



# Northern Marianas College FOUNDATION

Est. 1999

NMC Foundation Meeting  
2:30 p.m., Tuesday - June 18, 2013  
Board of Regents Conference Room

## **I. Call to Order**

Dr. Alan Markoff, NMC Foundation Interim President, established quorum and called the Foundation meeting to order at 2:50 p.m. Dr. Markoff welcomed each member to the meeting. He reported that the last meeting held by the Foundation was in February of 2012. After reading the bylaws, the Foundation needs a total of eleven members (7 to make a quorum).

### ***Members present:***

Dr. Alan Stuart Markoff, DDS - Interim President  
Mr. Dave Burger  
Mr. Jerry Facey  
Mr. David Sablan  
Ms. Lillian Cabrera  
Mr. Joe Santos  
Mr. Joaquin Kiyoshi, Alumni President

### ***Members absent:***

Mr. Vicente "Ben" Babauta  
Mr. Bud White

### ***Non-Voting members:***

Dr. Sharon Y. Hart, Ph.D. – NMC President  
Ms. Tracy Guerrero, NMC Chief Financial Officer

### ***Special Guests:***

Mr. Jason B. Miyashita, CRPS® - Asia Pacific Group at Morgan Stanley Smith Barney  
Mr. Steven West, Strategies for Philanthropy (Via teleconference):

## **II. Review of Agenda:**

### **Action:**

Mr. David Sablan entered a motion to adopt the meeting agenda. Mr. Dave Burger seconded the motion. The motion carried.

Introductions:

**Ms. Lillian Cabrera** introduced herself. She is an employee of Marianas Insurance. A domestic company operating for 23 years. She is born and raised here and hopes to bring something to the table to benefit NMC.

**Mr. David Sablan** is a Corporate Consultant for Tan Holdings and formerly the President/CEO of Century Insurance, Ltd. He started his employment career with Atkins Kroll. For a couple of years he was a Budget Officer for the Governor's Office. After, he joined the Tan Holdings Family. Mr. Sablan assisted in the setup of the fishing industry in Micronesia. He said he was happy to be at the meeting and to be of help to the College.

**Mr. Jerry Facey** thanked everyone for being here. He arrived in Saipan in 1968. Assisted in helping out the social security system in Micronesia. He has been involved with community organizations such as the Red Cross and the Council for the Humanities. He was involved in many fundraisers and hopes to help the College. He also said that he was a little concerned about joining the Foundation because of what he heard coming out of the College. He advised that it needs to be corrected if we want to be successful and he would like to contribute to that success. There are hard issues out there. Mr. Facey asked about 10 people how they felt about the College and received a range of answers. Some were a little opinionated and others interesting. Overall, these opinions indicate that there is a lot of work to do, it is all about image. Need to respond to the community's needs.

**Mr. Dave Burger** runs his own accounting firm. Been in Saipan for 23 years. Been with the Foundation Board for many years and is familiar with numbers and investments. He does not like controversy but this is the Foundation and not the College. We handle the money not the internal workings of the College.

**Dr. Alan Markoff** has been on the Foundation Board for three years and is enjoying every moment as it has been a wonderful experience. The Foundation has had both high and lows because President Hart advised them that they were improperly structured.

Dr. Markoff shared inspiring stories. He said he was glad to have everyone at the meeting as each member has a ton to offer. Dr. Markoff asked President Hart to ensure reconfirmation calls are made to members about future meetings. He said the NMC Foundation needs more members to help the worthy cause of educating our children.

Mr. Dave Sablan said he had the honor to serve on the selection committee that selected Dr. Hart as the College President. He looks at this job as an investment for the future.

**Mr. Jack Kiyoshi:** Mr. Kiyoshi is a military brat and a product of NMC. He received his AA from NMC while living in Tinian and his BS in Elementary Education. He has been on the Foundation Board since 2009 and is the current President of the NMC Alumni Association. He was very active in the Golf Tournaments and hopes the Foundation can bring this back. He is an employee of NMC's Human Resources Office.

**Ms. Tracy Guerrero:** Ms. Guerrero introduced herself as the new NMC Chief Financial Officer. She was formerly the Administrator for the CNMI Supreme Court. She is also a native of Saipan.

**Jason B. Miyashita, CRPS®:** Mr. Miyashita is the Second Vice President (Wealth Management) and Senior Investment Management Consultant of the Asia Pacific Group at Morgan Stanley Smith Barney.

### **III. Review of Minutes:**

- 1) Summary of February 2012 Meeting
- 2) Summary of July 23, 2012 Meeting

#### **Action:**

Mr. Dave Burger moved to approve the minutes of February and July 2012. Ms. Lillian Cabrera seconded the motion. Minutes were approved.

### **IV. Reports:**

#### a) Financial Report:

Ms. Tracy Guerrero (Chief Financial Officer) reported the following on the balance of the Foundation's account:

Total Assets: 5,849,223.00  
Total Liabilities: 828,381.00  
Total Net Assets: 5,020,842.00

Total Liabilities and Net Assets: 5,849,223.00 (includes Endowments initial deposit of \$3,000,000; Tan Siu Lin Foundation deposit of 100,000; NMC Operations Deposit of 750,000 and NMC Foundation Deposit of 100,000.

A detailed report was provided to each member. Mr. Sablan asked who had the authority to spend this money. CFO Guerrero said that the College had the authority. Mr. Facey was concerned that an outside source such as the legislature could have access to this money. Mr. Miyashita advised that it was harder to access because it is with Morgan Stanley. President Hart clarified that the constitution leaves this fiduciary duty with the NMC Board of Regents. Mr. Burger's concern was that it is very difficult to ask for money for the College and wants to ensure no one can touch this \$ 800,000.00 but only the College or the Foundation. The actual deposit from the College is \$750,000.00.

Ms. Cabrera asked if a promissory note or agreement was signed by the Board of Regents and the NMC Foundation. CFO Guerrero said she would do more research and come out with a statement paper for the Foundation. President Hart said that it will be the Regents to invest the money. President Hart said that is why it should be separated.

Mr. Jason B. Miyashita, CRPS® (Asia Pacific Group at Morgan Stanley Smith Barney) presented the Performance Report as of March 31, 2013. He apologized for the short presentation and will provide more recommendations at the next meeting.

Dialogue returned to the CFO's Report. President Hart asked what the guidelines were when the US Dept. of Agriculture transferred the money. CFO Guerrero will have to look into this matter further.

CFO Guerrero said the \$ 100,000 donated from the Tan Holdings, is not earmarked for something specific. It is restricted but expendable under the purview of the Foundation Board. CFO Guerrero asked Mr. Dave Burger to step in at any time because he possesses more institutional knowledge.

Mr. Burger thanked CFO Guerrero for conducting the research. It was one of the topics he wanted everyone to understand. We have all this money but what are the restrictions. They know that they can't touch the 3 million, but the rest of the money is for the college. The Foundation's job is to invest the money wisely and to bring in more money for the College.

President Hart thanked CFO Guerrero and Mr. Miyashita for their reports. It was very helpful to know the financial background and the type of investments the Foundation has to help the College.

President Hart then reported to the Foundation Board on the College's Accreditation Status. She said that this background information will get into the heart of the institution. NMC is accredited by the Western Association of Schools and Colleges (WASC). We are accredited by both the Junior and Senior Commissions of WASC. The Accrediting Commission for Community and Junior Colleges accredits our institution because we award associate degrees and the Accrediting Commission for Senior College and Universities accredits our institution because we award the baccalaureate degree in education. There are only three colleges that have this dual status.

The Northern Marianas College's accreditation status is placed on "Show Cause." There are different levels of accreditation statuses. Reaffirmation is where NMC wants to be. If you do not meet accreditation standards, they can move you to first level of Warning, or at the second level of Probation or at the lowest level of Show Cause. Show Cause is the next level to removal of accreditation. So by this October, we must submit where we are at on these findings. This is our third time on Show Cause. The US Department of Education has said if a college has not met accreditation standards for over two years that they will not be given an extension to correct. This is major.

**b) Steve West (through teleconference): Strategies for Philanthropy:**

Mr. West said that he appreciated the opportunity to attend the meeting. Mr. West presented the Planning Study that he had compiled. Basically has five key recommendations for the Foundation based on the picture of the Foundation and the College. Mr. West said he realizes NMC has a challenge with accreditation and it is quite serious. The question is, do you want to sit back and wait or be proactive. Steve said he wanted to approach this proactively.

The principle purpose of the study they hired Mr. West to perform last fall, was to assist with the establishment of a new, unrelated non-profit organization to support Northern Marianas College

and as well as plan for increasing support. Many and probably most of the colleges and universities that are public have formed separate and unrelated foundation for numerous reasons. One is that it takes the Foundation out of government oversight, protects the donor's money, government cannot overreach to take, and prevents any disclosure of confidential information because it is a private organization.

He met with 20 individuals to measure the College's strengths and weaknesses. Additionally, he reviewed documents and other records relating to past golf tournament fundraisers, etc. Was very surprised for a Foundation that has been around since 1999. Mr. West spoke about the interview process used like the questions he asked. and the organizational Structure

There needs to be more communication with donors and the community. We are in the very early stages of restructuring of the Foundation. This will give additional opportunities to involve more people, both in and outside of the CNMI, as well as an opportunity to increase the support of NMC.

To lead us through this restructuring, we have retained a firm which specializes in this work. A part of our early work includes confidential interviews with key leaders throughout our islands and other parts of the world. The purpose of these interviews is to gather feedback regarding NMC and the Foundation. Information from these confidential interviews will be used to help us shape the "new" Foundation.

Your thoughts are extremely important to the future of the college and its fund raising efforts. Remember, the only thing we would like to have from you at this time is your advice.

Mr. Steve West summarized the following topics from the Planning Study:

**Introduction -**

- Study Purpose
- Audit Report Format
- Definitions
- Review of the Foundation of NMC
  - Organizational Structure
  - Fund Raising Materials
  - Policies and Procedures
  - Donor and Prospect Records
  - Alumni Records
  - Fund Raising Profit/Loss

**Community Interviews -**

**Organizational Structure -**

- Friends of NMC Board
  - Legal Structure
  - Articles of Incorporation and Bylaws
  - Business License
  - . Tax 10 Number
  - Banking Account
  - Licensing Agreement
  - Name
  - 501 (c)(3) Approval
  - Board Membership

- Role of the Friends of NMC Board Members
- Friends of NMC Board Recruitment Strategies
- Foundation of NMC

### **Fund Development Philosophies -**

- The Top 5 Reasons People Give
- The Five I's
- A Donor Will Give Where They Can Make A Difference

### **Internal Operations -**

- Findings
  - Mission and Vision Statement
  - Policies and Procedures
  - Constituencies
  - Funding of Friends of NMC Operations Options
- Funding Operations from Unrestricted Donations
- Seed Money from Major Donors
- Promissory Note
- Memorandum of Understanding (MOU)
  - Transferring Funds from the NMC Foundation
  - Memorandum of Understanding (MOU)

### **Public Relations -**

- College - Public Relations
  - College - Recommendations for the Public Relations Initiative
- Economic Impact Study
- Focus Groups
- Personal Visits to Business and Community Leaders by the NMC President
- Press Releases
- Friends of NMC - Public Relations
  - Case for Support
- Culture of Philanthropy

### **Fund Raising -**

- Fund Raising Results for Past years
- Challenge Grant
- ETC Donations
- Special Events
  - NMC Foundation Open
  - Additional Special Events
- Alumni
  - Integrating College Business with Alumni Visits
- Major Gifts
- Social Networking
  - Facebook
- Capital Campaign

### **Recognition -**

- Letters and Phone Calls
- Recognition Program

### **Implementation of the Plan -**

- Staffing

- Planning Session
- Executive Summary Sent to People Interviewed
- Friends of NMC Continuing Board Education
- Final Report Press Release

**Conclusion -**

Summary of Recommendations for Friends of NMC  
 Summary of Recommendations for NMC

Questions:

Dr. Markoff said there seems to be quite confusion between Friends of NMC and the Foundation Board. Changes need to be done in increments. We need to hire an Executive Director and a staff member for the Foundation Board and we need 11 voting members. We also need to know who we are. Mission and vision statement incredibly important. Need to work on this in the next few months.

More clarification was needed. Dr. Hart explained that the Foundation needs to raise money through one on one donations. Mr. Sablan however was concerned that the one on one approach may not work in the CNMI.

**ACTION:** Mr. Dave Burger entered a motion to amend the bylaws of the NMC Foundation to change the voting members of NMC Foundation from 11 to seven. Ms. Lillian Cabrera seconded the motion.

Further discussion:

Mr. Jerry Facey was concerned that less is not better when fundraising. Once Friends of NMC form can augment. Does the NMC Foundation just oversee investments (portfolios)?

President Hart's Report (continued)

Dr. Markoff asked what the issues were at the College and what had to be worked on. President Hart said that one issue is that the College has not established minimum faculty qualifications. They are currently working on producing these qualifications, which will lead to faculty hires in the future. Presently, approximately 1/3 of our faculty are teaching in subject matter areas that will not match up with our new standards. 1/3 of our faculty are not meeting national standards of teaching areas they are qualified to teach in. National standard is if you are teaching a transferrable credit course, minimum qualification is a Master's degree in the discipline you are teaching or significant course work at the Masters level.

President Hart advised the Foundation that the City College of San Francisco is also on "Show Cause" sanction for not following all standards. NMC has only three to comply with. She assured them that they will work hard to address the following issues:

- 1) Faculty Qualifications
- 2) SLOs for Student Services
- 3) Board's Role and Responsibility

Important upcoming matters relating to accreditation:

October 2013 NMC Submits Report to ACCJC  
November 2013 ACCJC Team visits NMC Campus  
January 2014 ACCJC Commission Meeting

President Hart added that so many changes have to be made to get back to full accreditation. Rattling a lot of cages internally but she will not bow to pressure. Needs to get our institution fully reaffirmed.

President Hart thanked the Foundation Directors. She also provided the Directors a copy of NMC's Monthly report that is provided to the Board of Regents and campus at every board meeting. The Monthly Update Report reflects the ongoing work and accomplishments that directly relate to the following *Fiscal Year 2013 Operational Plan Goals and Priorities*:

### **V. Adjournment**

With no further business before the Foundation Board, members moved to adjourn their meeting at 5:30 p.m.

**Next Foundation Meeting:** Date: August 20, 2013 (Tuesday)  
Time: 2:30 p.m.  
Venue: Board of Regents Conference Room (Bldg. P)