



**MSU Foundation, Inc.
Board of Trustees Meeting Minutes
Center for Health, Education & Research – DeMoss Suite
February 16, 2018**

OPENING BUSINESS

Call to Order: 1:03 p.m.

Chair Hinkle called the meeting to order. Secretary Surmont called roll and quorum was met.

Roll Call

Bob Albert
Kenneth Alexander
Perry Allen, Vice Chair
Nate Bishop
Ron Cartee
Gerald DeMoss
Ron Griffith
Buck Hinkle, Chair
Susan Martin

Jack Matthews
John Merchant
Gary Mitchell
Jay Morgan
Bob Neff
Brian Nurick
Steve Pack*
Beth Patrick*
Andy Prefontaine

Dava Rice
James Shaw, CEO
Paul Stokes, Attorney*
Ed Strosnider
Janice Towles
Brett Traver
Willi Walker
Chris Wright

**Denotes Absence*

Staff: Sharon Fraley, Mindy Highley and Sherry Surmont, Secretary

Approval of Minutes

Nathan Bishop *moved* to approve Board meeting minutes from 9/27/2017 and Chris Wright *seconded* the motion. *Motion carries.*

Bob Albert *moved* to approve Finance Committee meeting minutes from 9/27/2017 and Perry Allen *seconded* the motion. *Motion Carries.*

Chair Hinkle's Comments

Chair Hinkle welcomed and introduced the University's new President, Dr. Jay Morgan.

UNIVERSITY UPDATE

President's Comments

Dr. Morgan provided the Board Members with a University update. The key points included:

- ADUC is to open in two phases:
 - the renovated area to open in the Summer 2018
 - the new area to open during Homecoming 2018
- Homecoming will include the dedication of the Smith College of Business and Technology and a ribbon cutting for ADUC
- Also at Homecoming, a new comprehensive campaign will be announced

- the campaign will be focused on scholarships
- it will be a shorter campaign, lasting approximately three years
- Six University owned houses were razed this fall to reduce the physical footprint of the campus
- The future of other buildings that are currently offline is being evaluated

Dr. Morgan concluded his comments by briefly discussing the voluntary separation options that had recently been offered to MSU employees.

VP/CEO Comments

Vice President (VP) Jim Shaw shared with the Board that the transition plans from the Alumni and Welcome Center Project (AWC) scholarships has been successful. He mentioned the Foundation must absorb the AWC design costs from funding that is not gift income, because that expense should not be taken from donor contributions.

AVP Comments

AVP Mindy Highley briefed the Board on the University's newly adopted Strategic Plan that will be implemented when the current Strategic Plan expires in June. The key points included:

- A group of 80 people formed four groups that included
 - Student Success – chaired by Michelle Barber
 - Outcomes (Performance Based Funding) – chaired by Bob Albert
 - Academic Excellence – chaired by Greg Russell
 - Rankings, Reputations, and Responsiveness – chaired by Mindy Highley
- Alumni Relations & Development Staff Focus Tied to the New Strategic Plan
 - Friend Raising
 - Alumni engagement leading to increased alumni donor percentage
 - Fund Raising
 - Primary focus on Scholarships
 - Annual Scholarship
 - Endowed Scholarships
 - Planned Gift Scholarships

COMMITTEE REPORTS

Finance Committee

Committee Chair, Bob Albert, provided the Board with a handout regarding investment performance. Highlights included:

- FEG 500 index returned 22% return on equities for the year
- Bond index increased 3.5%
- The emerging markets are healthy
- Investment portfolio
 - \$46 million in investment funds managed by FEG at the end of 2017
 - \$1.6 million Legacy Investment held through Oxford until term expires
 - 13.5 % total fund return
- Asset allocation
 - Global equity is 53% - target is 40% we are at 53%

Finance Director's Budget Report

Sharon Fraley reported there is \$413,307 remaining in the 2018 operating budget. She then proposed spending allocation for the 2019 fiscal year.

Jack Matthews *moved* to approve endowment spending at 3.35% and Perry Allen *seconded* the motion.
Motion carries

Nominating Committee

Committee Chair, Brett Traver, informed the Board the committee will present four to five new member nominees and plan to have an electronic vote in April 2018.

NEW BUSINESS/CLOSING

New Business

VP Shaw brought to the Board's attention that the Foundation's D&O Insurance is up for renewal and the provider is recommending a policy upgrade against crime, theft, and fraud. He also mentioned University employees are covered by the University's plan. Jack Matthews agreed to review the recommendations and advise.

Meeting Adjourned: 2:11 p.m.

Next Meetings: June 8, 2018 and October 19, 2018

Minutes Taken By: Sherry Surmont, MSU Foundation Secretary