

NWFSC Foundation Finance Committee Meeting  
May 16, 2018 8:00 a.m.  
Carr, Riggs & Ingram Room 306, Student Services Center

**Members Present**

Wayne Campbell  
Don Litke

Jeff McInnis

**Staff Present:**

Serena Brown  
Cristie Kedroski  
Jason Masters

Carla Reinlie  
Annie Young

**Others Present**

Ray McGovern  
Shane O'Dell

**Absent:**

Bo Arnold, David Costa, Jeff Floyd, JD Peacock, Dennis Peters, Devin Stephenson, Steve Wills, Dewayne Youngblood

**Call to Order:**

Mr. McInnis called the meeting to order at 8:01 a.m.

**Approval of RFP Evaluation Meeting Minutes:**

The minutes of the March 15, 2018 RFP Evaluation meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

**Approval of Committee Meeting Minutes:**

The minutes of the March 28, 2018 committee meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

**Review and Approval of April 30, 2018 Financials:**

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of April 30, 2018. Total assets are \$50,851,048 and Total Liabilities are \$28,788, bringing the Total Fund Balance to \$50,822,259. The Statement of Activities reflected \$4,452,929 in Revenues and \$2,499,263 in Expenditures for a total Net increase in Fund balance of \$1,953,666. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$46,514,936, allocated as 3.48% Cash & Cash Equivalents, 62.48% Equity, 11.03% Alternative Investments and 23.02% Fixed Income. **Motion to approve financials, Maj Gen Litke; Second, Mr. Campbell. Motion carried unanimously.**

**Approval of Checks over \$5000:**

Mr. McInnis also presented a listing of checks over \$5,000 from March 1 – April 30, 2018 for the committee to review. Ms. Brown then pointed out checks of significance. **Motion to approve checks over \$5000, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

**Investment Report by the McGovern, O'Dell & Associates / Merrill Lynch:**

Mr. McGovern presented a portfolio review as of May 15, 2018. In the past twelve months, the total portfolio is up 8.72%. Current holdings stand at 65.65% in equity, 19.55% in fixed income, 3.71% in cash and 11.09%

in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$38,507,028 as of April 30, 2018. The total Blackrock portfolio is down 0.9% year to date and up 8.35% since inception on February 26, 2013. Mr. McGovern noted that the market continues to see increased volatility in recent months and that it looks like it is here to stay. He also noted that corporate earnings are at its best in 15 years and then explained the effect the recent market correction and the federal fund rate adjustments have played on the economy. He also touched upon the Foundation's investment portfolio and noted that the portfolio has been doing well since March's finance meeting. He lastly mentioned that growth in the market has slowed down recently and that stocks are the assets of choice even though returns are more subdued. Maj Gen Litke also inquired about the ability for the endowments to award the 4% allocations for fiscal year 2019. Ms. Kedroski noted that the market has done very well in the beginning of the year so the endowments should be able to support the full 4% allocation. **Motion to accept investment report, Maj Gen Litke; Second, Mr. Campbell. Motion carried unanimously.**

**Foundation FY2019 Operating Budget:**

Ms. Brown presented the fiscal year 2019 operating budget for the committee to review and noted that currently the fund balance in the operating fund is \$1,216,250. She stated that the fund is invested and therefore is subject to investment gains/losses, which are not accounted for in the budget. Ms. Brown pointed out that annual admin fee revenue is estimated to be \$289,000 and that budgeted expenses for the coming year are \$243,842. She also noted that the total does not include the cost to contract with a fundraising consultant, for which proposals range from approximately \$69,000 to \$246,000 in FY2019. Ms. Kedroski discussed the Fundraising RFP Consultant process and noted that the cost of the consultant would be coming from the operating fund balance and then mentioned how it would affect the budget in years to come. Ms. Kedroski then noted that following the selection of a consulting firm by the development committee, the budget will be solidified and a budget addendum will be brought before the Finance Committee for approval on July 18, 2018. **Motion to approve the operating budget as is, noting that an addendum will be added to the consultant line item and brought before the Finance Committee in July after a firm is chosen, Maj Gen Litke; Second, Mr. Campbell. Motion carried unanimously.**

**Gift Acceptance Policy Update:**

Ms. Brown noted that annually, staff conducts a review of all Foundation policies, which can be found on the Foundation website. She mentioned that staff is recommending changes to the Gift Acceptance policy 16.0 and presented a draft with the strikethrough edits. After discussion, the committee decided to make additional changes and rework other areas including the marketable securities gift acceptance procedures and to the ability to assume trusteeship of bequests. The committee then suggested to approve the policy after the suggested revisions are written at the next finance committee meeting. **Motion to rescind the revised Gift Acceptance Policy until additional revisions are made and approved at the next finance committee meeting, Mr. Campbell; Second, Maj Gen Litke Motion carried unanimously.**

**Underwriting of Mattie Kelly Arts Center Series 2018-19:**

Ms. Brown noted that the college is prohibited from undertaking debt for events so the Foundation is annually asked to underwrite the upcoming Mattie Kelly Arts Center season. She presented the request for the Foundation Board to underwrite the Broadway Series, Artist Series, and Family Series for the 2018-19 Arts Center season at a cost of approximately \$451,100. **Motion to approve the Foundation underwriting the 2018-19 arts center series, Maj Gen Litke; Second, Mr. Campbell. Motion carried unanimously.**

**New Bequests/Endowments:**

Ms. Brown noted that two new endowments had been received by the Foundation, and presented their donor agreements for the committee to review. She noted that Maria and Randy White donated \$25,292.54 on April 24, 2018 to create the Lyn L. Troxler Scholarship Endowment, and on April 26, 2018, Reginald

Kribstock and Martha Rose bequeathed a portion of their estate to create the Reginald "Reg" Kribstock and Martha Rose Scholarship Endowment.

**Conflict of Interest Forms:**

Ms. Brown stated that as the end of the fiscal year approaches, all board members will be asked to complete the Annual Conflict of Interest Disclosure form. She noted that this information is required by the Foundation's auditors as well as for the renewal of the Foundation's Solicitation of Contributions registration.

**Executive Director Remarks:**


Ms. Kedroski noted that in recent months, staff and faculty have been very generous in stepping up to create new scholarship opportunities for students. She also touched upon what type of gifts the college will be soliciting for when the major gifts campaign begins.

**Executive Treasurer Remarks:**

No remarks.

**Adjournment:** There being no further business, the meeting adjourned at 9:07 a.m.

  
Cristie Kedroski, Secretary

  
7/18/18  
Date