

NWFSC Foundation Finance Committee Meeting

July 28, 2020 8:00 a.m.

Hybrid Meeting – Janet Nadel Morell Room #302, Raider Central, Niceville Campus & Zoom

Members Present:

Bo Arnold
Eric Aden
Destin Cobb
Don Litke

Jonathan Ochs
J.D. Peacock
Steve Rhodes
Steve Wills

Staff Present:

Shiri Brandenburg
Cristie Kedroski
Carla Reinlie

Melissa Wolf-Bates
Annie Young

Others Present:

Ray McGovern
Shane O'Dell

Absent:

Marek Bakun, Wayne Campbell, Chad Hamilton, Walter Hooks, Dennis Peters

Call to Order:

Dr. Arnold called the meeting to order at 8:02 a.m.

Approval of Committee Meeting Minutes:

The minutes of the May 19, 2020 committee meeting were approved as presented. **Motion to approve minutes, Mr. Wills; Second, Maj. Gen. Litke. Motion carried unanimously.**

Role of Finance Committee:

Dr. Arnold gave an overview of what the committee is responsible for. He highlighted that their role includes recommending actions and policies to the Board regarding the expanding and investing of funds. He also encouraged committee members to review Foundation's Investment Policy.

Finance and Investment Reports:

Ms. Brandenburg presented the Statement of Financial Position, Statement of Activities and Investment Report as of June 30, 2020. Total Assets are \$52,744,169 and Total Liabilities are \$47,310, bringing the Total Fund Balance to \$52,696,858. Statement of Activities from the previous fiscal year from July 1, 2018 through June 30, 2019 shows Total Revenues of \$5,230,108 and Total Expenses of \$3,409,938 for a Net Increase in Fund balance of \$1,820,171. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$47,993,252. The portfolio allocation was 5.02% Cash & Cash Equivalents, 58.58% Equity, 9.73% Alternative Investments and 26.66% Fixed Income. **Motion to approve financials, Mr. Ochs; Second, Mr. Rhodes. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of June 30, 2020 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$40,268,627 as of June 30, 2020, reminding the committee that the Blackrock report is not a representation

of the Foundation's entire investment portfolio with Merrill Lynch. The Merrill Lynch report shows investment allocations stand at 61.33% equity, 23.74% fixed income, 5.14% cash and 9.79% alternative investments at June 30, 2020. Mr. McGovern also indicated that BlackRock Portfolio Manager, Greg Dvorocsik, will be attending the upcoming Board of Directors meeting virtually.

Approval of Checks over \$5,000:

Dr. Arnold presented a listing of checks over \$5,000 from May 16, 2020 to June 30, 2020 for the committee to review. Ms. Kedroski elaborated how the report is presented and provided insight on why line items are broken down in the manner they are. **Motion to approve checks over \$5,000, Mr. Ochs; Second, Mr. Rhodes. Motion carried unanimously.**

New Endowments:

Ms. Kedroski presented a new endowment: \$500,000 pledged by Judy-ann Zoghby to establish the Zoghby Learning Commons Restricted Fund (\$250,000) and Endowment (\$250,000). **Motion to approve new endowments as presented, Mr. Wills; Second, Mr. Ochs. Motion carried unanimously.**

College Apartment Update & Reserve Study:

Dr. Arnold reviewed the reserve study on the College Apartments conducted by RJH & Associates. After some discussion, it was decided that a subcommittee to look into the pros and cons of divesting the rental/commercial portion of the College Apartments should be commissioned. **Motion commission a subcommittee to look into the pros and cons of divesting the commercial portion of the College Apartments, Maj. Gen. Litke; Second, Mr. Cobb. Motion carried unanimously.**

Executive Director Report:

Ms. Kedroski shared that the Fall Class Schedule starts on Wednesday, August 19th. The College has made adjustments to the schedule in light of COVID-19. The structure for Fall Term will represent 40% classes online, 35% will be in traditional modality (face-to-face), and 25% will be hybrid. She noted that the College will continue to do temperature checks and that masks are required to enter buildings and when social distancing cannot be maintained. Ms. Kedroski then acknowledged the groundbreaking on the Walton Works project held at the Chautauqua Center in DeFuniak Springs. She also informed the committee that the Indoor Practice Facility that will support the Baseball and Softball teams is coming together and a groundbreaking ceremony is looking to be scheduled when appropriate. Construction on the Kay Litke Culinary Arts Greenhouse is progressing well and the Culinary Arts Program is hoping to have the first head of lettuce harvested by September 2020. Ms. Kedroski added that the Foundations' auditors will be on site during the Foundation Board Meeting on Wednesday, August 5, 2020. In closing, she congratulated Board Chair J.D. Peacock on having another opportunity to serve as Okaloosa County Clerk of Courts and for being acknowledged as "Clerk of the Year." She also congratulated board member Eric Aden, as Okaloosa County's Sheriff-Elect.

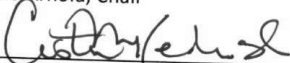
Adjournment: There being no further business, the meeting adjourned at 9:08 a.m.



Bo Arnold, Chair

11/4/20

Date



Cristie Kedroski, Secretary

11/4/20

Date