Present
Members: Mr. Brett Barrow, Mr. Gordon Sprague, Mr. Dave Cleveland, Mrs. Gail Dorsey, Mr. Richard Peterson, and Mr. David Hightower (by conference call)

Staff: Dr. Brendan Kelly, Mr. Dan Lucas, and Ms. Patricia Barlow

Guests: Mrs. Pat Lott, Dr. Meredith Brunen, Mr. Howard Reddy, and Ms. Jan Butts

Call to Order: Mr. Sprague called the meeting to order at 3:35 p.m. Staff confirmed a quorum.

Minutes: The committee members reviewed the minutes of the August 31, 2016, meeting. Mr. Cleveland made a motion to accept the minutes as presented. Mr. Peterson seconded the motion, and the motion carried with all voting in favor.

University Update: Dr. Kelly provided a brief university update on behalf of Dr. Bense. He stated that the university community was actively engaged in transitional activities in preparation for Dr. Bense’s retirement as of December 31, 2016, and the beginning of Dr. Martha Saunders’ term as president which begins on January 1, 2017.

Advancement Report: Dr. Kelly introduced the new Associate Vice President for Advancement, Dr. Meredith Brunen. He also shared advancement highlights including gifts to the College of Business, Women’s Basketball, Music, Baseball, the Downtown Lecture Series, and the UWF Camellia Garden enhancements. Dr. Kelly acknowledged Mr. Howard Reddy for his success in bringing about the gift for the Camellia Garden by working with the UWF Retired Employees Association and the Pensacola Camellia Club. Dr. Kelly provided updates on gifts, pledges, and planned gifts which total $49,027,038 as of November 8, 2016. The public phase of the campaign begins at the 50th Anniversary Gala Event scheduled for November 16, 2016. He encouraged board members to attend.

CFO’s Report: Mr. Lucas presented the CFO’s Report. He reported that the Division was launching a new online giving platform that would make it easier for donors and staff alike to process credit card gifts online and in the field. The university is continuing the implementation of Academic Works software to centralize scholarships. To date, implementation of both ventures has been very smooth.

Investment Committee: Mrs. Dorsey provided a report on the third quarter 2016 investment pool performance. As of September 30, 2016, the investment value was $79,999,331. Total with cash reserves is $81,937,505. Returns for the fiscal year to date are 4.28%, compared to the balanced index of 3.93%. All categories are in line with policy guidelines for allocations. No managers presented to the committee at its meeting, and no recommendations for changes were put forward. Five managers are on caution status with one (Ironwood) expected to come off caution status soon next quarter. The other managers on caution status are Eagle Capital, Barrow-Hanley, Archstone, and Dodge and Cox. The committee considered the current spending rate and made a decision to maintain the spending rate at 4%.
Audit Budget Committee: Mr. Lucas and Mr. Hightower presented the Audit Budget Committee report. The committee had reviewed the Foundation’s operating budget for the quarter ending September 30, 2016. No significant variances were noted. The committee also reviewed the housing budget for that period with expenses lower than projected and revenues higher than projected. Housing presented a projection of the capital expenditures expected over the next three years. Mr. Lucas shared that the committee had completed its annual review of internal controls at the meeting; no concerns were raised during the review.

Mr. Lucas and Ms. Lott provided an update on the bonds refunding process. The refunding plan approved by the Board of Directors and Board of Trustees in September calls for a public bidding of the 2009 and 2011 bonds. The other bond series will only swap paper. Also required is a public bond rating; the Foundation received an A2 rating although the outlook had been changed from stable to negative. The change in outlook reflected the rating committee’s concerns about the slim debt coverage ratio brought about by taking the Southside Residence Halls offline for maintenance concerns. However, the refunding of the bonds will considerably improve the debt coverage ratio. The pricing of the bonds was tentatively scheduled for November 17th and the closing will take place in mid-December. The estimated savings will be 11.6% for the 2011 bond series and 7.4% for the 2009 bond series; the savings for the 2009 series reflects that $51,000 per year will no longer be paid in fees to the Escambia County Housing Finance Authority. Ms. Lott led the committee in a review of the detailed SEC checklist informing the committee of what they needed to know in light of the fact that the Foundation would be issuing debt directly.

Following the discussion, Mr. Cleveland made a motion to approve the resolution relating to the details of the bond refunding; Mrs. Dorsey seconded the motion. The motion carried with one member (B. Barrow) recusing himself from the vote.

Nominating Committee: Dr. Kelly presented the Nominating Committee report on behalf of the chair John Hutchinson. He shared that the committee had reviewed the responses from board members related to board engagement and would be making some suggestions in response. The committee also reviewed the process and timeline of nominations of new board members. Finally, the committee took action to name a new Fellow who will be voted on at the full board meeting in December. If approved by the board, the new fellow will be announced at the Joint Boards Holiday Reception.

Other Business: The Executive Committee considered a resolution authorizing the Foundation President, CFO, Chair, and/or Treasurer to open an account at Morgan Stanley for the purpose of receiving funds from a donor’s trust. Mrs. Dorsey made a motion to approve the resolution; Mr. Cleveland seconded the motion; the motion carried with all voting in favor of the motion.

There being no further business, the meeting was adjourned at 4:35 p.m.

Minutes recorded by Patricia Barlow on November 10, 2016