

Episcopal HBCU Committee Meeting

Monday 16 July 2018; 9:00 am (ETD) by Zoom

COMMITTEE MEMBERS PRESENT: Dr. Eugene Lowe; Canon Jamie Callaway; x; Dr. Joel Cunningham, Canon Michelle Hagans; Dr. Scott Evenbeck

COMMITTEE MEMBERS ABSENT: Canon Martini Shaw (Chair), Dr. Anita George.

CONSULTANTS: Ms. Tara Holley; Fr. Lang Lowery

CHURCH SUPPORTIVE STAFF: Mr. Kurt Barnes;

- **In the absence of the chair, Canon Callaway called the meeting to order** at 9:00 A.M. EDT. Dr. Evenbeck gave the opening prayer.

- **Upcoming Saint Augustine's Board Retreat**

Kurt is on an early flight from Washington but will not arrive until after ten. Lang confirmed that the retreat begins at 9:00 am Thursday through Friday afternoon until 3:00 pm at the latest. Gene expects to arrive at the beginning. This promises to be a lively meeting, with several board members on the attack. Tara gave some background of meetings with Dr. Ward and bishops Samuel Rodman and Anne Hodges-Copple. Points of contention are receiving an accurate 2018-19 budget, managing the SACS process and cost associated with preparation. Lang cautioned that usual board decorum wasn't always observed, and there had been litanies of attack on Dr. Ward by a handful of board members:

- Bylaws were not being observed) it has been agreed that there is a need to review them and Judge Perry is on a committee to do so)
- Outsourcing of security should have been approved by the board
- There is some distribution of financial information going to board members around Dr. Ward
- The TEC loan document never got on the table (questions of Why TEC wants so many guarantees?)
- Tara reported that the bishops had made calls to dissident board members to hear them out in advance of the meeting. Dr. Ward was encouraged to be more offensive to show the good works he is doing. It is agreed that the board has reasonable concerns for financial reporting and better communication. It seems that Judge Perry, now the board vice chair sides with at least some of the dissident concerns and that chair Hilton Smith has become less vigorous. Interim CFO Ed Patrick has become combative and is blaming the General Counsel for the failure in obtaining the proposed factoring load on grounds that it would require Rice Financial permission, which was lacking.

From her meetings at General Convention with Dr. Ward, the bishops and Lang, noted the following:

1. Finance is sending information to the board on its own, without vetting
2. Trustee Cheshire is enlisting others in dissenting (current online board list is attached.)
3. The North Carolina bishops have agreed make pre-calls to the dissidents.

Joel noted that our prayers for an active and engaged board have been answered and while they may be doing things that are problematic, that their active and concerned participation is desirable: "Gene and Kurt are on a peacekeeping mission and should arrive wearing blue helmets."

Report from Consultants

Dr. Lowery reported that earnings from the endowment have been zero because they had not marked to market. A calculation by Morgan Stanley should be a positive adjustment. (This could be a failure of the auditors in their previous reports.) Jamie noted that the big win had been Dr. Ward's obtaining the six-year repayment forgiveness from the Department of Education. Lang noted that Dr. Ward's serving on the United Negro College Fund (UNCF) board had led to implementing this strategy: this is a savings of \$1.2 million a year for six years, with some repayment coming. Lang added that the current terms of the TEC loan have omitted board members and allow for three-year repayment on favorable terms.

Ms. Holley reported that the Office of Development had raised over \$20K in gifts at General Convention to be split among Episcopal Relief and Development, Episcopal Migration Ministries and the Episcopal HBCUs. She is expecting before September 1 to develop fundraising board for the coming academic year. She expects that the 2019 Absalom Jones appeal will be strengthened by the existing 150 donors.

Canon Hagans spoke up, noting that our committee cannot underestimate the fear, distrust and anxiety that we create with the board as outsiders. There is basic distrust because we don't have relations with the board members. Fortunately, the bishops are part of the community.

Lang added that he had had dinner with Dr. Evans at the convention and that he is holding good news. With Saint Augustine's, Voorhees College was also included in the four HBCUs that received Department of Education deferrals. (Dr. Evans is withholding announcing this until he receives documentation.)

Jamie asked Lang about the reported Grant Thornton termination. Lang's information is that Ed Patrick terminated them because of an inability to pay. Dr. Ward knows that the accounts were building-up and is meeting with GT today. James Jordan was also asked to stand down, but is preparing a report on what remains. (Lang recalled that the board, on motion by Smith and Perry approved "any amount necessary to save the university.")

Mr. Barnes reported that of his five General Convention that this was the easiest, with virtually no discussion by bishops on the budget. His reflection is that since the Episcopal Church was instrumental in establishing the colleges, that over the years we fell apart, but are not increasing our attention, which is a part of our reconciliation. It's not that we are trying to arrange a take-over, but are carrying out a focus of PB Michael Curry. Tara closed by noting how much Dr. Ward wants to relation to grow and develop. The meeting concluded with a caution from Dr. Hagans that "It is hard to think about a long game after years of neglect; You can't turn around quickly, but it will take many years to accomplish.

Next meeting:

It was agreed that a swift follow-up from the board retreat was desirable: the next meeting is Monday 23 July at 9:00 am. Finally, the group pledged supportive prayers for this week's coming board retreat: *Lovely appear over the mountains, the feet of those who preach and bring good news of Peace.*

Jamie Callaway

Board of Trustees

Saint Augustine's University BOARD OF TRUSTEES DIRECTORY

Board Members

Board Committees and Terms

Ms. Chacona Winters Baugh

Term Expires: 2021

Board of Trustees, Secretary
Executive Committee, Secretary
Finance Investment Subcommittee
Student Services Committee

Ms. Pattye Brown

Term Expires: 2020

By-Laws Committee, Chair
Finance Audit Subcommittee
Nominating Committee

Mr. Joseph "Joe" Cheshire, V, Esq.

Term Expires: 2019

Board of Trustees, Student Representative
Student Services Committee
Academic Services and Technology Committee
Finance Development Subcommittee

Mr. Kendrick Cunningham
Student Representative

Term Expires: 2017

The Right Reverend Michael B. Curry

Term Expires: Tenure

Sharon Jones
Ex. Assistant to the Presiding Bishop and Primate

Mr. Henry Delve Debnam

Term Expires: 2021

SAU Attorney
Executive Committee, Ex-Officio Member
University Counsel

Mr. Charles T. Francis, Esq.

Non-Voting Member

By-Laws

Mr. Rodney E. Gaddy
Vice President Administrative Services

Term Expires: 2018

Mr. C. Neal Green

Academic Services & Technology Committee, Chair
Personnel Committee

Term Expires: 2020

Finance Development Subcommittee
By-Laws Committee
Nominating Committee

The Right Reverend Anne E. Hodges-Copple

Term Expires: 2020

Finance Committee
Finance Audit Subcommittee, Chair
Personnel Committee

Ms. Joyce E. Jarrett, MBA

Term Expires: 2018

Finance Development Subcommittee
Finance Investment Committee
Academic Services and Technology

Mr. Jack S. Lightbody, CMP

Term Expires: 2018

Finance Audit Subcommittee
Finance Investment Subcommittee
Nominating Committee

Eric L. Mansfield, MD, MPH

Term Expires: 2020

Executive Committee, At-Large Member
Student Services Committee, Chair
Academic Services and Technology

Mr. Rodrick T. Miller

Term Expires: 2018

Board of Transportation, Vice Chair
Finance Committee
Finance Development Subcommittee

Mr. Rudolph Morton

Term Expires: 2018

Term Expires: 2021

The Honorable James E.C. Perry

Board of Trustees, Treasurer
Finance Committee, Chair
Finance Investment Subcommittee, Chair
Personnel Committee

Mr. David B. Robinson

Term Expires: 2020

Term Expires: 2021

Bishop Diocesan Samuel Rodman

Term Expires: 2021

Mr. R. Lewis Sheats

Board of Trustees, Chair
Board of Transportation, Chair
Executive Committee, Chair
Nominating Committee
Finance Development Subcommittee

Reverend Hilton O. Smith

Term Expires: 2018
Executive Committee, Ex-officio
Non-Voting Member

Everett B. Ward, Ph.D.
President, Saint Augustine's University

Term consistent with Presidential tenure

The Reverend Canon Dr. Sandye A. Wilson

Term Expires: 2021