

NWFSC College Foundation Board of Directors Meeting

June 3, 2020 8:00 a.m.

Virtual Meeting

Directors Present:

Eric Aden	Jonathan Ochs
Bo Arnold	J.D. Peacock
Marek Bakun	Dale Peterson
Chad Hamilton	Tom Rice
Tyler Jarvis	Ashley Rogers
Bernard Johnson	Devin Stephenson
Heather Kilbey	Fred Thomas
Gordon King	Ken Wampler
Don Litke	Steve Wills
Michelle McGee	Steve Wolfrom
Jeff McInnis	Alan Wood
Mitch Mongell	

Staff Present:

Shiri Brandenburg	Annie Young
Cristie Kedroski	Melissa Wolf-Bates
Carla Reinlie	

Others Present:

Ray McGovern, Shane O'Dell, Jeanette Shires

Absent:

Wayne Campbell, Walter Hooks, Dennis Peters, Melissa Pilcher, Donnie Richardson, Hu Ross, Dewayne Youngblood

Call to Order:

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

Welcome Board Members and Guests:

Mr. McInnis welcomed board members and introduced guests and staff members.

Approval of August Board Minutes:

The minutes of the February 5, 2020, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Rice; Second, Mr. Peterson; Motion carried unanimously.**

Finance and Investment Reports:

Mr. Wampler reviewed the summary of Financial Position, the Statement of Activities, the Investment Report, and a review of the Operating Budget as of April 30, 2020. Total Assets are \$50,059,771 and Total Liabilities are \$20,000, bringing the Total Fund Balance to \$50,039,771. The previous fiscal year Total Fund Balance was \$52,063,234. The Statement of Activities reflected (\$686,792) in Revenues and \$2,795,325 in Expenditures for a total Net Decrease in Fund balance of (\$3,482,117). The previous fiscal year Total Revenues were \$3,627,952 and \$2,947,100 in Expenditures for a Net Increase of \$680,852. Since July 1, 2019, the Merrill Lynch EMA account saw a Net Decrease in the amount of (\$1,930,965.) This brought the total market value to \$45,302,398 at April 30, 2020. The Net Decrease to the Vanguard Wellington Account (Science Development Fund) since July 1, 2019 was (\$15,567), bringing the total market value to \$228,932

as of April 30, 2020. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$51,019,740. The portfolios are allocated as 5.00% Cash & Cash Equivalents, 59.28% Equity, 10.84% Alternative Investments and 24.88% Fixed Income. A review of the Operating Budget as of December 31, 2019, showed Total Expenses at \$147,437, leaving 40% of the budget available for the remainder of the fiscal year. **Motion to approve the April 30, 2020 Finance and Investment Reports as presented, Dr. Arnold; Second, Mr. Wills; Motion carried unanimously.**

Foundation Operating Budget FY21:

Mr. Wampler reviewed the Foundation Operating Budget for FY21. As of May 1, the Operating fund balance is \$1,311,762. The funds are invested and therefore subject to investment gains and losses, which are not accounted for in the budget. The Foundation utilizes an income-based approach for annual budgeting; meaning operating income should meet or exceed expenses for the fiscal year. Estimated administrative fee revenues for FY2020 are \$290,292 figured at a rate of 0.59% annually (charged quarterly at the rate of 0.1475%). The budget for FY2021 exceeds estimated fee revenues by (\$21,025). Budgeted expenses for the coming year are \$311,317, which represents a decrease over last fiscal year by 19%. Ms. Kedroski noted that six months of fees for the consultants have been included the budget should it be decided to un-suspend the Major Gifts Campaign. **Mr. Wampler moves to approve the FY 2021 NWFSC Foundation Operating Budget as presented, Second, Mr. Rice. Motion carried unanimously.**

Endowment Spending Allocation 2020-21 Academic Year:

Mr. Wampler presented a chart listing the endowment spending allocation available for Fiscal Year 2020-21. Per the Foundation's spending policy the award allocations are calculated as a percentage, not to exceed 4%, of the three year average of the endowment's market value at fiscal year-end. Endowments with a fair market value below the endowment's corpus will receive no spending allocation. The totals represent the maximum endowment award available. As always, final scholarship award allocations will be adjusted down to align with a typical scholarship award of \$1,000 or \$1,500. As of June 30, 2019, there are zero funds in an underwater status. However, 17 endowed funds are unable to support a distribution in the coming academic year due to insufficient investment earnings, 10 were established in fiscal year 2019 and two have not met the pledge commitment. **Mr. Wampler moves to approve the Endowment Spending Allocation 2020-21 Academic Year as presented, Second, Dr. Arnold. Motion carried unanimously.**

Investment Policy Revision:

Mr. Wampler reviewed the proposed revision to the Investment Policy to clarify that calculation of an endowment's spending allocation will "be at the time of the fiscal year-end calculation." **Mr. Wampler moves to approve the Investment Policy Revision as presented, Second, Maj Gen Litke. Motion carried unanimously.**

Underwriting Mattie Kelly Arts Center Series 2020-21:

Mr. Wampler presented the annual asked to underwrite the upcoming Mattie Kelly Arts Center season at a cost not to exceed \$398,900. The expectation is that the Mattie Kelly Arts Center endowment revenue would be used to cover any deficit expenses. Ms. Shires presented the the proposed 2020-2021 season. She noted the first event is an open-air concert by Lee Greenwood at the amphitheater Labor Day weekend. After discussion about procedures in place in the wake of COVID-19, **Mr. Wampler moves to approve the Underwriting Mattie Kelly Arts Center Series 2020-21 as presented, Second, Mr. King. Motion carried unanimously.**

2020-21 Slate of Officers and Directors:

Mr. Hamilton presented the proposed 2020-21 Slate of Officers and Directors. He noted the new members Destin Cobb, Cindy Frakes, Dave Jefferson, Todd Grisoff, Steve Rhodes, Rhonda Skipper, and Cecil Williams. **Mr. Hamilton moves to approve the 2020-21 Slate of Officers and Directors as presented, Second, Mr. Peterson. Motion carried unanimously.**

Foundation/College MOU FY21:

Mr. Hamilton present the Foundation/College MOU for FY21. He noted that there are no major changes and this is presented each year to outline the mutual commitments between NWFSC and the Foundation as required by state auditors. **Mr. Hamilton moves to approve the Foundation/College MOU FY21as presented, Second, Mr. Wills. Motion carried unanimously.**

New Endowments:

Mr. Peacock presented the new endowments. Mr. Maurice Evans has pledged \$25,000 to establish the Ernie Green Memorial Scholarship. The endowment will provide scholarship support to a student enrolled at Northwest Florida State College who is pursuing a degree in a STEM related program. Sacred Heart Hospital of the Emerald Coast Guild has pledged \$15,000 to establish the Roger L. Hall Legacy Scholarship Endowment. The endowment will provide scholarship support to a student enrolled at Northwest Florida State College who is pursuing a degree in finance, business, or medical program. **Mr. Peacock moves to approve the Ernie Green Memorial Scholarship and the Roger L. Hall Legacy Scholarship Endowment agreements as presented, Second, Mr. Wood. Motion carried unanimously.**

2020 Alumni Award Winners:

Mr. Peacock recognized and thanked the Alumni Working Group members. He presented the 2020 Alumni Award Winners: Distinguished Alumni, Jennifer Framces; Against the Odds, Wendy Jones; Rising Star, Eric Brown; Hometown Hero, Valerie Bogar. **Mr. Peacock moves to approve the 220 Alumni Award Winners as presented, Second, Mr. Rice. Motion carried unanimously.**

Development Committee Report:

Mr. Peacock reviewed the suspended status of the Major Gifts Campaign due to COVID-19. He noted that the timing is good as the public phase had not launched and that six months of the consultants fees have been included in the event the MGC can restart in FY21. He also mentioned that following the unexpected shift from in-person to remote learning, fundraising efforts shifted to the immediate needs of students. The Development Office worked with Strategic Communications to raise more than \$11,213 in a matter of weeks to support students via the Student Emergency Fund with unforeseen living expenses as well as technology needed to learn from home. Advancement staff activities were temporarily redirected as well to ensure that students and faculty had the resources needed to complete the spring semester successfully. As the College returns to the new normal our focus is on existing donors, resuming stewardship activities and preparing our system for more effective donor tracking and management.

Governance Committee Report:

Mr. Hamilton noted that the committee decided that the Board Assessment survey will not be administered this year. The committee intends to collect board feedback via a survey conducted every other year. He also mentioned the Governance Committee requested Foundation staff to survey board members to determine who prefers to review committee and board materials via their own electronic devices or would prefer printed material be provided at each meeting.

Executive Director's Report:

Ms. Kedroski elaborated on the work of the College and staff during the shift in focus, noting that the staff was temporarily reassigned to assist other areas in need. She presented the contributions over \$1,000. She highlighted some of the gifts received from January 23, 2020 – May 20, 2020 and noted a total of \$203,621.82. Lastly, she presented the schedule of board and committee meetings for 2020-2021. She noted that staff is working to schedule the New Board Member Orientation for late June or early July.

Draft Committee Meeting Minutes

Mr. McInnis asked members to review the draft committee minutes in the packet and to let staff know if any corrections or updates need to be made.

Trustee Liaison Remarks:

General Litke reviewed highlights from the three Trustee meetings since the February Foundation Board meeting. He noted in February the Foundation Audit, the Direct Support Organization Certificate, and the ITB for the Walton works renovation for the DeFuniak Springs campus were approved. The Trustees reviewed and made input to the 2020-21 Strategic Plan Goals. In April, as the March meeting was cancelled, the addition of the Physical Therapist Assistant Program and Medical Laboratory Technology Program were approved and input to the 2020-21 Strategic plan and measures of excellence was made. In May, the meeting was proceeded by a 2020-21 budget workshop. He noted that developing a budget in these unsettled times and without a State Budget approved by the governor is a challenge and each individual with a budget responsibility was required to defend their request to the college leadership. The Presidents 2019-20 evaluation was also approved at the meeting.

College Report by Dr. Devin Stephenson, NWF State College President:

As Dr. Stephenson began by noting that the process of "Opening for Opportunity" plan that is being utilized by other institutions now, is in the beginning phase. He reviewed Summer enrollment is up by 1.5%. Noting that the Governor has until June 30 to approve the budget, he shared the awarding of a \$1.15 million U.S. Department of Education grant. In the last twelve months, NWFSC has been awarded over \$11 million in grants. He also noted the Okaloosa Traffic Control will now be on the Niceville campus attached to the Emergency Operations Center. He also mentioned the progress of the greenhouse and practice facility.

Foundation Chair Remarks:

Mr. McInnis thanked Dr. Stephenson, Cristie and staff for their support during this year. Ms. Kedroski recognized the members rolling off; Mitch Mongell, Dale Peterson, Melissa Pilcher, Tom Rice, Fred Thomas, and Dewayne Youngblood. Mr. McInnis reiterated thanks for their years of service to the Foundation.

Schedule of Next Meeting:

The next Foundation Board meeting will be August 5, 2020, at 8:00 a.m. in the Janet Nadel Morell Room, Room 302, Student Services Center, 3rd Floor, Niceville Campus.

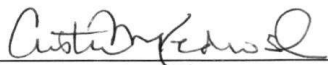
Adjournment:

There being no further business, the meeting adjourned at 8:58 a.m.



J.D. Peacock, Chair

11-4-2020
Date



Cristie Kedroski, Secretary

8-5-2020
Date