

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