

NWF Foundation Finance Committee Meeting
May 28, 2019 8:00 a.m.
Room 301, Student Services Center

Members Present:

Bo Arnold	Jonathan Ochs
Wayne Campbell	J.D. Peacock (via conference phone)
Chad Hamilton	Steve Wills
Don Litke	

Staff Present:

Serena Brown	Melissa Wolf-Bates
Cristie Kedroski	Annie Young
Carla Reinlie	

Others Present:

Shane O'Dell	Ray McGovern
Randy White	

Absent:

Eric Aden, Walter Hooks, Dennis Peters, Devin Stephenson, Dewayne Youngblood

Call to Order:

Mr. Hamilton called the meeting to order at 8:00 a.m.

Approval to Accept Call-In Participation:

Mr. Hamilton asked for vote to accept participation via phone from Mr. Peacock. **Motion carried unanimously.**

Approval of Committee Meeting Minutes:

The minutes of the March 14, 2019 committee meeting were approved as presented. **Motion to approve minutes, Dr. Arnold; Second, Mr. Wills. Motion carried unanimously.**

NWF Student Housing Report:

Mr. Randy White gave an overview of the NWF State College Student Housing Report completed by MGT Consulting Group. Mr. White shared that the report suggests there is a demand for both full-time and part-time on campus student housing. He explained adding on-campus housing would require the addition of auxiliary services such as 24-hour security personnel and a full service cafeteria. Due to constraints placed on State Colleges under Florida statute, Mr. White said that NWF is not permitted to build and operate the facility directly and may be required to look to a third party for this purpose. There was some discussion about how the Foundation might support the College in this endeavor if the decision is made to move forward.

Review and Approval of April 30, 2019 Financial Reports:

Mr. Hamilton presented the Statement of Financial Position, Statement of Activities and Investment Report as of April 30, 2019. Total assets are \$52,064,379 and Total Liabilities are \$1,100, bringing the Total Fund Balance to \$52,063,279. The Statement of Activities reflected \$3,627,952 in Revenues and \$2,947,056 in Expenditures for a total Net Increase in Fund balance of \$680,897. Combined investment holdings with

Merrill Lynch and Vanguard Wellington total \$47,884,294, allocated as 3.29% Cash & Cash Equivalents, 59.94% Equity, 11.10% Alternative Investments and 25.68% Fixed Income. **Motion to approve financials, Mr. Campbell; Second, Mr. Arnold. Motion carried unanimously.**

Approval of Checks over \$5000:

Mr. Hamilton presented a listing of checks over \$5,000 from March 1 – April 30, 2019 for the committee to review. **Motion to approve checks over \$5,000, Mr. Campbell; Second, Mr. Wills. Motion carried unanimously.**

Investment Report and Recommendation for Susan Myers Gift Allocation by McGovern, O'Dell & Associates/Merrill Lynch:

Mr. McGovern presented a portfolio review as of April 30, 2019. He presented the custom benchmark report from Blackrock, which reflected a market value of \$39,598,609 as of April 30, 2019. Mr. McGovern noted that it is highly unlikely to see a rate hike from the Fed this year. He then recapped the movement of funds in May from the equity side relative to asset allocation targets. Including the Susan Myers gift transfer, Investment allocations stood at 59.92% equity, 22.86% fixed income, 6.01% cash and 11.21% alternative investments at May 23, 2019. Mr. McGovern reiterated, the gift from Susan Myers charitable trust totaling \$1,161,568.98 is two gifts: \$1,042,433.70 for the naming of the LRC and \$119,135.28 for scholarships. The gift was transferred to Merrill Lynch on May 9, 2019 and placed in the preferred money market account. Mr. McGovern recommended the Foundation invest \$100,000 in an alternative fund and shift \$570,000 to Blackrock, leaving the remainder in the preferred money market. **Motion to accept investment report with the recommended allocation of the Susan Myers gift, Mr. Peacock; Second, Maj Gen Litke. Motion carried unanimously.**

FY2020 Foundation Operating Budget Request:

Ms. Brown presented the Foundation operating budget request for Fiscal Year 2020. She noted that the requested budget is \$383,542. This is an increase of almost 19% over last year's budget due to expenses associated with the Major Gifts Campaign. Ms. Brown stated that the current admin fee at 0.59% creates a deficit balance for FY20 estimated to be close to (\$95,000). Ms. Kedroski added that the Foundation would utilize operating fund balance to cover any deficit that exists. Discussion was had about the administrative fee and the prospect of an increase. Ms. Kedroski explained that, relative to our peer institutions, NWF Foundation is well below the average rate throughout the state. The Committee agreed that now is not the time for an increase. **Motion to approve the FY2020 Foundation Operating Budget as presented, Mr. Ochs; Second, Maj Gen Litke. Motion carried unanimously.**

New Endowment – Brian and Kim Pennington Scholarship:

Mr. Hamilton presented the scholarship endowment and expressed his thanks for their gift.

Underwrite Mattie Kelly Arts Center Series 2019-20:

Mr. Hamilton presented the proposed Mattie Kelly Arts Center season. He noted that the Foundation underwrites the coming season each year and the amount for the 2019-20 season is approximately \$386,800.

FY2020 Foundation/College MOU:

Ms. Brown presented the MOU noting updated information and points of interest. **Motion to approve the New Endowment – Brian and Kim Pennington Scholarship, Underwrite Mattie Kelly Arts Center Series 2019-20, and the FY2020 Foundation/College MOU as presented, Mr. Campbell; Second, Mr. Wills. Motion carried unanimously.**

Other Items:

Ms. Kedroski asked if the committee would be agreeable to having the Budget included in the Financial Statement presented at each meeting. The committee agreed.

Adjournment: There being no further business, the meeting adjourned at 9:14 a.m.


Ken Wampler, Chair

7/23/19
Date


Cristie Kedroski, Secretary

7/23/19
Date

