

NWFSC Foundation Finance Committee Meeting
January 18, 2017 8:00 a.m.
Arpke Room 315, Costa Leadership Institute

Members Present:

Wayne Campbell	Steve Wills
Chad Hamilton	Steve Wolfrom
Don Litke	

Staff Present:

Cristie Kedroski	Carla Reinlie
Jason Masters	Julie Sartori

Others Present:

Ray McGovern	Shane O'Dell
--------------	--------------

Absent:

Bo Arnold, David Costa, Dennis Peters, Devin Stephenson, Dewayne Youngblood

Call to Order:

Mr. Hamilton called the meeting to order at 8:02 a.m.

Approval of Minutes:

The Minutes of the November 16, 2016 meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

Review and Approval of December 31, 2016 Financials and Checks over \$5,000:

Ms. Kedroski presented the Statement of Financial Position, Statement of Activities and Investment Report as of December 31, 2016. Total assets are \$46,599,120 and Total Liabilities are \$236,570 bringing the Total Fund Balance to \$46,362,549. The Statement of Activities reflected \$3,034,477 in Revenues and \$1,714,499 in Expenditures for a total Net increase in Fund balance of \$1,319,978. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$41,343,505, allocated as 2.01% Cash & Cash Equivalents, 64.87% Equity, 11.16% Alternative Investments and 21.96% Fixed Income. Ms. Kedroski also presented a listing of checks over \$5,000 from November 1 - December 31, 2016 for the committee to review. **Motion to approve financials and checks over \$5000, Mr. Campbell; Second, Maj Gen Litke. Motion carried unanimously.**

Investment Report by the McGovern Group – Merrill Lynch:

Mr. McGovern presented a portfolio review as of January 17, 2017. In the past twelve months, the total portfolio is up 6.11%. Current holdings stand at 65.14 percent in equity, 21.62 percent in fixed income, 2.00 percent in cash and 11.23 percent in alternative investments. Mr. McGovern also presented the custom benchmark report from Blackrock which reflected a market value of \$34,127,581 as of December 31, 2016. The total Blackrock portfolio is up 8.15 percent year to date and up 7.18 percent since its inception on February 26, 2013. Mr. McGovern noted that the market has seen sizeable gains post-election due to the Trump administration promising to implement more business friendly policies. He also noted that there has been 2 percent growth in the market recently and that stocks are the assets of choice even though returns are more subdued. He lastly pointed out that the portfolio's

position has done very well and increased since December's finance committee meeting. **Motion to approve Investment Report, Mr. Wills; Second, Campbell. Motion carried unanimously.**

Endowment Spending Allocation for Academic Year 2017-18:

Ms. Kedroski provided a chart listing the endowment spending allocation available for Fiscal Year 2017-18. She noted that 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. She also pointed out there were 44 endowed funds that were unable to support a 4% distribution. Of these 44 funds, 18 were able to support a 3% distribution. Ms. Kedroski noted that of the remaining 26 funds that are unable to provide a distribution 6 were fully endowed in the prior fiscal year, and that 7 were underwater by less than \$1,000. After discussion, the committee decided to possibly revisit the investment policy to address endowments that do not have a fund balance that extends back at least three years. Ms. Kedroski noted that she would provide a proposed policy at the Foundation board meeting. **Motion to approve the spending allocation as presented, Maj Gen Litke.; Second, Mr. Wills. Motion carried unanimously.**

New Bequests/Endowments:

Ms. Kedroski noted that two new major gifts had been received by the Foundation and presented their donor agreements for the committee to review. She noted that Dale Peterson donated \$25,000 to create the Dale E. Peterson Hospitality Scholarship Endowment and that Susan Pryor Sloat Myers pledged via a bequest a least \$90,000 to create six scholarship endowments.

Audit RFQ:

Ms. Kedroski presented an abbreviated copy of the RFQ document for the committee to review, and discussed the tentative schedule. She also noted that the review committee would consist of Ms. Serena Brown, Foundation Accountant and Mr. Chad Hamilton, Foundation Board Member.

Other Items:

Ms. Kedroski presented a letter from the Florida House of Representatives that requested detailed information about the revenues and expenditures of the Foundation and noted that the Florida College System Council of Presidents were to meet to discuss the details of the inquiry. She also noted that the new president, Dr. Stephenson, will be registering as a lobbyist for the college.

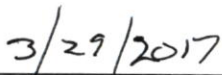
Foundation Chair Remarks:

Mr. Hamilton noted his excitement for the new college president's leadership and enthusiasm and stated that the President's Welcome Reception was a very nice event.

Adjournment: There being no further business, the meeting adjourned at 9:42 a.m.



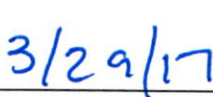
Chad Hamilton, Treasurer



Date



Cristie Kedroski, Secretary



Date