

Minutes
NWFSC Foundation, Inc.
Board of Directors Meeting
February 3, 2016 7:45 a.m.
Morell Room #302, Student Services Center, 3rd Floor, Niceville Campus

Directors Present:

Bethany Burke
Wayne Campbell
David Costa
Mike Flynt
Chad Hamilton
Scott Jackson
Don Litke

Jeff McInnis
Mitch Mongell
Venita Morell
Dale Peterson
Melissa Pilcher
Donnie Richardson
Steve Wills
Dewayne Youngblood

Staff Present:

Serena Brown
Cristie Kedroski
Jason Masters

Carla Reinlie
Annie Young

Others Present:

Sasha Jarrell
Greg Dvorsick
Stefan Makarov

Ray McGovern
Shane O'Dell
Jeanette Shires

Absent: Bart Fleet, Lois Lunderman, Dennis Peters, Tom Rice, Fred Thomas, Robin Wilson

Call to Order

Mr. Scott Jackson called the meeting to order at 7:45 a.m.

Welcome Board Members and Guests

Mr. Jackson welcomed Board Members, guests, and staff members.

Approval of Minutes

The minutes of the December 2, 2015, Board of Directors Meeting were approved. **Motion, Gen. Litke; Second, Mr. Wills; Motion carried unanimously.**

Finance and Investment Reports

Mr. Peterson reviewed the summary of Financial Position, the Statement of Activities, and the Investment Report as of December 31, 2015 with board members. Total assets are \$45,598,150 and Total Liabilities are \$0, bringing the Total Fund Balance to \$45,598,150. The Statement of Activities reflected (\$331,066) in Revenues and \$1,757,862 in Expenditures for a total Net Decrease in Fund balance of (\$2,088,943). The Net Decrease to the Merrill Lynch EMA account since July 1, 2015 was (\$1,232,704) bringing the Total Market Value to \$39,672,714 at December 31, 2015. The Net Decrease to the Vanguard Wellington Account (Science Development Fund) from July 1 through December 31, 2015 was (\$495) bringing the Total Market Value to \$244,346 as of December 31, 2015. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$39,917,060. The portfolios are allocated as 3.78% Cash & Cash Equivalents, 60.24% Equity, 11.67% Alternative Investments and 24.30% Fixed Income. Ms. Kedroski noted that the foundation has not yet paid the scholarship invoice but anticipates that

it will be paid by the end of the week. She pointed out that this is the reason for the large difference in the fund balance's total expenses from the prior fiscal year. **Motion, Mr. McInnis; Second, Mr. Flynt; Motion carried unanimously.**

FY 2015 Audited Financial Statements/IRS Form 990

Ms. Kedroski presented the Fiscal Year 2015 IRS Form 990 to the board and requested approval. Preparation of the tax form had been completed by Mauldin & Jenkins, Certified Public Accountants of Bradenton, Florida, in conjunction with Foundation staff. **Motion, Mr. Hamilton; Second, Mr. Richardson; Motion carried unanimously.**

Martha and Peter Bayer Family Scholarship Endowment

Ms. Kedroski presented the donor agreement for the Martha and Peter Bayer Family Scholarship Endowment. She noted that the endowment gift of \$17,171 was received via a transfer of Facebook stock on November 20 and that it will provide a scholarship to a need-based student with a preference given to a student majoring in an allied health field.

Motion, Mr. Youngblood; Second, Mr. Wills; Motion carried unanimously.

Endowment Spending Allocation for Academic Year 2016-17

Ms. Kedroski gave a brief presentation on the Foundation's endowments and spending allocations for Fiscal Year 2016-17. She noted that per the Foundation's spending policy the award allocations are calculated as a percentage (not to exceed 4%) of the fund's prior fiscal year end (6/30/15) balance, provided net earnings are available over and above the corpus of the fund.

Due to a decrease of approximately 7.56% in the market during the last six and a half months, the Finance Committee suggests that a 4% spending allocation to be released if the allocated amount does not invade 50% of the endowment's undistributed earnings. Endowments with undistributed earnings with less than 50% of the allocation will have a spending of 3%, provided the allocation does not dip into the corpus. Ms. Kedroski plans to have the Finance Committee take a look at shifting to a 3 year rolling average to determine the spending allocation.

Board Nominations

Mr. Youngblood noted that eight nominees have been submitted to the Governance Committee and that the interview process would be starting shortly to narrow the pool down to the desired two board members.

Update on Tallahassee Building

Mr. Peterson stated that the Tallahassee Building is still currently on the market. He suggested lowering the price of the property to a range of \$425,000 to \$430,000. Ms. Kedroski noted that they are seeking approval from the board for these actions and the board responded with a consensus that Mr. Peterson and Ms. Kedroski could list the property at any price that they see fit as long as it is above the appraised value.

Greg Dvorsick, Blackrock Manager

Mr. Dvorsick gave an update on the current market environment and its effects on the Foundation's portfolio and earnings. One important point that he noted was that their firm's major focus in our portfolio is to obtain consistent returns and managing risk for the long term.

Development Update

Ms. Reinlie gave a brief update on ongoing development activities, notably the Raider Athletics campaign and Foundation Scholarships. The Raider Athletic campaign still aims to raise \$75,000 to provide internet to the Raider Housing and remodel the laundry facility, and the total raised so far amounts to \$43,000. Ms. Reinlie also noted that the Foundation is mailing out a second solicitation to donors that have contributed in the past and that there are tentative plans for a phone-a-thon with the student athletes. She also pointed out that the Foundation scholarship applications went live recently and that her focus is to increase the number of nontraditional student applications by making the application process as smooth as possible. Ms. Reinlie also mentioned that the foundation has received nine nominations for the Alumni Awards.

Summary of \$1,000+ Contributions

Ms. Kedroski presented a chart that summarized \$1000+ contributions made between November 20, 2015 and January 18, 2016. Ms. Kedroski distributed note cards to Board Members to help recognize and thank the donors.

Upcoming Events and Activities

Ms. Kedroski presented a detailed list of upcoming college events and activities from February 4, 2016 to April 5, 2016.

SGA Update

Mr. Makarov first thanked the board for all of their hard work in helping make the scholarships that the students receive possible. He gave a brief report on various activities and events that SGA has participated in such as recent efforts to have the college campus become a smoke free campus and a focus group that allowed the students to voice their opinions on the college's systems, such as RaiderNet.

Presentation by Dr. Sasha Jarrell, NWF State College Interim President

Dr. Jarrell first thanked the board for their time and for all their contributions. She provided a brief presentation on recent legislation that has an impact on higher education and the state performance funding model of the state colleges.

Draft Committee Meeting Minutes

Mr. Jackson noted that minutes from recent committee meetings were provided in the board packets as information items.

Trustee Liaison Remarks

Mr. Flynt noted that at the most recent Board of Trustees meeting they awarded a contract to renovate the underground HVAC system at the Fort Walton Beach Campus. He pointed out that a high water table has flooded the system and caused significant damage over the last several years and that they are glad to be addressing the issue before it gets any worse.

Foundation President Remarks

Mr. Jackson noted his appreciation for the board and their efforts.

Around the Table

Ms. Shires gave an update on various Mattie Kelly events that are happening in the coming months.

Ms. Reinlie noted that she is in need of volunteers to act on the distinguished alumni committee.

Mr. McGovern noted that if any of the board members had any questions about the Foundation's portfolio that they would be happy to answer them.

Schedule of Next Meeting

The next Foundation Board meeting will be April 6, 2016, at 7:45 a.m. at the Niceville Campus.

Adjournment

There being no further business, the meeting adjourned at 9:32 a.m.



Scott Jackson, Chair

4/6/16
Date



Cristie Kedroski, Secretary

4/6/16
Date