

MINUTES OF THE SHARE COUNCIL GENERAL MEETING

Emerson Alumni Hall, Warrington Room

Monday, May 9, 2016

10:00 AM – 2:00 PM

Members in Attendance: Chair Wayne Smith, Richard Barber, Reggie Brown, Peter Chaires, Kate English, Ray Goldwire, Tom Hart, Cody Helmer, Kevin Huesman, Carré Mitchell, Erny Sellers, Sharon Spratt, Michael Stuart, Kay Richardson and John Woeste.

Guests: Paul Caspersen, Christy Chiarelli, Julie Conn, Roger Davis, Erin Freel, Michael Garcia, Michael Sopko and Ali Pennisi.

Call to Order *Wayne Smith*

Smith called the meeting to order at 10:03 a.m.

Welcome..... *Wayne Smith*

Smith welcomed the Council members and asked that each person introduce his or herself. Smith recognized the three potential new Council members, Roger Davis, Erin Freel and Michael Garcia. He also shared Davis had been honored with the Farm Bureau Environmental Stewardship Award. Smith also recognized Peter Chaires as a new Council member. Smith reviewed the objectives of the meeting as outlined in the agenda and reaffirmed the purpose of the Council: to create awareness of opportunities for private support, build relationships with those who might provide private support, and generate support for IFAS.

Minutes of Previous Meeting..... *Carré Saunders*

K. English motioned to waive the reading and approve the minutes and S. Spratt seconded. Minutes approved unanimously.

Committee Reports..... *Kate English*
Sharon Spratt
Reggie Brown
John Woeste

Membership Committee – K. English

English reported that the committee met via conference call on March 24. The committee conducted a review of the active member roster and discussed members who have not been engaged. Committee members will be contacting those members to discuss whether they wish to remain active or move to Emeritus status. The committee is also vetting prospective new members to reach full membership. The Council is not close to full membership yet. The committee has identified the following potential new members:

- Vic Story, citrus grower who was inducted into the Citrus Hall of Fame;
- Robert Harding;
- John Rivers of 4 Rivers; and

- Mike Taylor of Baron Collier.

Referrals of potential members will be vetted and those who referred them will be kept confidential.

English shared that the current membership count stands at 33, with the addition of the three prospective members who will be voted on today. The committee has set a goal of 100% giving from Council members. There is no minimum required or no specific program which must be supported. Currently, 88% of members have given during their lifetime and 42% have given this fiscal year.

- **Nomination: Roger Davis, Erin Freel, Michael Garcia – new members**
K. English moved for a vote of the slate as is. E. Sellers seconded. Motion passed unanimously.

Communication/Education Committee – S. Spratt

Spratt shared that the committee met via conference call on March 24. They had an active meeting with lots of suggestions focusing on three main areas: volunteer engagement, education opportunities and donor relations. The committee set a goal for the members to provide at least fifty contacts, with each member providing two to three names each year. The committee will send reminders to the membership regularly. Another goal is to facilitate five to seven industry touches per year, including two to three industry events like cocktail receptions or educational opportunities. The committee brainstormed industry meeting opportunities such as Florida Pest Management Association, Florida Forestry Association, Citrus Mutual, IFTE, and Florida Fruit and Vegetable Association. Development staff will provide a calendar of what industry events they will be attending. Spratt asked members to help if they will be in attendance at these meetings. The committee also discussed creating a leave behind educational document that they can leave with prospects and potential donors.

Chiarelli thanked Spratt for her leadership in pulling the call together and providing measurable goals that can be benchmarked each year. She solicited feedback on the idea of the industry touches and what meetings would be meaningful for development staff to attend. She shared that the goal is to host two happy hour/receptions and that the budget had been allocated to allow the events. The forestry association came up as one industry that development needs to make connections with. Development staff looking for higher engagement groups that can be moved forward with better engagement.

Garcia confirmed that Florida Citrus Mutual, with Mike Sparks as the executive director, is interested in what IFAS is doing and having IFAS representation at their meetings. He felt this was a very good opportunity as affiliated industries are there as well. Stuart suggested the Cattlemen's Association. Chiarelli confirmed that they are on Development's list.

Chiarelli asked what the members would want to hear at such an event; did they feel that it would be meaningful to bring a dean or Dr. Payne. English suggested bringing scientists who are doing work which is relevant to the industry. She cited the example of the Highlands, NC event a couple of years ago when there were a lot of foundation people, but no scientists. She suggested bringing John Arthington to talk to the Cattlemen about accomplishments that have been made, thank the industry for their support and discuss the difference it's made. Smith suggested bringing scientists who could specifically discuss the impact of a gift. Chiarelli commented that, in the case of the Cattlemen, the timing is good because of the renovation of the Beef Teaching Unit and what has been accomplished together. Garcia suggested that because associated industries typically attend events, it would be helpful for them to hear what IFAS is doing that may not be directly related to the industry hosting the meeting, but would be to those affiliated industries.

Helmer asked if it would be preferable to do a happy hour, a mixer, or a small presentation. English said that mixers would be preferable, particularly if the scientists are paired with someone who can help to make

introductions for them. Chiarelli commented that Development relies on Council members for introductions at those types of events. Woeste suggested that it would be helpful that the scientists be prepared with a short elevator speech about their work and its relevance to industry. He also suggested leaving materials about the work that could be a takeaway for attendees.

Fundraising Committee – R. Brown

Brown shared that the university is on the verge of starting its fourth campaign. In prior campaigns, the overall goal had always been doubled; this campaign nearly doubled the last campaign's goal to \$3 billion. Funds have been counted towards the coming campaign since July 1, 2014, with the official launch of the campaign slated for the fall of 2017 to run through 2021. IFAS's goal for the campaign has been set between \$200 million and \$250 million. Smith asked how much IFAS raised in the last campaign. Helmer answered \$142 million. Brown shared that with a typical annual fundraising goal of \$25 million a year for seven years, the goal is doable. Helping to identify individuals to help meet that goal is where the Council comes in. There are currently 500 people in portfolio as friends and potential donors, which needs to increase significantly. The Council needs to help identify people to be cultivated and engaged who may want to give in the campaign.

Brown shared that IFAS Development has identified several areas of support:

- Center for Leadership,
- Plant Innovation Center,
- Institute for Sustainable Food Systems, and
- Nature Coast Biological Station.

These are the initiatives that have been identified as key areas of support to help move the campaign forward. However, this does not prevent or diminish the need for support of other areas in Extension, CALS and research, or any area that a donor has an interest in supporting. The typical gifts to IFAS have been in the \$100,000 to \$1 million range, though higher level donors are needed for the campaign. Whether a gift comes in as a bequest or a cash gift doesn't matter. The Council needs to provide names of donors for the Development staff to begin working with to secure support during the campaign. The Council needs to help Development staff meet its annual targets and grow them to ultimately get to the \$250 million.

Barber asked if agriculture has a share in this campaign. Brown responded that the SHARE Council will carry IFAS water in this campaign. Barber clarified by asking if IFAS has a Heavener or high level donor like that. Brown replied that Smith is our leader on the SHARE Council, with the members as the junior lifters to help IFAS reach its goals, recognizing that the members won't be writing checks to reach \$250 million but that the connections the group will make will get IFAS there.

Helmer shared the campaign planning documents with the group, drawing attention to the donor pyramid. He reported that we are strong in \$100,000 to \$1 million donors, but that we need to find additional donors at higher levels; one \$25 million donor, two \$10 million donors, eight \$5 million donors, etc. As we figured out what we need, we've been able to identify what we have and where we need more donors. The Council can help make connections with the donors we need. Smith asked how many prospects it would take to yield a \$25 million gift. Helmer responded that there is usually two to one ratio for \$1 million and higher, a three to one ratio for \$100,000 up to \$1 million. Brown again clarified that contacts are what are needed. The professional staff will work on contributions, Council members are not expected to make an ask, but just to provide the lead. He also shared that individual Council members won't be outed as having made the recommendation of a potential donor, there is a professional process in place. Brown requested that Council members not be intimidated by the process. Smith agreed that professional staff need to get in front of prospects and identify their passion.

Brown mentioned that there are a lot of folks in the industry who have appreciation for the role of IFAS that makes initial entry easier. Woeste asked if there was a plan for [further engagement].

Bylaws Revision Committee – C. Mitchell (for J. Woeste)

Woeste thanked the bylaws committee for their work on the revisions and turned over the discussion to Mitchell to update the members on the changes. Mitchell shared that there were four major changes to the bylaws:

- 1) Terms – Officers will serve for two years with the option to be reelected for an additional term. Member terms will be three years, with no limit to the number of terms which may be served. The membership committee shall track terms and will contact members whose terms are expiring to confirm their desire to continue. The Council will vote to approve continued terms for those who wish to continue serving.
 - 2) Executive Committee Structure – The executive committee shall be comprised of the chair, co-chair, standing committee chairs (and any ad hoc committee chairs), and the immediate past chair as voting members. The senior vice president, executive director, and secretary shall serve as non-voting members.
 - 3) Committee Memberships – Each member shall be required to serve on a committee and may self-select which committee. If a member does not select a committee, the membership committee shall appoint them to one. Committee service terms shall be two years.
 - 4) Voting Schedule – There will now be a fall and spring general meeting. Officer and new member elections/approval shall take place at the spring meeting, with terms to begin at the fall meeting.
- **Barber made a motion to approve the bylaws revisions. English seconded. Motion passed.**

*Continuing Education.....Rob Ferl
Anna-Lisa Paul*

Presentation regarding the Space Plants Program.

*IFAS Development Update.....Cody Helmer
Paul Caspersen*

Helmer provided members the campaign dashboard and reviewed the information. He shared that the university is in the quiet phase of the campaign, with progress to goal of \$710 million. Smith asked what the progress would be by the campaign kick-off. Helmer responded that the campaign would need to be at \$1 billion, one third of the way to goal.

Helmer also reviewed the unit dashboard, sharing that IFAS has \$3.76 million in pledges, \$9.33 million in deferred gifts, and \$22.66 million in cash gifts. The endowment has grown to \$120.9 million, up \$8.7 million with transfers to spendable of \$2.2 million.

Helmer provided an update on staffing. He shared that Mitchell will be leaving to take a new position and will be replaced by either a director or associate director. The process is currently underway to hire an assistant director of development. Chiarelli shared that the Foundation recognized the challenge of needing to grow development staff for the coming campaign, and in response put out a call for staffing plans. Strategic campaign positions were offered through the Foundation, providing a 50/50 salary split between the Foundation and the units. Thirty units applied for positions and twelve were selected, with IFAS being one of the twelve. There were 46 applicants for the position, which was narrowed to four to bring in for interview. Interviews will

be taking place this week and next. The position will be focused on pipeline development to help fill prospect gaps. The position will be filled June. The associate position posted on Friday and many applicants are anticipated.

Helmer shared that space is also a critical issue for the office, with the development staff expanding. Also, due to construction in McCarty, the office will have to move by year end.

Helmer introduced Ali Pennisi, the resource development coordinator for the 4-H Foundation. Helmer discussed the move of the 4-H Foundation's assets over to the UF Foundation. That move also deepened the relationship between IFAS Development and the 4-H Foundation. Pennisi will be fundraising for 4-H and accessing the Foundation database, using IFAS's records. Pennisi affirmed that she is excited to be able to use UFF resources to help 4-H in working with the Foundation board. She will also be gathering ideas of things they can do to help fundraise.

Helmer shared that he anticipates that the year will close with \$15 million in gifts, about \$12 million short of the goal. There had been 483 substantial contacts to date and 60 proposals submitted. Staff members leave and staffing issues had impacted this year. He anticipates that FY17 will be a good year. Helmer highlighted four gift closures: Arthur and Kathleen Hornsby, Wantman Group, Yara International, and Dr. William Brown.

Caspersen discussed a new proposed program, Commodities for Communities. The program is based on helping producers divert taxes. Typically, we have worked with individual donors, but commodity giving is not a new concept. It has been promoted by FFA, 4-H, and others. This program helps to identify a new audience and mode of giving to IFAS in the most efficient way possible. One of the most tax efficient ways to give is through gifts of commodities.

Caspersen reviewed the benefits of the program:

- Farmer/rancher doesn't pay taxes on income as it is assigned to the charity before sale,
- Reduces Social Security/Medicare withholding taxes,
- Can provide a drop to a lower tax bracket,
- No itemized deduction for gift of commodity
 - Deduction of inputs on schedule F, so there's typically no additional deduction.

Chaires asked who determines the value. Garcia responded that it would be the market value at the time of the gift/sale, which Caspersen confirmed. Smith asked about timber and whether it would be more advantageous to gift timber and then gift the land, or gift the land with the timber. Caspersen clarified that the tax advantage would be for individuals in active trade of commodities. For timber, it would be better for those who are not in the business of timber, but are just investors as investors would not be subject to self-employment tax. A gift of timber would be a charitable gift like real estate.

Caspersen shared that gifting commodities requires a good paper trail for the IRS so it doesn't come back as income. The producer delivers the commodity to the transfer agent who gives them a document to establish this as a gift to UF. UF receives a call from the transfer agent requesting permission to sell the commodity. The permission must come specifically from UF, because if the producer gives the permission it's their income. The transfer agent then sends the check to UFF for the purpose specified by the donor.

Woeste asked if a number is provided for producers' tax advisors to contact UFF, as they may not be aware of the particulars about this type of giving. Caspersen confirmed that the contact information is on the form and that there are three tax attorneys on the Foundation's team who can provide IRS codes as to why this is legal and allowable. He also clarified that this can work for sole proprietorships, C corporations, S corporations,

partnerships, etc. Garcia asked if there is an IRS letter to that effect that articulates the rules. Caspersen said that he can put that together. They debated whether to put that in the booklet, but decided not to create an additional document.

Barber asked if you can still deduct expenses if the income never hits the books. Sopko clarified that the important part is that the transfer agent contact UFF for the sale. English asserted that this is a control issue as to who has control of the asset; the generation of cash is never in your control. Stuart commented that UFF would need to demonstrate that they can move as quickly as the market to be effective. Smith asked if UFF can take futures. Caspersen said that there is a difference between crops and harvested crops.

Caspersen said that the most important audience for this effort is the center directors because of their daily interactions with producers. This was presented at their retreat earlier this year and he got calls within days asking for more information. The promotion plan for this program includes a dedicated Foundation webpage, posters, ads in publications, and most importantly, testimonials. Initially, they anticipate that this will be annual type gifts, but can grow to be larger major gifts.

Garcia asked if it would be possible to sell forward on five contracts and assign one contract in sell forward position to UF. Caspersen clarified that UFF would be required to deliver on the contract, which would be difficult. Freel suggested partnering with FSGA for a commodity day or a day of giving that people might be interested in. Barber asked about associations that contribute to research; would this be able to be used for research or have to go through UFF. Helmer responded that it depends on the research project and how it's set up, some could go to research and some could go through UFF. Brown shared that the Tomato Committee spends about \$300,000 a year that goes through research because they want specific research with specific outcomes.

Other Business..... Wayne Smith

SHARE Council Volunteer of the Year

Chiarelli shared that the Volunteer of the Year award is given at the Dinner of Distinction to someone who has helped the SHARE Council or helped IFAS. The development staff has suggested three individuals:

- Matthew Johnston, CEO, HM Clause
- Don Quincey, Owner, Quincey Cattle Company
- John Morris, Retired, VP, Foley Land and Timber

English asked is there is a limit of one awardee. Chiarelli responded that we are limited by the time of the program, there isn't time to do more than two. She posed the question of whether it dilutes the award to do more than one. English suggested that it's then a matter of scale. She feels that it should be awarded to Matthew because of how much he has done. **English moved to approve Matthew Johnston as Volunteer of the Year. Stuart seconded the motion. Motion passed.** Chiarelli will work to get a letter from Payne and Helmer and Johnston will receive the award on October 7 at the Dinner of Distinction.

Connection Session

Chiarelli provided the Council with 36 names that the staff sees as strategic connection that we need to get to know. She confirmed that there were no immediate plans to make an ask but that we want to choose eight to ten individuals that we can meet with in the next three months. Chiarelli asked the group to review the list for who can make introductions for lunch for eight to ten on the list by July 30. This will count as one point of contact of

the two required for the year. Hart said he could make a connection with Thayer and English will make a connection with Brian Paul.

Stewardship

Chiarelli discussed the importance of peer to peer stewardship; that it is more meaningful to receive a thank you from SHARE Council members than from staff. She provided a list of donors who have made significant gifts, retired faculty members, and those with more than five years of annual giving as research shows that they have the greatest propensity to include the organization in their estate plan. Chiarelli reviewed the list for members to select to whom they would like to write thank you notes.

Smith concluded the meeting by reminding the members of the Flavors of Florida event at the University House with the VIP reception being in Emerson Alumni Hall. He also extended an invitation to the members to the October 7 Council meeting and Dinner of Distinction at the Reitz Union.

There being no other business, the meeting adjourned at 2:00 p.m.

Reported and respectfully submitted by:



Carré Saunders, Secretary

10/3/2016

Date