



<b><u>In Attendance</u></b>	<b>Via Phone</b> – Denis Shelley, Bobby Thigpen, Bill Lenssen, David Sacks, Zina Grau
<b><u>Absent</u></b>	Mike Duranceau, Mary Ann Haas
<b><u>Staff Attendees</u></b>	Tom LoBasso, Tim Norton, Kristen Hanson, Sue Durgy, Veronica Black, Kristina Ziminski
<b><u>Guest</u></b>	Khalid Yasin, PFM

**I. Call to Order**

Zina Grau called the Executive/Investment Committee meeting to order at 3:05 p.m.

**II. Public Participation**

None

**II. For Approval**

- a. Minutes from Executive/Investment Committee Meeting May 6, 2020

**Bobby Thigpen moved for approval, Bill Lenssen seconded the motion and the motion carried unanimously.**

**III. College Update – Dr. Tom LoBasso**

- a. First day of fall classes is today, August 24, opening under Plan B1 – reduced density/hybrid classes, with adherence to DSC safety protocols and CDC guidelines; Summer enrollment was slightly up with 700 students, and there has been no reported transmission of COVID-19 in classes or offices; As of today, Fall enrollment is down by approximately 10%; the State of Florida has notified the College that approximately \$4.5 million will be held pending further State budget review in the coming months; the student residential housing project, as previously announced, is postponed mainly because construction pricing came in too high, and we have begun a process of re-evaluating costs and potential sources of funds, including additional unrestricted funds from the Foundation and donor support, should we move forward with this project in early-to-mid 2021 for occupancy in August 2022.

**IV. Financial Update - Veronica Black**

Ms. Black provided a report based on the 2<sup>nd</sup> Quarter financials dated June 30, 2020. For the quarter, the Foundation had \$1,169,510 in total revenue, \$3,905,837 in expenses (including \$2.9 million transferred to the Housing Corp as previously approved), \$31,355,768 in total assets and a fund balance of \$31,271,830.

**V. Investment Update – 2nd Quarter June 30, 2020 – Khalid Yasin, PFM**

Mr. Yasin reported the Foundation's combined investment portfolio gained 13.19% in the 2<sup>nd</sup> quarter, outperforming its benchmark of 12.96%. Over the past year, the portfolio returned 5.51%, performing in line with its 5.56% benchmark return. The portfolio gained \$3.01M in Q2, \$1.36M over the past 12 months, and \$11.07M since inception. PFM's team continues to review and adjust the allocations in our portfolio with appropriate diversification and compliant with the long-term goals, objectives, and stated investment policy guidelines. Items of note:

- The 2<sup>nd</sup> quarter ended with a positive gain following a sharp drop in March, followed by a sharp rise in the market; the portfolio ended the quarter down by about 1% from the end of 2019.
- Through Friday, Aug. 21, the portfolio closed up by approximately \$2 million since the end of June with total assets of \$27.338, which is an increase from close of business on 12/31/2019 of \$1.16 million. Additionally, the Foundation portfolio is outperforming 91% of peers (higher education institutions).
- YTD the S&P 500 is up 5-6%, which is not representative of the market; PFM anticipates a K shaped recovery with lagging sectors including airlines and restaurants, and leading sectors largely centered in technology.

- “Market is scary now, but there is no where else [for investors] to be.” “Do not fight the Feds...they are buying bonds now and could be buying stocks before long.”

## VI. Staff Reports – Sue Durgy

Ms. Durgy reported on the **Fund Ratifications/Transfers**.

New Ratification Proposed: Change to **Bill Duff Scholarship 821460004**

This scholarship was created in March 2008 by Dr. Ted Surynt (now deceased) and the Rotary Club of Downtown Deland. Between August 2008 and June 2012, \$20,000 was awarded; there remains a balance of \$10,454.55. Following numerous contacts with the Rotary Club, they have been unable to provide guidance on a proposal to revise criteria removing language regarding the award to a student in a bachelor’s degree program at the University of Florida and adding similar language for a student attending Daytona State College in a bachelor’s degree program. It was recommended that this change – to awarding a DSC bachelor’s degree seeking junior instead of a student attending the University of Florida as follows:

- ❖ Awarded to a third-year student seeking a Bachelor’s degree at Daytona State College
- ❖ Must be enrolled in a minimum of 12 credit hours
- ❖ Must maintain a minimum 2.0 GPA
- ❖ Must demonstrate financial need
- ❖ Preference will be given to residents of West Volusia
- ❖ Foundation will notify Rotary Club of Downtown DeLand of recipient each year

**David Sacks motioned for approval, Bill Lenssen seconded the motion, Discussion was added to motion by David Sacks, and the motion carried unanimously.**

Scholarship Update – Ms. Durgy – Five new scholarships established in 2020, totaling \$23,800.

## VII. Director’s Comments – Tim Norton

- a. Mr. Norton recommended to Dr. LoBasso that there be no Gala 2020 in any form, but instead create a micro-campaign to raise the money normally received through the annual Gala. Dr. LoBasso supported the recommendation. Ms. Durgy has drafted a micro campaign to present for consideration by the Board in September. Mr. Norton solicited any ideas for the campaign from the committee.
- b. Database migration to new RENXT platform is complete, and work continues on database cleanup. We had contracted with RightTrack Solutions, however, they are now out of business, and funds on deposit with RTS are likely lost. Blackbaud, the provider for all database software had a data breach this spring. The leadership of the College’s Board of Trustees were apprised of the breach, which did not include any personal identifiable information (PII). BakerHostetler, a firm specializing in legal considerations on data breaches, has been consulted and they are recommending no notifications are required; we are awaiting a final letter from BH.
- c. Homecoming planning has been suspended pending a possible rescheduling for April 2021.
- d. The WISE (Wisdom in Senior Education) program will have four virtual presentations this fall, beginning Oct. 6.
- e. We have a donor interested in a CRUT (charitable remainder unitrust) of \$100,000 or possibly \$200,000. This is an irrevocable trust. Mr. Norton posed the question as to whether, or not the Foundation would be willing to pay the set-up cost and management cost if we were to accept. Additional information will be gathered and shared, while contact with the donor is made to move this proposal forward.
- f. Next meeting is a full Board of Directors meeting on September 23, 2020.

## VIII. Board Comments

None

## IX. Adjournment

Motion to adjourn by Bill Lenssen, 2<sup>nd</sup> David Sacks, Ms. Grau adjourned the meeting at 4:15 p.m.