

MSU Foundation, Inc.
Board of Trustees Meeting Minutes
Eagle Center - October 28, 2016

Call to Order: 1:08 PM

Present: Bob Albert; Kenneth Alexander (*via conference call*); Perry Allen, Vice Chair; Wayne Andrews; Nathan Bishop; Gerald DeMoss; Ron Griffith, Buckner Hinkle, Chair; Jack Matthews; Stephen Pack; Beth Patrick, Treasurer; Cherie Rebar (*via conference call*); Dava Rice; James Shaw, CEO; Ed Strosnider; Paul Stokes; Brett Traver; Willi Walker; and Christopher Wright.

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

Guest: Phil Scherrer, FEG Representative

Absent: Susan Martin and Bob Neff

Approval of Minutes

In accordance to procedures, 60/03/2016 Foundation Board minutes were approved.

Chair Hinkle's Comments

Chair Hinkle opened the meeting by welcoming and thanking the MSUF board members. Chair Hinkle then introduced Phil Scherrer, FEG investment and advising representative.

FEG Overview – Phil Scherrer

Mr. Scherrer gave a brief history of FEG and then an overview of what will be included in the MSU foundation portfolio with FEG.

- FEG was founded in 1988 in Cincinnati.
- The company has a strong focus in higher education.
- Their mission is to support the client's mission.
- FEG manages about \$50 billion in client capital.

President Andrews' Comments

President Andrews gave an update on University activities, which included:

- Andrews Hall
 - state of the art residence hall
 - houses 550 students
 - students will move in before the Thanksgiving break
 - students were prorated for the late move-in
- Padula Hall located at the Derrickson Agricultural Complex
 - ribbon cutting 11/11/2016
 - 24 beds
 - Padula and Lundergan residence halls give agricultural students a living and learning experience.

- Renovation of ADUC
 - collegiate gothic style with the brick and limestone
 - additional 80,000 square feet on the east side
 - it will include more meeting/gathering space, a theatre, and a sports bar (*current plans do not include alcohol service*)
- Alumni & Welcome Center, a \$6 million project will be privately funded
- Budget
 - 2016 mid-year cut
 - 4.5% additional decrease for 2016-2017 AY
 - performance funding could add an additional 5% decrease
 - 22 county service area population decline
 - private funding will be more and more important

CEO Shaw's Comments

CEO Shaw commented that some Kentucky foundations have been in news of late and he made a pledge that the Morehead State University Foundation will never operate in a gray area and will always be transparent. The only area that would be guarded is donor identity information.

Alumni Relations & Development Update – AVP Mindy Highley

Key points of the Alumni Relations and Development update are as follows:

- Alumni Welcome Center
 - \$1 million has been raised
 - it is in the final stages of design (interior)
 - construction could start before all money is raised, but it is not likely
- Pride Raising
 - 60 different e-mails have been sent out
 - some were mass some were targeted
 - totaling over 500,000 e-mails
 - social Media (Facebook, Twitter, and Instagram) are getting a significant amount of attention
- Friend Raising
 - hosted 54 different events
- Fund Raising (2015-2016 Year End)
 - \$5.6 million has been raised
 - 8.46% Alumni participation
 - national average of alumni participation is on the decline, but MSU in on the incline
- Rebranding – MAJOR IN YOU

Committee & Finance Reports

Audit Committee:

Committee Chair Pack, briefed the Board Members on the recent audit report. It was a clean audit with no Material weaknesses or significant deficiencies. Please refer to the official audit report for complete details.

Budge/Finance Report:

Finance Director, Sharon Fraley, reported on the financial status of the Foundation. The highlights are:

- Year Ended June 30, 2016
 - total Assets- \$46,011,534
 - revenues - \$4,110,023
 - expenditures - \$4,542,758
- MSU Foundation Operating Budget for FY 2015-2016
 - budget allocation - \$798,477
 - actual expenses - \$555,107
 - remaining - \$243,370
- Quarter Ended September 30, 2016
 - total assets - \$47,201,726
 - revenues - \$3,298,202
 - expenditures - \$876,145

Finance Committee:

Committee Chair Albert, opened his report by welcoming new Finance Committee member and Board member, Chris Wright. Dr. Albert continued with a motion on behalf of the Finance Committee:

Motion: To approve the FMIP in order to make changes to the investment policy statement by appendix.

Motion Carries

Nominating Committee:

Committee Chair Traver, started his report with a motion on the behalf of the Nominating Committee:

Motion: To nominate Sherry Surmont as MSU Foundation Board of Trustees' Secretary.

Motion Carries

Traver continued his report with the following:

- The need to smooth the transition for members leaving the Board
 - review the bylaws for possible changes
 - what is the role of the nominating committee
- Over a dozen recommendations to fill member vacancy on the Board
- Identifying and building a diverse skill set matrix

Next Meeting: February 24, 2016 @ 1:00 p.m.

Meeting Adjourned: 3:20 p.m.

Minutes Taken By: Sherry Surmont, MSU Foundation Secretary