

NWFSC Foundation Finance Committee Meeting
October 22, 2019 8:00 a.m.
Room 133, SSC, Niceville Campus

Members Present:

Eric Aden	Jonathan Ochs
Wayne Campbell	Dennis Peters
Walter Hooks	Ken Wampler
Don Litke	

Staff Present:

Serena Brown	Melissa Wolf-Bates
Cristie Kedroski	Annie Young

Others Present:

Shane O'Dell

Absent:

Bo Arnold, Steve Wills, 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 July 23, 2019 committee meeting were approved as presented. **Motion to approve minutes, Mr. Campbell; Second, Mr. Peters. Motion carried unanimously.**

Review and Approval of September 30, 2019 Financial Reports:

Ms. Brown presented the Statement of Financial Position, Statement of Activities and Investment Report as of September 30, 2019. Total assets are \$52,623,852 and Total Liabilities are \$14,173, bringing the Total Fund Balance to \$52,609,679. The Statement of Activities reflected \$1,032,869 in Revenues and \$1,426,569 in Expenditures for a total Net Decrease in Fund balance of (\$393,701). She noted that support to the College increased by 1048% because endowed program support had not been transferred to the College at this time last year. Combined investment holdings with Merrill Lynch and Vanguard Wellington total \$48,222,252, allocated as 5.08% Cash & Cash Equivalents, 57.49% Equity, 11.41% Alternative Investments and 26.01% Fixed Income. With \$168,681 in Expenditures, the Operating Budget has 54% of the budget available for the remainder of the year. Ms. Brown did note that some expenditures are paid at the beginning of the fiscal year but are budgeted throughout, accounting for the amount of budget used to date. **Motion to approve financials, Mr. Campbell; Second, Mr. Hooks. Motion carried unanimously.**

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

Mr. O'Dell presented a portfolio review as of September 30, 2019. He noted that the outlook remains the same and continues to be cautious but not negative. He then gave an overview of the current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$39,307,373 as of September 30, 2019, reminding the committee that the Blackrock report is not a representation of the Foundation's entire investment portfolio with Merrill Lynch. Investment allocations stand at 57.5% equity, 26.6% fixed income, 4.43% cash and 11.47% alternative investments at September 30, 2019. He recommended to move the \$75,000 annuity distribution to the money market savings.

Approval of Checks over \$5000:

Ms. Brown presented a listing of checks over \$5,000 from July 1 – September 30, 2019 for the committee to review highlighting notable expenses and gifts. **Motion to approve checks over \$5,000, Mr. Aden; Second, Mr. Peters. Motion carried unanimously.**

Professional Services Contract Schedule:

Ms. Brown reviewed the professional Services Contract schedule. She noted that contracts are reviewed every three years and bids are sought every six years. Ms. Brown pointed out that the BBVA contract is behind schedule but is waiting for the College as the Foundation account is typically piggybacked on their contract. Ms. Brown reviewed the ERA rental property management contract and noted that January is the time to bid insurance. Ms. Kedroski added that an RFP could be put out and proposals brought to the committee in January. **Motion to extend ERA's contract three more years, Mr. Campbell; Second, Mr. Hooks. Motion carried unanimously.**

New Endowments:

Ms. Brown presented the new endowments: \$15,000 for the Kurt K. Eichorst Scholarship (unrestricted); \$15,000 for the Kedroski Family Scholarship (unrestricted); Doris Jean Stuteville Nursing Scholarship (student enrolled in the NWFSC Nursing Program). **Motion to approve the endowment agreements to be presented to the Board, Mr. Ochs; Second, Mr. Hooks. Motion carried unanimously.**

College Courtyard Apartments – Annual Profit & Loss Report:

Ms. Brown presented the annual profit and loss report for the College Courtyard Apartments. She noted that the internal loan still outstanding is \$4,007,794 and the last appraisal was done in 2015 with a fair market value of \$3,400,000 and an insurable replacement cost of \$4,535,000. She added that the personnel expense for the apartments was included in the overall personal expense amount in 2019, but that the maintenance position would be accounted for as an expenditure under the apartment fund and notated in the upcoming Foundation/College MOU. Ms. Kedroski informed the committee that the College is moving forward on student housing with a potential opening in two to two and half years. After some discussion, the committee decided to proceed with a new commercial appraisal for the apartments and a reserve analysis to present to the committee in January. Mr. Ochs will provide three potential appraisers and Mr. Wampler will provide three potential parties to provide the reserve analysis. **Motion to have a new commercial appraisal and reserve analysis done for the Courtyard Apartments, and the staff may move forward as long as the combined cost does not exceed \$10,000 to be paid out of the apartment fund balance, Mr. Ochs, Second, Mr. Peters. Motion carried unanimously.**

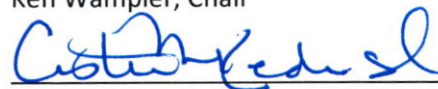
Adjournment: There being no further business, the meeting adjourned at 9:29 a.m.



Ken Wampler, Chair

11/4/20

Date



Cristie Kedroski, Secretary

11/4/20

Date