

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.**

### **Sale of Tallahassee Building**

Ms. Kedroski happily noted that The Tallahassee building was sold on May 11, 2016 for \$375,000. Less the 7% realtor commissions of \$26,250, the repair credit to buyer of \$5000, the deed transfer fee of \$2625, and other settlement adjustments of \$4,620.34, the net proceeds from the sale of the Tallahassee building were \$336,504.66. She noted that the book value of the building and land was \$505,931.19 and that there was a loss on the sale in the amount of (\$169,426.53), leaving the remaining fund balance at (\$1,682.14). She recommended that the ending balance be covered by Operating funds at fiscal year-end, thus closing out the Tallahassee property fund.

### **2016-17 Board Committees**

Mr. Jackson presented to the board a listing of all Foundation committees, providing a summary of each committee's roles and responsibilities, along with a meeting calendar for 2016-17. He asked that members indicate their preference for service on a committee and return the form to Mr. Masters.

### **Board Assessment Survey**

Mr. Jackson noted that the governance committee requests that all board members please complete the board assessment survey. The answers and comments submitted will be used to gauge board effectiveness. Ms. Kedroski noted that she would send another reminder email for the board survey and that responses will be reviewed by the Governance Committee at its next meeting.

### **Development Update**

Ms. Reinlie gave a brief update on ongoing development activities, notably the Raider Athletics campaign. The Raider Athletic campaign had achieved its goal of \$75,000 to provide internet to the Raider Housing and remodel the laundry facility with the total amount raised being \$76,479. She noted that the laundry facility is currently underway and renovations are expected to be complete by the beginning of the fall semester. She also stated that this is the first year that the foundation had set an annual goal for its fundraising efforts and hoped that we will be better equipped to achieve next year's goal.

### **Summary of \$1,000+ Contributions**

Ms. Kedroski presented a chart that summarized \$1000+ contributions made between March 30, 2016 and May 24, 2016. Ms. Kedroski distributed note cards to Board Members to help recognize and thank the donors.

### **Conflict of Interest Forms:**

Ms. Kedroski stated that as the end of the fiscal year approaches, all board members will be asked to complete the Annual Conflict of Interest Disclosure form. She noted that this information is required by our auditors as well as for the renewal of the Foundation's Solicitation of Contributions registration and asked if the form could be filled out and returned as soon as possible.

### **Upcoming Events and Activities**

Ms. Kedroski presented a detailed list of upcoming college events and activities from June 1, 2016 to August 2, 2016.

### **Other Items**

Ms. Kedroski noted that enrollment for the summer semester has gone down 20% since last year, and that there are many efforts in the works to address the decrease. She also informed the board members of the New Board Member Orientation on June 23, 2016 and invited them to attend if able.

### **Presentation by Julie Terrell, Director – Chautauqua Center**

Ms. Terrell thanked the board for their time and efforts. She provided a brief presentation about the history of the Chautauqua Center, the degree programs and services provided and dual enrollment.

### **Draft Committee Meeting Minutes**

Mr. Jackson noted that minutes from recent committee meetings were provided in the board packets as information items.

### **Trustee Liaison Remarks**

No Report.

### **Foundation Chair Remarks**

Mr. Jackson noted his appreciation for the board and their efforts for the students and the foundation.

### **College Report by Dr. Sasha Jarrell, NWF State College, Interim President**

No Report.

### **Around the Table**

Mr. Hamilton wished everyone a good summer and to stay safe.

Mr. Costa noted that dual enrollment could create conversations with local business leaders to boost enrollment.

Mr. O'Dell noted that he would be happy to answer any questions about the investment report.

Mr. Richardson noted his gratefulness for the dual enrollment program and the help it has given to the northern part of Walton County.

Ms. Pilcher expressed her gratefulness for the college's satellite campuses to host board meetings.

Mr. Wills commented on how good dual enrollment is for the college.

Mr. Jackson noted that he firmly believes in the good that dual enrollment brings in the surrounding area.

Dr. Morell recommended building ties with the new principal of Niceville high school, Mr. Charlie Mareello, to connect the college with the high school.

Mr. McInnis thanked the college for having summer classes.

Maj. Gen Litke thanked Mr. Jackson for a strong year of leadership to the foundation.

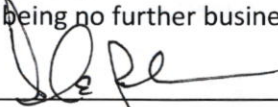
Ms. Reinlie reminded the board members to remember to sign up for the development committee.

### **Schedule of Next Meeting**

The next Foundation Board meeting will be August 3, 2016, at 7:45 a.m. at the Niceville Campus.

**Adjournment**

There being no further business, the meeting adjourned at 9:13 a.m.

  
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Dale Peterson, Vice President

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Date

  
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Cristie Kedroski, Secretary

  
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Date