

NWFSC College Foundation Board of Directors Meeting

February 5, 2020 8:00 a.m.

Janet Nadel Morell Room #302, Student Services Center, 3rd Floor, Niceville Campus

Directors Present:

Bo Arnold
Marek Bakun
Chad Hamilton
Bernard Johnson
Don Litke
Michelle McGee
Jeff McInnis
Jonathan Ochs

J.D. Peacock
Dale Peterson
Donnie Richardson
Ashley Rogers
Hu Ross
Fred Thomas
Steve Wills
Alan Wood

Staff Present:

Shiri Brandenburg
Cristie Kedroski
Carla Reinlie

Annie Young
Melissa Wolf-Bates

Others Present:

Julie Cotton, Layne Eggers, Ray McGovern, Shane O'Dell, Deidre Price, Nate Slaton, Christine Smith

Absent:

Eric Aden, Wayne Campbell, Walter Hooks, Tyler Jarvis, Heather Kilbey, Gordon King, Mitch Mongell, Dennis Peters, Melissa Pilcher, Tom Rice, Devin Stephenson, Ken Wampler, Steve Wolfrom, Dewayne Youngblood

Call to Order:

Mr. McInnis called the meeting to order at 8:06 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 November 6, 2019, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Peterson; Second, Mr. Wills; Motion carried unanimously.**

Finance and Investment Reports:

Mr. McInnis reviewed the summary of Financial Position, the Statement of Activities, the Investment Report, and a review of the Operating Budget as of December 31, 2019. Total Assets are \$55,918,012 and Total Liabilities are \$27,500, bringing the Total Fund Balance to \$55,890,512. The previous fiscal year Total Fund Balance was \$47,246,987. The Statement of Activities reflected \$4,091,519 in Revenues and \$1,727,580 in Expenditures for a total Net Increase in Fund balance of \$2,363,939. The previous fiscal year Total Revenues were (\$1,913,449) and \$2,221,946 in Expenditures for a Net Decrease of (\$4,135,395.) Since July 1, 2019, the Merrill Lynch EMA account saw a Net Increase in the amount of \$3,130,098. This brought the total market value to \$50,744,294 at December 31, 2019. The net increase to the Vanguard Wellington Account (Science Development Fund) since July 1, 2019 was \$22,358, bringing the total market value to \$275,446 as of December 31, 2019. 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 December 31, 2019 Finance and Investment Reports as presented, Dr. Arnold; Second, Mr. Hamilton; Motion carried unanimously.**

Approve FY19 Audited Financial Statements/Form 990:

Mr. McInnis reviewed the highlights of the FY19 audited financial statements and form 990. The net position was \$53,526,569 at the close of the fiscal year. This reflects an increase of 4% over the previous fiscal year, and of the \$51.5 million in total assets, \$3.9 million rested in capital assets. Total liabilities were \$107,939, with \$90,645 due to the college, and \$17,294 due to other outside vendors. At June 30, 2019 the amount of underwater funds decreased from 2 to 0. Total gifts, contributions, grants and other income, increased \$319,756 from 2018 to 2019, totaling \$1,092,150 at June 30, 2019. Additions to permanent endowments totaled \$1,564,759 at year-end. Total college support was \$1.9 million. These payments reflected \$433,118 in scholarship expenses, and \$2.2 million in program and other support to the college. Ms. Kedroski added that about half of the Foundation's portfolio is comprised of endowed scholarships. **Motion to approve the FY 2019 NWFSC Foundation Audited Financial Statements and IRS Form 990 as presented, Dr. Arnold; Second, Mr. Wills. Motion carried unanimously.**

New Endowments:

Mr. McInnis presented the new endowments. The Lucinda J. Frakes Scholarship Endowment created by Ms. Lucinda "Cindy" Frakes will provide scholarship support to a student enrolled at Northwest Florida State College who is pursuing an AS degree in a career or technical field. **Motion to approve the Lucinda J. Frakes Scholarship Endowment agreement as presented, Mr. Peterson; Second, Maj Gen Litke. Motion carried unanimously.** The Jeff and Leonora Claudio Scholarship Endowment created by Mr. Jeff Claudio and Ms. Leonora Claudio will provide scholarship support to students enrolled at Northwest Florida State College and pursuing a degree in nursing or an EMS certificate. **Motion to approve the Jeff and Leonora Claudio Scholarship Endowment agreement as presented, Mr. Wood; Second, Dr. Arnold. Motion carried unanimously.** The Scott Jackson Family Scholarship Endowment Created by Mr. Scott Jackson will provide scholarship support for students enrolled at Northwest Florida State College. **Motion to approve the Scott Jackson Family Scholarship Endowment agreement as presented, Mr. Peterson; Second, Maj Gen Litke. Motion carried unanimously.**

Major Gifts/Development Committee Report:

Mr. Peacock reviewed the current campaign totals and the status of each division. The current total of campaign gifts is \$4,421,353 and the total of all gifts received by the Foundation since the beginning of the campaign on July 1, 2018 is \$6,399,239. He noted the 100% participation during the Board Division and 62% participation during the Employee Division. He also thanked those who have opened their homes and businesses to the Leadership Awareness Events and presented the schedule of Community Awareness events as the campaign moves into the public phase. He then highlighted the alumni awards and the upcoming nomination deadline of March 1, 2020. Additionally he shared that the updated scholarship awarding process has shown a 38% increase in funds awarded to students. Only 62% of funds were awarded in fiscal year 2018-2019 and 88% awarded in fiscal year 2019-2020.

Governance Committee Report:

Mr. Hamilton reviewed the Board members term limiting out as of June 30, 2020 and those eligible for reappointment. He reminded members that the deadline for nominations is Friday, February 7 and reiterated the committee's desire to appoint/re-appoint a total of 7-10 members.

Mr. Hamilton and Mr. McInnis expressed thanks and appreciation to those members rolling off for their years of service to the Foundation.

Executive Director's Report:

Ms. Kedroski presented the contributions over \$1,000. She highlighted some of the gifts received from October 30, 2019 – January 24, 2020 and noted a total of over \$153,000. Next, she presented the highlights of the recent appraisal of the College Courtyard Apartments and the current appraised value of \$5,000,000 in "As Is" condition. She noted that the appraised value is now higher than the internal loan balance of \$3,859,000 and that the appraised value in 2015 was \$3,400,000. In order to continue the quality athletics programs, a timeline for possible on-campus student housing will be discussed at the next finance committee meeting to determine what options are available for the apartments. Lastly, she presented a schedule of the remaining board and committee meetings and the schedule of upcoming college events and activities. She mentioned that the last basketball game of the season will be on Saturday, February 15 and President's Circle members will be recognized during the game. There are also several Broadway series shows coming up at the Arts Center and the Mardi Gras Food and Wine Festival presented by the Northwest Florida Symphony Guild to support the NFSO will be on February 23.

Hospitality Management and Culinary Arts Program Presentation:

Ms. Cotton provided an overview of the Hospitality Management and Culinary Arts Programs. She noted that each program offers an Associates of Science degree upon completion with the ability to earn eight additional industry certifications. Since the Hospitality program began three years ago, it has seen an 82% increase in enrollment, and Culinary has seen an 83% increase in the past two years. Currently there are thirty students in both programs. After an overview of the program locations, resources and renovations that have made the programs possible, Ms. Cotton introduced Ms. Christine Smith. As a second year student in the Hospitality Management Program, Ms. Smith shared her experience in the program and gratitude to the Board and donors that made the program and her scholarship possible. Next, Chef Eggers shared that the construction on the 2,100 sq. ft., hydroponic Kay Litke Culinary Arts Greenhouse has begun. He noted that the opening looks to be in mid-late March, and the student-run greenhouse will be able to grow lettuce in just five weeks with no pesticides and the ability to create their own unique blends. He then reviewed this semester's menu for the pop-up restaurant, Seagrass, will be a five-course dinner with a different regional/international menu each week. While the restaurant seats 60 per dinner service, the reservations for the entire semester were sold out in one day. Additionally he noted that the Culinary Arts students will be preparing and cooking the meals and the Hospitality Management students will be managing the front of house operations for Seagrass this semester. Mr. McInnis thanked General Litke his support of the Culinary Arts Program, and particularly for his gift to support the Kay Litke Culinary Arts Greenhouse.

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 two Trustee meetings since the November Foundation Board meeting. He noted the housing report presentation which cited a housing need for 236 full-time students and 138 part-time students and the state statute requiring a third party to manage the housing. He also shared the approval of a revised Computer Information Technology Associate of Science degree and related certificates. In January the Trustees reviewed, revised, and approved the College's mission, vision, and value statements for the 2020-23 strategic plan. He then shared his impressions of the 2020-2023 strategic planning summit held in January. He

described the summit as a very productive day and is impressed at how the College has embraced strategic planning and integrated it into the institution.

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

As Dr. Stephenson is in Tallahassee with the President's Leadership Academy, Ms. Kedroski provided the following updates in his stead: NWFSC Phi Theta Kappa inducted 66 new members and has been recognized as a five-star chapter for the second year in a row; nine NWFSC students were named to the 2020 All Florida Academic Teams; recognized Dr. Price and Dr. Slaton for their work on the SACSCOC reaccreditation process continuing through the year; the Teacher Education Program earned an "A" grade for early reading instruction; the Law Enforcement & Corrections Program received a perfect rating on its FDLE (Florida Department of Law Enforcement) audit; students in the Fire Safety Program achieved a 100% pass rate on both their practical and written exams; the Raider Practice Facility set to have mechanical work done by the end of March; bids for construction work on the Walton Works Project opened on February 4; on January 31 a ribbon cutting was held with the Home Builders Institute located on the Niceville campus; working with Triumph on grant opportunities for the A & P Program; a new articulation agreement was signed with Embry Riddle Aeronautical University bringing the total number of partnership institutions to nine.

Foundation Chair Remarks:

Mr. McInnis reiterated the thanks and appreciation to the Board and Trustees for their 100% participation during the Board Division of the campaign.

Schedule of Next Meeting:

The next Foundation Board meeting will be May 6, 2019, 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 9:08 a.m.



C. Jeffrey McInnis, Chair

6/3/2020
Date



Cristie Kedroski, Secretary

6/3/2020
Date