

NWFSC College Foundation Board of Directors Meeting  
May 5, 2021 8:00a.m.  
Morell Room 302, SSC, Niceville Campus

**Directors Present:**

Bo Arnold	Jeff McInnis
Wayne Campbell	Jonathan Ochs
Destin Cobb	J.D. Peacock
Cindy Frakes	Steve Rhodes
Chad Hamilton	Hu Ross
Dave Jefferson	Rhonda Skipper
Bernard Johnson	Ken Wampler
Heather Kilbey	Cecil Williams
Gordon King	Alan Wood
Don Litke	

**Staff Present:**

Shiri Brandenburg	Kira Magruder
Kelly Copeland	Carla Reinlie
Cristie Kedroski	

**Others Present:**

Mike Chesser	Whitney Rutherford
Ray McGovern	Jeanette Shires
Shane O'Dell	Devin Stephenson
Deidre Price	Keith Wood

**Absent:**

Eric Aden	Dennis Peters
Marek Bakun	Donnie Richardson
Todd Grisoff	Ashley Rogers
Walter Hooks	Steve Wills
Tyler Jarvis	

**Call to order:**

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

**Welcome Board Members and Guests:**

Mr. Peacock welcomed board members and guests.

**College Apartments Update & Authority for Signature:**

Ms. Frakes recused herself from this discussion. Mr. Ochs provided a college apartment update to the Board. The original buyer, Lurin Multi-Family Acquisition Group, exercised its right to terminate the College Apartment Purchase and Sale Agreement within the due diligence period. As of Monday, April 26, 2021, BAF Associates has expressed verbal interest in purchasing the apartments on terms consistent with those outlined in the Lurin agreement. Additionally, several challenges were noted associated with convening the Foundation Board at regular intervals considering the Board will not meet again in a regularly scheduled meeting until August. Given the fact that the core terms of the sale have

been negotiated and addressed at two public meetings, staff recommends that the Board of Directors provide authority to the Executive Director of the Foundation to enter into a Purchase and Sale Agreement with any reputable buyer. **Motion to a) adopt the terms of the Purchase Agreement, Rider, and incorporated Lease with BAF Associates, Inc.; b) Authorize the Executive Director of the Foundation and Secretary to the Board of Directors to sign the Purchase Agreement and Rider; c) Authorize the Executive Director of the Foundation and Secretary to the Board of Directors to make necessary amendments to the Purchase Agreement, Rider, and incorporated Lease, except for amendments to the principal terms outlined in this memorandum; d) Allocate profits from the sale to pay closing costs, the internal loan, and the three-year leaseback expenses with all remaining College Housing fund profits used to support future residential housing needs of the institution; e) Authorize the Executive Director of the Foundation and Secretary to the Board of the Directors to enter into a subsequent Purchase and Sale Agreement based on the principal terms of the preceding Lurin and BAF agreements to include: 1) Purchase Price at the list price of \$6.8 million, any price above, or no less than \$250,000 below; 2) ; and to change the verbiage in term 2 from minimum to maximum, Mr. Ochs; Second, Mr. McInnis. Motion approved unanimously.**

Mr. Campbell asked a question regarding whether or not the College would continue to pay Raider Housing rent payments. Ms. Kedroski responded that the College budgeted for this expense regardless of the potential sale of the apartments, but that decision is subject to College purview. Mr. Campbell requested that the finance committee discuss this further at the next meeting.

#### **Finance and Investment Reports:**

Dr. Arnold 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 accept financial reports as presented, Dr. Arnold; Second, Mr. Wampler. Motion carried unanimously.**

#### **Endowment Spending and Allocation for the 2021-22 Academic Year:**

Dr. Arnold presented the Endowment Spending Allocation for 2021-2022. The allocation is based off of a three year rolling average of the fund balance at the fiscal year end. **Motion to approve the 2021-22 Endowment Spending Allocation, Dr. Arnold; Second, Mr. Ross. Motion carried unanimously.**

#### **Underwriting of Mattie Kelly Art Center Series, FY22:**

Dr. Arnold presented the 2021-2022 Mattie Kelly Arts Center Series. Each year the Foundation is asked

to underwrite the season. Mattie Kelly Art Center is requesting the Foundation Board underwrite the Broadway Series, Artist Series, and Family Series for the 2021-22 Arts Center season at a cost of approximately \$528,100. **Motion to approve the underwriting of the 2021-2022, Finance Committee; Second, Dr. Arnold; Motion carried unanimously.**

**Foundation Operating Budget, FY22, and Administrative Fee Policy Change:**

Dr. Arnold presented the fiscal year 2022 Operating Budget. Dr. Arnold discussed key budget items to include: \$95,000 to relaunch the Major Gifts Campaign with the Armistead Group; \$65,000 to support continued legislative services for NWFSC, which the institution is unable to pay from state appropriations; \$40,000 in food/food products to support anticipated increases in expenses for donor stewardship events associated with the campaign; and \$175,000 in internal support services to cover 50% of the salary and benefit expense of Foundation personnel. Dr. Arnold also presented increasing the administrative fee from 0.59% to 0.75% to help offset increased expenditures. **Motion to approve the FY 2022 Operating Budget and an increase to the administrative fee from 0.59% to 0.75%, Finance Committee; Second, Dr. Arnold; Motion carried unanimously.**

**Major Gifts Campaign:**

Mr. Wampler provided a brief history of the Major Gifts Campaign, presented relaunching "Take Flight" and entering into an \$86,250 contract with the Armistead Group. "Take Flight" Campaign was suspended March 2020 due to the pandemic, but over \$16,531,382 has been raised as of March 31, 2021 despite economic challenges. The Foundation reached out to The Armistead Group March 2021 for an updated proposal for continuing the campaign. The Armistead Group suggested a 15 month proposal that is broken down into three phases. Phase One: A three month period for Foundation and College staff and Board members to get reengaged and complete prospect research. Phase Two: A six month period focusing on infrastructure and volunteering and training. Phase two will be the initial solicitation phase centering on off-campus campaigning. Phase Three: The last six months center on solicitation, maintaining developed relationships, and celebration. The Armistead Group encouraged the Foundation and College to rebrand the Take Flight Campaign as it represents the past, not the future. The Foundation Board, along with Dr. Stephenson, decided to keep the Take Flight theme as it represents the history of the college. **Motion to approve relaunch of the Major Gifts Campaign and entering into a contract with the Armistead Group as presented Mr. Wampler; Second, Mr. Williams. Motion carried unanimously.**

**2021 Alumni Award Winners:**

Mr. Wampler presented the 2021 Alumni Award Winners. He also noted the selection of two alumni for Hometown Hero. **Motion to approve the 2021 Alumni Award Winners as presented, Development Committee; Second, Mr. Wampler; Motion carried unanimously.**

**NWFSC/Foundation MOU, FY22:**

Mr. Peacock presented the MOU between the College and the Foundation for fiscal year 2022. He noted the strikethroughs are language associated with the College Apartments and assuming the apartments sell, this language will be removed from the MOU at the completion of the sale of the apartments. **Motion to conditionally approve the MOU noting that language associated with the College Apartments will be stricken if apartments are sold prior to fiscal year end, Dr. Arnold; Second, Mr. McInnis. Motion carried unanimously.**

**Donald E. Hood Theater Arts Scholarship Endowment:**

Mr. Peacock presented the new endowment – Donald E. Hood Theater Arts Scholarship. This is a

\$25,000 endowment with an additional \$1,000 restricted gift for a Fall 2021 scholarship. **Motion to approve the Donald E. Hood Theater Arts Scholarship Endowment as presented, Mr. Ochs; Second, Mr. Ross. Motion carried unanimously.**

**Gift-In-Kind – Automobile:**

Mr. Peacock presented the Gift-In-Kind donation. Katherine and C. Jeffrey McInnis seek to donate a 2004 Mazda 6 automobile and vehicle title documentation. **Motion to accept the Gift-In-Kind of a 2004 Mazda 6 automobile donation from Katherine and C. Jeffrey McInnis, Mr. Wood; Second, Mr. Wampler. Motion carried unanimously.**

**Development Committee Report:**

Mr. Wampler indicated the Foundation has received \$864,466 in gifts, memberships, new pledges, and in-kind donations as of March 31, 2021. As of March 31, 2021, 84% of board members have made a gift this fiscal year. Mr. Wampler also noted that the Major Gift Campaign must be a team effort among Foundation staff and Board Members.

**Governance Committee Report:**

Mr. McInnis states the biennial board assessment will be sent out early May and encouraged all board members to participate.

**Executive Director's Report:**

Ms. Kedroski presented the contribution over \$1,000 report. She highlighted the gifts received between January 19, 2021 through April 27, 2021 and noted a total gift amount of \$433,037. Ms. Kedroski provided members the Annual Conflict of Interest Disclosure form to complete. She also provided members the 2021-2022 Board Committee Selection form for completion. The upcoming college events and activities calendar was also presented.

**NWFSC Foundation Executive Director Job Posting:**

Mr. Peacock presented the job description for the NWFSC Foundation Executive Director. Ms. Kedroski served as the Foundation's Executive Director for more than a decade, but has recently assumed additional leadership responsibilities at the College. The new Executive Director will report directly to Senior Vice President Kedroski.

**Draft Committee Meeting Minutes:**

Mr. Peacock 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.

**Foundation Chair Remarks:**

Mr. Peacock thanked the board members for attending the Foundation Board meeting.

**Schedule of Next Meeting:**

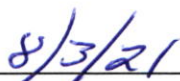
The next Foundation Board meeting will be August 3, 2021 at 8:00 a.m. in the Janet Nadel Morrell Room, Room 302, Raider Central, 3<sup>rd</sup> Floor, Niceville Campus.

**Adjournment:**

There being no further business, the meeting adjourned at 9:07 a.m.

  
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Ken Wampler, Chair

  
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Date

  
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Cristie Kedroski, Secretary

  
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Date