

Minutes

NWFSC Foundation, Inc.

Board of Directors Meeting

June 7, 2017 7:45 a.m.

Room 119-120, Allyn C. Donaldson Entrepreneurial Center, South Walton Campus

Directors Present:

Bart Fleet

Paige Floyd-Hart

Scott Jackson

Don Litke

Jeff McInnis

Mitch Mongell

Venita Morell

Dennis Peters

Dale Peterson

Tom Rice

Steve Wills

Steve Wolfrom

Dewayne Youngblood

Staff Present:

Serena Brown

Cristie Kedroski

Michael Lucchesi

Jason Masters

Carla Reinlie

Julie Sartori

Others Present:

Alison McDowell

Ray McGovern

Madison Moore

Shane O'Dell

Jeanette Shires

Devin Stephenson

Absent: Bo Arnold, Bethany Burke, Wayne Campbell, David Costa, Jeff Floyd, Chad Hamilton, Drew Hannah, Lois Lunderman, Melissa Pilcher, Donnie Richardson, Fred Thomas

Call to Order

Mr. Peterson called the meeting to order at 7:54 a.m.

Student Scholars

Ms. Madison Moore introduced herself and thanked everyone for their investment into her education and shared her aspirations after graduating from Northwest Florida State College.

Welcome Board Members and Guests

Mr. Peterson welcomed board members, guests, and staff members.

Approval of Minutes

The minutes of the April 5, 2017, Board of Directors Meeting were approved. **Motion to approve minutes as presented, Mr. Jackson; Second, Mr. Wills; 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, 2017 with the board members. Total assets are \$48,241,125 and Total Liabilities are \$0, bringing the Total Fund Balance to \$48,241,125. The Statement of Activities reflected \$5,509,236 in Revenues and \$2,310,682 in Expenditures for a total Net Increase in Fund balance of \$3,198,554. Since July 1, 2016 the Merrill Lynch EMA account saw net gain in the amount of \$3,275,631. This brought the total market value to \$43,193,193 at April 30, 2017. The net Increase to the Vanguard Wellington Account (Science Development

Fund) through the third quarter was \$18,460, bringing the Total Market Value to \$273,892 as of March 31, 2017. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$43,467,085. The portfolios are allocated as 3.10% Cash & Cash Equivalents, 64.73% Equity, 10.95% Alternative Investments and 21.22% Fixed Income. **Motion to approve Finance and Investment Reports as of April 30, 2017, Dr. Morell; Second, Mr. Jackson; Motion carried unanimously.**

Presentation of the 2017-18 Operating Budget

Ms. Kedroski presented the fiscal year 2018 operating budget to the board for review. 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 \$222,000 and that the proposed budget for fiscal year 2018 is \$263,615, which includes \$10,000 in Operating fund contingency and \$12,000 in support of Presidential development activities. The staff has then recommended an increase to the administrative fee to 0.59% annually, which would ensure operating expenses and revenue would net to zero. She then listed several factors contributing to the recommended increase. **Motion to approve the fiscal year 2018 operating budget, Mr. Youngblood; Second, Mr. Fleet. Motion carried unanimously.**

Policy Revision – Administrative Fee

Ms. Kedroski noted that based on fiscal year 2018 Foundation operating expenses, the finance committee recommends the annual administrative fee be changed to 0.59%, charged quarterly at 0.1475%, beginning July 1, 2017. **Motion to approve an annual administrative fee of 0.59% to begin on July 1, 2017, Mr. Fleet; Second, Mr. Jackson. Motion carried unanimously.**

Underwriting of the Mattie Kelly Arts Center Series 2017-18

Ms. Kedroski 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. She provided a request, approved by the finance committee, for the Foundation Board to underwrite the Broadway Series, Artist Series, and Family Series for the 2017-18 Arts Center season at a cost of approximately \$428,400. **Motion to approve the request to underwrite the 2017-18 Arts Center season at a cost not to exceed \$428,400, Mr. Peters; Second, Dr. Morell; Motion carried unanimously.**

Kay Litke Culinary Arts Scholarship Endowment

Ms. Kedroski noted that Major General Don Litke had provided a \$100,000 gift, in memory of his late wife, to establish the Kay Litke Culinary Arts Scholarship. The endowment will provide scholarship support to students majoring in Culinary Arts, a program expected to begin in Fall 2018. **Motion to adopt the endowment, Mr. Peterson; second, Mr. Wills; motion carried unanimously.**

Strategic Plan Annual Review

Mr. Jackson provided a dashboard of the strategic plan for review and discussion.

He noted that the college is hosting a strategic planning summit in June 2017 and that the Governance Committee recommends the Foundation update its strategic plan upon the completion of the college's strategic planning efforts, likely in spring 2018. Lastly, He noted that the Governance Committee requests that all board members complete the board assessment survey emailed last month. The answers and comments will help gauge board effectiveness, a goal outlined in the strategic plan. **Motion to approve updates made to the Foundation's strategic plan dashboard, Dr. Morell; second, Mr. Wills; motion carried unanimously.**