

NWFSC Foundation Finance Committee Meeting
October 27, 2020 8:00 a.m.
Zoom Meeting

Members Present:

Bo Arnold	Jonathan Ochs
Eric Aden	J.D. Peacock
Destin Cobb	Steve Rhodes
Don Litke	Chad Hamilton

Staff Present:

Shiri Brandenburg	Carla Reinlie
Cristie Kedroski	

Others Present:

Shane O'Dell

Absent:

Marek Bakun, Wayne Campbell, Walter Hooks, Dennis Peters

Call to Order:

Dr. Arnold called the meeting to order at 8:01 a.m.

Approval of Committee Meeting Minutes:

The minutes of the July 28, 2020 committee meeting were approved as presented. **Motion to approve minutes, Mr. Hamilton; Second, Mr. Ochs. Motion carried unanimously.** The minutes of the October 13, 2020 committee meeting were approved as presented. **Motion to approve minutes, Mr. Aden; Second, Mr. Ochs. Motion carried unanimously.**

Annual Profit & Loss Report

Ms. Brandenburg presented the Annual Profit & Loss Report on the apartments which covers a brief overview and history of how the Foundation acquired the asset. Ms. Brandenburg outlined changes in revenues and expenses of the apartments over time. Ms. Kedroski pointed out how expenses fluctuate greatly from year to year.

Ad Hoc Committee

Mr. Ochs presented information on the tour of the apartments and the discussion of increasing the rental rates to \$1,500 for the 3 bedroom and \$1,300 for the 2 bedroom. Ms. Kedroski informed the group of a phone call with ERA Property Manager regarding increasing the rental rates and their recommendation to increase the 3 bedrooms to \$1,300 and the 2 bedrooms to \$1,200. Mr. Arnold suggested to the group that we accept ERA's recommendation. Ochs suggested we annually review the rental rates along with our Profit & Loss analysis. **Motion to increase rental rates and review rates annually, Mr. Aden; Second, Mr. Cobb. Motion carried unanimously.**

Approve FY20 Audited Financial Statements/IRS Form 990:

Ms. Brandenburg presented the Audited Financial Statement and 990 for Fiscal Year 2020. She noted that at the close of the fiscal year the net position was \$52,563,843 (a decrease of 1.8% over 2019); there were zero underwater funds; and total gifts, contributions, grants and other income decreased \$466 thousand to \$626

thousand at the end of the fiscal year. The committee was given an opportunity to review both documents. **Motion to approve FY20 audited financial statements and IRS Form 990, Mr. Rhodes; Second, Dr. Cobb. Motion carried unanimously.**

Finance and Investment Reports:

Ms. Brandenburg presented the Statement of Financial Position, Statement of Activities and Investment Report as of September 30, 2020. Total Assets are \$54,239,481 and Total Liabilities are \$20,000, bringing the Total Fund Balance to \$54,219,481. Statement of Activities from the previous fiscal year from July 1, 2018 through September 30, 2019 shows Total Revenues of \$3,275,176 and Total Expenses of \$1,619,539 for a Net Increase in Fund balance of \$1,655,637. Combined total holdings of the Merrill Lynch EMA and Vanguard Wellington accounts were \$49,281,498. The portfolio allocation was 3.72% Cash & Cash Equivalents, 59.52% Equity, 10.05% Alternative Investments and 26.70% Fixed Income. **Motion to approve financials, Gen. Litke; Second, Mr. Cobb. Motion carried unanimously.**

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

Mr. McGovern presented a portfolio review as of September 30, 2020 and provided an overview of current market conditions. He presented the custom benchmark report from Blackrock, which reflected a market value of \$49,009,827 as of September 30, 2020. The Merrill Lynch report shows investment allocations stand at 61.91% equity, 21.92% fixed income, 5.26% cash and 10.91% alternative investments at September 30, 2020.

New Endowments:

Ms. Brandenburg presented two new endowment: \$20,000 gift from Ms. Eileen Arpke to establish the Eileen H. Arpke Faculty Excellence Award and a bequest of \$50,000 as well as annual gifts in the amount of \$1,800 from Patrick and Teresa Ryan to establish the William "Bill" Everett and Jacquie Raud-Everett Scholarship. **Motion to approve new endowments as presented, Mr. Ochs; Second, Gen. Litke. Motion carried unanimously.**


Professional Services Contract Schedule:

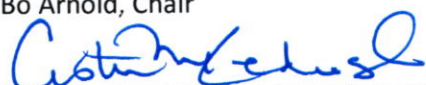
Mr. Arnold presented the Professional Services Contract Schedule. He explained the duties of the Finance Committee is to review All Professional Services Contracts that exist for multi-year periods at minimum of every three (3) years with a request to bid required at a minimum of every six (6) years. Ms. Brandenburg informed the Committee that this is an information item only and no motion is to be made at this time.

Approval of Checks over \$5,000:

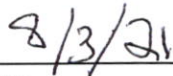
Ms. Brandenburg presented a listing of checks over \$5,000 from July 1, 2020 to September 30, 2020 for the committee to review. Mr. Ochs inquired if there was any potential risk to the Foundation if Arts Center events are cancelled due to COVID restrictions. Ms. Reinlie and Ms. Brandenburg informed the committee they would consult with the Arts Center Director to confirm. **Motion to approve checks over \$5,000, Mr. Ochs; Second, Mr. Rhodes. Motion carried unanimously.**


Adjournment: There being no further business, the meeting adjourned at 9:22 a.m.



Bo Arnold, Chair


Cristie Kedroski, Secretary



Date


Date