

Minutes
NWFSC Foundation, Inc.
Board of Directors Meeting
June 1, 2016 7:45 a.m.
Chautauqua Center, Room 103, Building 1, DeFuniak Campus

Directors Present:

David Costa	Venita Morell
Chad Hamilton	Melissa Pilcher
Scott Jackson	Donnie Richardson
Don Litke	Steve Wills
Jeff McInnis	

Staff Present:

Serena Brown	Jason Masters
Cristie Kedroski	Carla Reinlie

Others Present:

Ross Hamilton	Shane O'Dell
Ray McGovern	Julie Terrell

Absent: Bethany Burke, Wayne Campbell, Bart Fleet, Mike Flynt, Lois Lunderman, Mitch Mongell, Dennis Peters, Dale Peterson, Tom Rice, Fred Thomas, Dewayne Youngblood

Call to Order

Mr. Scott Jackson called the meeting to order at 7:45 a.m.

Welcome Board Members and Guests

Mr. Jackson welcomed board members, guests, and staff members. He gave thanks to Ms. Julie Terrell, Director of the Chautauqua Center for hosting this meeting at the DeFuniak Springs Campus.

Approval of Minutes

The minutes of the April 6, 2016, Board of Directors Meeting were approved. **Motion to approve minutes, Mr. McInnis; Second, Maj. Gen Litke; Motion carried unanimously.**

Finance and Investment Reports

Ms. Brown reviewed the summary of Financial Position, the Statement of Activities, and the Investment Report as of April 30, 2016 with board members. Total assets are \$45,011,675 and Total Liabilities are \$500, bringing the Total Fund Balance to \$45,011,175. The Statement of Activities reflected (\$142,828) in Revenues and \$2,533,091 in Expenditures for a total Net Decrease in Fund balance of (\$2,675,918). The Net Decrease to the Merrill Lynch EMA account since July 1, 2015 was (\$1,440,433) bringing the Total Market Value to \$39,464,984 at April 30, 2016. The Net Increase to the Vanguard Wellington Account (Science Development Fund) through the third quarter was \$4,197 bringing the Total Market Value to \$249,038 as of March 31, 2016. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$39,714,023. The portfolios are allocated as 3.39% Cash & Cash Equivalents, 60.43% Equity, 11.18% Alternative Investments and 25.01% Fixed Income. She also noted that as of June 1, 2016 the foundation has raised \$470,903, 61% of our 2015-16 annual goal of \$767,887.

Motion to approve Finance and Investment Reports as of April 30, 2016, Mr. Richardson; Second, Mr. Wills; Motion carried unanimously.

Presentation of the 2016-17 Operating Budget

Ms. Kedroski presented the fiscal year 2017 operating budget to the board for review. She noted that at the present, the fund balance in the Operating fund is \$850,000. She also noted that the fund is invested and therefore is subject to investment gains/losses, which are not accounted for in the budget. She explained that the annual admin fee revenue is estimated to be \$216,000 and that the proposed budget for fiscal year 2017 is \$198,812, which includes \$10,000 in Operating fund contingency and \$10,000 in support of Presidential development activities. **Motion to approve the fiscal year 2017 operating budget, Maj. Gen Litke; Second, Mr. Richardson; Motion carried unanimously.**

Policy Update – Organization of the Board

Mr. Jackson presented the Organization of the Board Policy with revisions approved by the Governance Committee. He noted that the revisions seek to eliminate language that is no longer relevant. **Motion to approve Organization of the Board Policy, Mr. McInnis; Second, Mr. Wills; Motion carried unanimously.**

Policy Update – Investment Policy

Ms. Kedroski presented the Investment Policy with revisions approved by the Finance committee. She noted that In light of recent market fluctuations it is necessary to ensure the policy we employ will maintain the endowment in perpetuity so that we may provide benefits for current students and programs without compromising the needs of future generations. She commented that presently the foundation employs a spending policy allocating up to 4% of the endowment’s prior fiscal year-end balance as long as the corpus is kept intact. The recommendation to the Foundation is to use a rolling average of fiscal year-end balances over the course of three years to thwart market volatility. **Motion to approve Investment Policy, Mr. McInnis; Second, Mr. Hamilton; Motion carried unanimously.**

Strategic Plan Annual Review

Mr. Jackson noted that as the board reaches the end of the fiscal year, a review of the Foundation’s strategic plan is appropriate. He also stated that some minor edits have been recommended by the Governance committee to help make the plan more comprehensive. **Motion to approve revisions to the Foundation’s strategic plan, Mr. Wills; Second, Maj. Gen Litke; Motion carried unanimously.**

Underwriting of Mattie Kelly Arts Center Series 2016-17

Mr. Jackson noted that the college is prohibited from undertaking debt for events; therefore, the Foundation is annually asked to underwrite the upcoming Mattie Kelly Arts Center season. He presented the request for the Foundation Board to underwrite the Broadway Series, Artist Series, and Family Series for the 2016-17 Arts Center season at a cost of approximately \$482,000. Ms. Kedroski stated that historically there has never been an issue and that over the years it has become more of a formality. The board expressed interest in hearing more about the Mattie Kelly Arts Center’s contract obligations in the event a show is canceled. Ms. Kedroski proposed inviting Ms. Jeanette Shires, Director of the Mattie Kelly Arts Center, to attend the next board meeting to answer any questions the board may have. **Motion to underwrite the 2016-17 Arts Center season at a cost not to exceed \$482,000, Mr. Costa; Second, Mr. McInnis; Motion carried unanimously.**