

Minutes
NWF State College Foundation, Inc.
Board of Directors Meeting
February 6, 2019 8:00 a.m.
Morell Room #302, Student Services Center, 3rd Floor, Niceville Campus

Directors Present:

Bo Arnold	Dennis Peters
Wayne Campbell	Melissa Pilcher
Chad Hamilton	Tom Rice
Walter Hooks	Donnie Richardson
Gordon King	Devin Stephenson
Don Litke	Ken Wampler
Jeff McInnis	Steve Wills
Venita Morell	Steve Wolfrom
Jonathan Ochs	Alan Wood
J.D. Peacock	

Staff Present:

Serena Brown	Carla Reinlie
Cristie Kedroski	Annie Young
Jason Masters	

Others Present:

Greg Dvorsick	Shane O'Dell
Ray McGovern	Jeanette Shires

Absent: Eric Aden, David Costa, Scott Jackson, Michelle McGee, Mitch Mongell, Dale Peterson, Fred Thomas, Dewayne Youngblood

Call to Order

Mr. Hamilton called the meeting to order at 8:04 a.m.

Welcome Board Members and Guests

Mr. Hamilton welcomed board members, guests, and staff members.

Approval of October Board Minutes

The minutes of the October 3, 2018, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Rice; Second, Dr. Arnold; Motion carried unanimously.**

Approval of December Special Board Minutes

The minutes of the December 5, 2018, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Rice; Second, Dr. Arnold; Motion carried unanimously.**

Finance and Investment Reports

Mr. Peacock reviewed the summary of Financial Position, the Statement of Activities, and the Investment Report as of December 31, 2018 with the board members. He also presented the October 31, 2018 financial statements. Total assets are \$47,246,987 and Total Liabilities are \$0, bringing the Total Fund Balance to \$47,246,987. The Statement of Activities reflected (\$1,913,449) in Revenues and \$2,221,946 in Expenditures for a total Net Decrease in Fund

balance of (\$4,135,395). Since July 1, 2018, the Merrill Lynch EMA account saw net decrease in the amount of (\$2,814,642). This brought the total market value to \$42,886,584 at December 31, 2018. The net decrease to the Vanguard Wellington Account (Science Development Fund) through July 1, 2018 through December 31, 2018 was (\$5,815), bringing the total market value to \$254,928 as of December 31, 2018. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$43,141,513. The portfolios are allocated as 4.51% Cash & Cash Equivalents, 59.05% Equity, 12.22% Alternative Investments and 24.22% Fixed Income.

Motion to approve the October 31 and December 31, 2018 financial statements as presented, Mr. Wampler; Second, Mr. Wood; Motion carried unanimously.

Endowment Spending Allocation for Academic Year 2019-20

Mr. Peacock provided a chart listing the endowment spending allocation available for Fiscal Year 2019-20. He 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. He also pointed out there were 5 endowed funds that were unable to support a distribution due to insufficient investment earnings. Mr. Peacock lastly noted that only 2 funds were underwater as of 6/30/2018, which was a reduction from 7 underwater funds the previous year as of 6/30/2017. **Motion to approve the spending allocation as presented, Dr. Arnold; Second, Mr. Rice. Motion carried unanimously.**

Margaret "Peggy" Kinsella Scholarship Endowment

Mr. Hamilton noted Kendall and Denise Wagner donated \$15,000 on December 5, 2018 to create the Margaret "Peggy" Kinsella Scholarship Endowment. He then presented the donor agreement for the board to review. **Motion to approve the Margaret "Peggy" Kinsella Scholarship Endowment, Mr. Wills; Second, Mr. Wolfrom. Motion carried unanimously.**

Greg Dvorsick, Blackrock Manager

Mr. Dvorsick highlighted a few important insights on the Blackrock Performance report. He noted that the total portfolio has seen gains over the last 5 years, but due to the challenging market in December, stocks have seen some loses. He also provided some insight on national and international trends and the impact of volatility. Mr. McGovern also discussed the portfolio's position and reviewed how the foundation has it set up for the board members.

Governance Committee Report

Mr. Hamilton gave a governance committee update, noting that the Foundation has five board members whose terms will expire in June, 2019. He noted that three of these directors are not eligible for reappointment due to board term limits. As such, the committee expects to add a minimum of three new board members whose three-year terms begin in July 2019. He also stated that all nomination forms are to be submitted to the foundation office by Sunday, February 10, 2019. Mr. Hamilton also informed the board that the committee seeks nominations of individuals who are community influencers, contribute to diversity, and/or are part of an industry sector not currently represented on the Board. He also encouraged nominators to attend the February 21 Governance Committee meeting to represent their nominee. He finished by saying the committee is also seeking a current board member to serve as the Foundation Board treasurer.

Major Gifts Campaign Update

Mr. McInnis noted that the Major Gifts Campaign is progressing smoothly, and then challenged Board members to commit to a sizeable gift to ensure 100% participation by leadership. Ms. Kedroski then gave a brief presentation outlining the Structure of the Campaign. She noted that

a Management Committee and a Board Division Committee has been created to help steer Campaign efforts and that pamphlets and brochures are currently in the design phase.

Summary of \$1,000+ Contributions

Ms. Kedroski presented a chart that summarized \$1000+ contributions made between September 26, 2018 and January 25, 2019. Note cards were distributed by staff 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 6, 2019 to April 2, 2019. She noted that if any of the President's Circle members had not yet done so, to please RSVP for the upcoming President's Circle Recognition Event at the Raider Arena. Ms. Shires also gave a brief update on upcoming Mattie Kelly Arts Center events.

Other Items

No Remarks.

Impact Presentation by Dr. Devin Stephenson, NWF State College President

Dr. Stephenson welcomed all and then gave a brief presentation on the College that provided an enrollment snapshot of the institution, financial reports, a vision for the College's future and recent challenges and celebrations.

Trustee Liaison Remarks

Maj Gen Litke noted that at the last Trustee meeting, they reviewed and finalized the College's policies and Bylaws, discussed the vision of the college and brainstormed various ways to reduce textbook costs to better serve the students.

Foundation Chair Remarks

Mr. Hamilton noted that there will be lots of work in the future with the major gifts campaign and mentioned his confidence that the Board will be able to step up to the challenge.

Around the Table

No remarks.

Schedule of Next Meeting

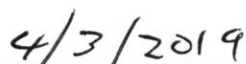
The next Foundation Board meeting will be April 3, 2019, at 8:00 a.m. at the Niceville Campus.

Adjournment

There being no further business, the meeting adjourned at 9:29 a.m.




Chad Hamilton, Chair



Date



Cristie Kedroski, Secretary



Date