

NWFSC Foundation Finance Committee Meeting
May 19, 2020 8:00 a.m.
Virtual Meeting

Members Present:

Bo Arnold	Dennis Peters
Walter Hooks	Ken Wampler
Don Litke	Steve Wills
Jonathan Ochs	

Staff Present:

Shiri Brandenburg	Melissa Wolf-Bates
Cristie Kedroski	Annie Young
Carla Reilnie	

Others Present:

Ray McGovern
Shane O'Dell

Absent:

Eric Aden, Wayne Campbell, Dewayne Youngblood

Call to Order:

Mr. Wampler called the meeting to order at 8:03 a.m.

Approval of Committee Meeting Minutes:

The minutes of the January 23, 2020 committee meeting were approved as presented. **Motion to approve minutes, Dr. Arnold; Second, Maj. Gen. Litke. Motion carried unanimously.**

Finance and Investment Reports:

Ms. Brandenburg presented the Statement of Financial Position, Statement of Activities and Investment Report as of March 31, 2020. Total assets are \$48,156,693 and Total Liabilities are \$696,029, bringing the Total Fund Balance to \$47,460,663. The Statement of Activities reflected \$1,711,027 in Revenues and \$2,728,782 in Expenditures for a total Net Decrease in Fund balance of (\$1,017,755). Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$43,275,418, allocated as 6.14% Cash & Cash Equivalents, 53.44% Equity, 12.95% Alternative Investments and 27.48% Fixed Income. With \$276,197 in Expenditures, the Operating Budget has 25% of the budget available for the remainder of the year. Ms. Kedroski noted that the scholarship payment has been made and increased. **Motion to approve financials, Mr. Wills; Second, Dr. Arnold. Motion carried unanimously.**

Investment Report by McGovern, O'Dell & Associates/Merrill Lynch:

Mr. McGovern presented a portfolio review as of April 30, 2020. He provided a brief overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$45,329,047 as of April 30, 2020, reminding the committee that the Blackrock report is not a representation of the Foundation's entire investment portfolio with Merrill Lynch. The Merrill Lynch report shows investment allocations stand at 59.86% equity, 24.55% fixed income, 5.54% cash and 10.05% alternative investments at April 30, 2020. Mr. McGovern then presented the BlackRock report noting investment allocations stand at 58% equity, 27% fixed income, 5% cash and 10% alternative investments at

April 30, 2020. He also reviewed the better performing industries for the current report. He noted that the ROR is down 3.91% net of all expenses for the fiscal year.

Approval of Checks over \$5,000:

Ms. Kedroski presented a listing of checks over \$5,000 from January 11 to May 15, 2020 for the committee to review. **Motion to approve checks over \$5,000, Mr. Hooks; Second, Mr. Wills. Motion carried unanimously.**

Foundation Operating Budget FY21:

Ms. Kedroski presented fiscal year 2021 Operating Budget. She noted that while the Major Gifts Campaign has been suspended currently, the budget includes the consultant fees should it resume in 2021. **Motion to approve Foundation Operating Budget FY21, Maj. Gen. Litke; Second, Mr. Wills. Motion carried unanimously.**

Foundation/College MOU FY21:

Ms. Kedroski presented the Foundation/College MOU. She noted that this agreement started about three years ago and the only change was to the employee time allocations with respect to Ms. Kedroski's new position as Senior Vice President. **Motion to approve Foundation/College MOU FY21, Mr. Hooks; Second, Dr. Arnold. Motion carried unanimously.**

Endowment Spending Allocation for 2020-2021:

Ms. Kedroski presented the Endowment Spending Allocation for 2020-2021. She noted that the allocation is based off of a three year rolling average of the fund. There was some discussion about date at which the average is calculated. It was proposed that the date remain the same for each year rather than a floating date. **Motion to approve the Endowment Spending Allocation for 2020-2021 as presented and to update the spending policy to reflect that the allocation will be determined "at the time of the of the fiscal year-end calculation", Maj. Gen. Litke; Second, Mr. Wills. Motion carried unanimously.**

New Endowments:

Ms. Kedroski presented the new endowments: \$25,000 pledged by Maurice Evans for the Ernie Green Memorial Scholarship (student pursuing a degree in a STEM related field) and \$15,000 pledged by Sacred Heart Hospital of the Emerald Coast Guild for the Roger L. Hall Legacy Scholarship Endowment (student pursuing a degree in finance, business, or medical program). **Motion to approve new endowments as presented, Dr. Arnold; Second, Mr. Hooks. Motion carried unanimously.**

Underwriting of Mattie Kelly Arts Center Series 2020-2021:

Ms. Kedroski presented the 2020-2021 Mattie Kelly Arts Center Series. She noted that each year the Foundation is asked to underwrite the season. **Motion to approve the 2020-2021 Mattie Kelly Arts Center Season at a cost not to exceed \$398,900, Mr. Wills; Second, Mr. Hooks. Motion carried unanimously.**


College Apartment Update & Reserve Study:

Ms. Kedroski informed that committee that discussions about on-campus housing has been suspended since the College has moved to remote operations in the wake of COVID-19. She reviewed the committee's previous request for a reserve study to be conducted for the apartments. She noted that the cost of the study would be \$7,725. After some discussion, it was decided to move forward with a study. **Motion to approve the completion of a Reserve Study for the College Courtyard Apartments, Mr. Wills; Second, Mr. Hooks. Motion carried unanimously.**

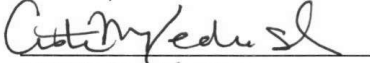
Executive Director Report:

Ms. Kedroski shared that the Summer term is predominantly online and the College is working on hybrid classes for those that cannot be completed 100% online, such as labs, practicals, etc. She added that there is a phased return plan with the intention that all faculty and staff will be back on campus by the end of June.

Adjournment: There being no further business, the meeting adjourned at 9:44 a.m.



Bo Arnold, Chair



Cristie Kedroski, Secretary

11/4/20

Date

11/4/20

Date