

NWFSC Foundation Finance Committee Meeting
April 27, 2021 8:00 a.m.
Room 308, SSC, Niceville Campus

Members Present:

Bo Arnold	Jonathan Ochs
Destin Cobb	J.D. Peacock
Chad Hamilton	Steve Rhodes
Don Litke	Steve Wills

Other Members:

Ray McGovern
Shane O'Dell

Staff Present:

Shiri Brandenburg	Kira Magruder
Kelly Copeland	Carla Reinlie
Cristie Kedroski	

Absent:

Eric Aden	Walter Hooks
Marek Bakun	Dennis Peters
Wayne Campbell	Dale Peterson

Call to Order:

Dr. Arnold called the meeting to order at 8:00a.m.

Approval of Committee Meeting Minutes:

The minutes of the January 26, 2021 committee meeting were approved as presented. **Motion to approve minutes, Mr. Hamilton; Second, Mr. Wills. Motion carried unanimously.**

Financial Reports:

Ms. Brandenburg Presented the Statement of Financial Position, Statement of Activities, and the Investment Report as of March 31, 2021. Total Assets are \$62,876,838 and Total Liabilities are \$5,286, bringing the Total Fund Balance to \$62,871,552. As of March 31, 2020 the Total Fund Balance was \$47,800,504. Total Revenues were \$12,881,188 and Total Expenses were \$2,573,480 for a Net Increase in Fund balance of \$10,307,708. A Statement of Activities from the previous fiscal year from July 1, 2019 through March 31, 2020 shows Total Revenues of (\$2,992,601) and Total Expenses of \$2,728,782 for a Net Decrease in Fund balance of (\$5,721,384). Pledge Commitments in the amount of \$23,000 made in fiscal years 2019 and 2020 are uncollectible and have been recorded as bad debt expense for fiscal year 2021. The Net Increase to the Merrill Lynch EMA account since July 1, 2020 is \$11,032,538, bringing the Total Market Value to \$57,829,330 at March 31, 2021. The Net Increase to the Vanguard Wellington Account since July 1, 2020 was \$47,906, bringing the Total Market Value to \$304,370 as of the last statement date of March 31, 2021. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$58,133,701. The portfolio allocation as of the statement date is

3.21% Cash & Cash Equivalents, 65.58% Equity, 8.43% Alternative Investments and 22.77% Fixed Income & Annuity. As of March 31, 2021 Total Operating Expenditures were \$144,400, leaving 51% of the budget available for the remainder of the fiscal year. As of March 31, 2021, Total President's Office Expenditures were \$12,191, leaving 19% of the budget available for the remainder of the fiscal year. **Motion to approve financials Mr. Ochs; Second, Mr. Cobb. Motion carried unanimously.**

Approval of Checks over \$5000:

Ms. Brandenburg presented a listing of checks over \$5,000 from January 16, 2021 through March 31, 2021 for the committee to review. **Motion to approve checks over \$5,000, Mr. Wills; Second, Destin Cobb. Motion carried unanimously.**

Foundation FY 2022 Operating Budget/Policy Revision – Administrative Fee:

Ms. Kedroski reviewed the 2022 operating budget and noted several increases. Consultant Fees, Food and Food Products, and Materials and Supplies-Other are increasing as the Major Gift Campaign will be resuming. Internal Support Services is also increasing by \$95,000 to pay for 50% of the Foundation Staff salaries to improve the self-sustainment of Foundation operations and allow the College to focus on other initiatives and priorities. Additionally, Ms. Kedroski reviewed the current administrative fee of 0.59% with the committee along with a survey of fees institutions across the state charge to funds. Ms. Kedroski also noted the benefits of increasing the administrative fee to 0.75%. **Motion to approve the operating budget and change the administrative fee from 0.59% to 0.75%, Mr. Peacock; Second, Maj Gen Litke. Motion approved. For, Mr. Cobb, Mr. Hamilton, Maj Gen Litke, Mr. Ochs, Mr. Peacock, Mr. Rhodes, and Mr. Wills. Against, Dr. Arnold.**

Underwriting of Mattie Kelly Arts Center Series 2020-2021:

Ms. Brandenburg presented the 2021-2022 Mattie Kelly Arts Center Series. She noted that each year the Foundation is asked to underwrite the season. **Motion to approve the 2021-2022 Mattie Kelly Arts Center Season at a cost not to exceed \$528,100, Mr. Hamilton; Second, Mr. Cobb. Motion carried unanimously.**

Endowment Spending Allocation for 2021-2022:

Ms. Brandenburg presented the Endowment Spending Allocation for 2021-2022. She noted that the allocation is based off of a three year rolling average of the fund. **Motion to approve the Endowment Spending Allocation for 2021-2022 as presented, Mr. Cobb; Second, Mr. Hamilton. Motion carried unanimously.**

Professional Services Contract Schedule:

Ms. Brandenburg reviewed Foundation policy (#12.0) regarding Contracting and Professional Services. Investment Services are scheduled to be reviewed June 2021 and staff recommends continuing engagement with McGovern, O'Dell and Associates. **Motion to continue engagement with McGovern, O'Dell and Associates, Mr. Hamilton, Second, Mr. Peacock. Motion carried unanimously.**

Foundation/College MOU FY22:

Ms. Kedroski presented the Foundation/College MOU. She noted that this agreement is required by state auditors and serves to outline important terms between the College and Foundation. She noted the language associated with the College Apartments will be stricken if the apartments sold prior to fiscal year end. **Motion to approve Foundation/College MOU FY22, Mr. Rhodes; Second, Mr. Ochs. Motion carried unanimously.**