected.

President Watts informed the Board that there has been no evidence of fraudulent behavior identified as the cause of GPC’s deficit, to date. At this time the cause seems to be attributed to internal controls and management issues. The definite cause, however, will not be disclosed
until after the auditors have completed their investigation and have issued a report. State auditors are expected to release their report in October.

Comprehensive Campaign Update: “The Campaign for Georgia Perimeter College”
Jeff Tarnowski, Vice President for Institutional Advancement, reported on the status of the Comprehensive Campaign. He reviewed the thorough process of preparing for this campaign, including identifying prospects and identifying the needs of the community we serve. Currently, the campaign is in the silent phase. Mr. Tarnowski asked the board for their impressions on whether or not to continue as planned with the Comprehensive Campaign. Board members agreed to go forward with the campaign.

The issue of the college’s financial challenges will need to be addressed appropriately during this campaign, along with the fact that Foundation funds are separate from the college’s funds, and are not affected by the deficit. Board members recommended that the campaign be flexible, given the recent events. Some of the college’s leadership have already been asked to support the campaign and have already made donations.

The time frame to hire a new president will most likely won’t be determined until the current financial state of the college is resolved. Jeff Tarnowski would like to develop a strategy to determine what adjustments need to be made in relation to the track of the campaign with Board members at the August Board of Trustees Retreat. Barbara Obrentz, GPC’s Director of Marketing and Public Relations assured the Board that MPR will continue sharing the college’s success stories along with information on its positive faculty, to show the public that the college’s quality of service has not been compromised by the recent financial events.

Dan O’Leary encouraged the board members to visit the Dental Hygiene Clinic located on the Dunwoody campus. He shared how amazed he was with its quality of service during a recent visit.

BUSINESS

Approval of Minutes
Dan O’Leary asked for a motion to accept and approve the minutes for the April 25, 2012, GPC Foundation Board meeting. A motion was made by Al Byrd, seconded by Keith Barnett, and approved unanimously with no discussion.

Approval of Memorandum of Agreement
Vicki Carew asked for approval to renew the Foundation’s existing Memorandum of Agreement with the college. All institutionally-related Foundations are required to have an active MOA, which details the responsibilities and expectations between the College and the Foundation. These agreements must be renewed every five years. The Board unanimously moved to approve this renewal.
Treasurer’s Report
No report at this time.

Investment Report
Kelli Rogan, Financial Advisor from Merrill Lynch, gave a market update. She reviewed the Foundation investment report with the Trustees. She suggested reducing risk with Foundation assets until after this year’s presidential election.

Year to date Foundation funds are currently up 4% in the endowed account. These accounts are doing well. Changes made this year include moving some funds from bonds to dividend paying stocks. Non-endowed accounts are up 4 1/2% percent. Ms. Rogan anticipates a different fall market so assets will be taken off the table in order to be protected.

Golf Committee
Jeff Tarnowski reported that this year’s golf tournament raised $127,000 in revenue. 210 players participated in this year’s event. The event was very successful and the weather was beautiful. Mr. Tarnowski thanked the board members who participated in this event and announced that next year’s tournament will be held on Friday, May 10, 2013.

Announcement/Upcoming Events
Vicki Carew announced upcoming events which include the annual President’s Dinner on August 16, 2012 at Fleming’s Prime Steakhouse & Wine Bar. The Dinner will be followed by the Board of Trustees Retreat on Friday, August 17th at the Newton Campus College Center. The next Board of Trustees meeting will be held at the Clarkston Campus Student Center on Wednesday, October 17, 2012.

Phil Shinall suggested changing the location of the president’s dinner in an effort to support the college’s efforts to cut spending. Ms. Carew agreed to investigate the terms of the contracts already secured for the event and hold further discussions about scaling back the event.

Ms. Carew reported that the Foundation has taken steps, however, to reduce costs by moving this year’s board retreat from Fleming’s Restaurant to the Newton Campus. Also, lunch will not be provided at this year’s fall convocation.

Dan O’Leary thanked President Watts for attending and requested that he addresses the Board again after the audit reports are published.

WITNESS

Adjournment
Dan O’Leary asked for a motion to adjourn the meeting 12:54 pm. It was motioned, seconded, and approved.