

CEO Update Jim Shaw

Jim began by thanking members and sharing a report By James McNair on “Big Endowments and Underwhelming Returns at Kentucky’s Universities”. The article shows MSU at a 6.94% 5- year annual return following just below WKU but above the other Kentucky Universities. Jim updated the Board on a survey he was requested to fill out from the Kentucky State Auditor’s Office regarding the Governance and Management of University Endowments. He reminded members of the upcoming Audit and that Dean, Dorton Allen and Ford would be doing the MSU Foundation Audit again this year.

Development Update Mindy Highley

Mindy gave the Alumni Relations & Development to the Alumni Welcome Center as follow:

Naming Commitments

*The Proc and Bobbie Caudill Gathering Room

*The Prefontaine Tower

*The US Bank Plaza

*The Larry and Jen Bohannon Adams Theatre

*The Clyde I. James Welcome Area

*The Aquilla Meeting Room

Mindy reviewed email communications that had been sent out, Social Media Highlights and posts, and gave an update on Events, Receptions and Spring Commencement. She also reviewed Income by Designation and Income by Source and Alumni Participation with Board members.

Financial Report Sharon Fraley

Sharon reviewed the financial reports, reporting total assets as \$46,420,706 as of March 31, 2016. Operating revenues as of March 31, 2016 are \$3,171,325, and expenditures totaled \$3,509,433.

Operating Budget – Jim Shaw/Sharon Fraley

Slides were shown for the 2016-2017 Proposed Spending Allocations and the 2016-2017 Proposed Operating Budget. The proposed Operating Budget for 2016-2017 is \$745,508. *A motion to approve the proposed budget was made and the motion passed.* The 2017 Funding Model was presented to the board.

MSUF Foundation, Inc.
Board of Trustees Meeting Minutes
Kentucky Center for Traditional Music (KCTM)
Friday, June 3, 2016

Present: Kenneth Alexander, Bob Albert, Gerald DeMoss, Ron Griffith, Bill Hesch (via conference call), Buckner Hinkle, Susan Martin, Jack Matthews, Stephen Pack, Beth Patrick, Dava Rice, James Shaw, Ed Strosnider, Paul Stokes, Steve Thieme, Brett Traver, and Willi Walker, staff Sharon Fraley, Mindy Highley, and Sandi Ruth

Absent: Wayne Andrews, Perry Allen, Nathan Bishop, Dennis Dorton, Bob Neff, Cherie Rebar

Call to Order

Buck Hinkle called the Foundation Board meeting to order and asked Sandi Ruth to call roll. Buck declared a quorum and the minutes from February 26, 2016, meeting were presented.

Review of Minutes

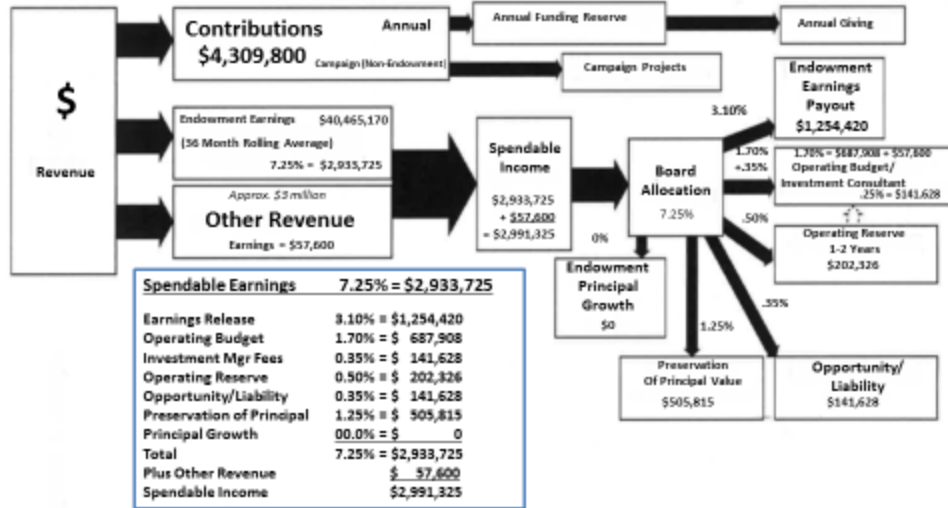
Buck made a motion to accept the minutes as presented – *motion passed*.

University Update Beth Patrick

Beth spoke to the Board regarding enrollment shortfall for the current year and provided charts to explain the perfect storm situation MSU is dealing with such as decline in state appropriations, student retention, declining population, increased competition, unavoidable cost increases, health care, tuition waivers and regulatory and compliance services. Beth spoke regarding the service region declining population, the 2% reduction in the current budget, revenue declines and fixed cost increases. She updated members on the ADUC expansion, Parking Garage/Dining Facility, Residence Hall construction and, Third Street Eats, the temporary eating facility for students.



Fiscal Year 2017 Funding Model



A motion was made to accept the 7.25 % spending model for 2017 (See model above) the motion passed.

Finance Committee Report Dr. Bob Albert

Bob reviewed the Finance Committee meeting with the full board reporting that the total portfolio amount is \$42,516,693 as of April 30, 2016. Year to date, we have seen a recovery through the end of May 2016. Both our value bias within US equities and the natural resources exposure have given strong relative results and positive performance so far for 2016. The portfolio was up year-to-date just under \$1.2 million, which equated to a return of 3% through the first four months of the New Year. Bob also updated the full Board on the RFP and the upcoming review of investment groups. The finance committee received 25 proposals and narrowed them down to 6 firms they will bring to campus and interview on June 17th.

Nominating Committee Report – Brett Traver

Jim brought it to the Boards attention that three members are up for their second three year term). *A motion was made to have Buck Hinkle, Steve Thieme and Brett Traver serve a second term of three years and the motion passed.*

The next order of business by the Nominating Committee was to appoint new members to each committee. Bill Hesch and Dennis Dorton’s two three year terms

are up as of June 30, 2016. *A motion was made to add Jack Matthews to the Finance Committee , Ken Alexander, Dava Rice, Willi Walker, Susan Martin to the Nominating Committee and Ed Strosnider, Bob Neff and Ron Griffith to the Audit Committee and the motion passed. (See chart below)*



**MSU Foundation Board of Trustees
Committee Structure
Action Item – Approve New Committee Members**

Executive Committee

Perry Allen, Vice Chair
Wayne Andrews
Buck Hinkle, Chair
James Shaw, CEO
Beth Patrick, Treasurer

Nominating Committee

Brett Traver, Chair
Gerald DeMoss
Cherie Rebar
Ken Alexander *
Dava Rice *
Willi Walker *
Susan Martin *

Finance Committee

Bob Albert, Chair
Perry Allen
Nathan Bishop
Bill Hesch
Buck Hinkle
Beth Patrick
Jim Shaw
Steve Thieme
Jack Matthews *

Audit Committee

Dennis Dorton, Chair
Steve Pack
Ed Strosnider *
Bob Neff *
Ron Griffith *

The Vitae for Christopher Wright was sent to the board for information and a copy was passed out to each Board member. *A motion was made to add Christopher Wright as a member of the MSU Foundation Board of Trustees and to the Finance Committee and the motion passed.*

New Business

Meeting dates as follows:

October 28, 2016

The meeting adjourned at 3:00

Created by Sandi Ruth

Reviewed by Sharon Fraley

Approved by Jim Shaw