

Advancement | UCF Foundation, Inc.

UCF FOUNDATION BOARD OF DIRECTORS MEETING MINUTES

Thursday, October 17, 2019

2:00 p.m. – 4:00 p.m.

LOCATION: UCF Downtown, Dr. Phillips Academic Commons, 500 W. Livingston Street, Orlando

ATTENDEES: Sara Bernard, Clarence Brown, Jessica Blume (phone), Clint Bullock, Brian Butler, Roslyn Burttram, Carrie Callahan, Loretta Corey, Cathy Engelman, John Euliano, Doug Gearity, *Charlie Gray, Bruce Gould, Tracey Henley, *Debbie Komanski, Diane Mahony, *Michael Manglardi, Nelson Marchioli, Tony Moreno, Mary Beth Morgan, Mike Morsberger, Michael Okaty, Dana Patton, Mark Plaumann, *Roger Pynn, J. Oscar Rodriguez, Eva Tukdarian, Dan Ward, Kevin Wydra

**Denotes Emeritus Director*

ABSENT: James Ferrell, Gideon Lewis, Dianne Owen, Beverly Seay, Thad Seymour, Christopher Tomasso, Joyce Virga

GUESTS: Dr. Mary Lou Sole

Chair John Euliano called the meeting to order at 2:01 p.m. and welcomed the board members, UCF Vice Presidents, Deans, staff and guests. Chair Euliano stated that the meeting was covered by the Florida Sunshine Law, and the public and press were invited to attend. Chair Euliano also welcomed new board members Jessica Blume, Dana Patton, Roslyn Burttram, Mark Plaumann, and Kevin Wydra.

A quorum of the board was confirmed.

Consent Agenda

The Board reviewed the consent agenda, which included the Minutes from the June 7, 2019, UCF Foundation Board of Directors meeting and the Audit Committee's charter amendments. The consent agenda was unanimously approved.

A motion was made to accept the consent agenda, the motion was seconded. The consent agenda was unanimously approved.

Chair Remarks Board Engagement and Priorities

Chair Euliano presented to the Board his top three priorities for the year. Euliano noted his desire to keep the momentum from the successful IGNITE Campaign by continuing to find resources to support UCF. His second priority was a focus on building the endowment. His last presented priority was to continue expanding the UCF footprint and build new relationships within the community.

Endowment-The Donor's Perspective Presentation

Bill Dean, Associate Vice President for Principal Gifts, shared a brief presentation on the advantages of endowments.

Investing in Excellence through Endowed Positions Presentation

Dr. Mary Lou Sole, Dean for the College of Nursing and Orlando Health Endowed Chair in Nursing, provided an overview of the UCF College of Nursing. She noted that that the College was celebrating 40 years as a program at UCF. Dean Sole explained the benefits of having an Endowed Chair, including the ability to recruit top faculty, retain senior faculty, and to add prestige to the program and University. Dean Sole shared the importance of donors investing in Ph.D. students, post-doctoral fellows, and faculty training. She noted the cost to establish an Endowed Chair position was \$1M. Only 10% is available every year for the Chair to spend. She informed the Committee about the recent trend of Endowed Deanship positions. She noted that Endowed Deanships have the opportunity to pull funds for strategic initiatives from the discretionary funds from a Dean's Endowment. Shae also shared the cost of establishing an Endowed Deanship typically begin at a \$5M threshold. Board members asked informational questions as well as offered suggestions to increase the size of the UCF Foundation endowment. A suggestion was made to add endowment presentations to new Board Member Orientation and new Development Officer Orientation.

Presidential Search Update

Mike Morsberger, UCF Foundation CEO, updated the Board on the UCF Board of Trustee's work toward the formation of a Presidential Search Committee. Morsberger shared that members from the UCF Foundation Board and the UCF Alumni Board would serve on the Committee.

Advancement Report

Morsberger encouraged the Board members to attend the IGNITE Campaign closing event (October 8, 2019) and celebrate as the final totals are revealed. He noted that donors that gave \$100,000 or more during the Campaign were invited to attend along with University and UCF Advancement leadership. He noted that the Campaign total would also be showcased during the homecoming football game.

Morsberger shared that FY20 had a strong start with more than \$11M in attainment to-date. He noted the addition of eight (8) new Millican Society members, three principal level gifts, and over 12,000 donors. He shared that the Advancement staff's priorities include a stretch goal of raising \$65M to 75M in attainment.

Morsberger noted that the finalists for the position of UCF Foundation Chief Financial Officer were being interviewed on campus during the week of October 14, 2019. He thanked those who participated in the process. Morsberger conveyed that he expected a decision to be made, and background checks to occur, the week of October 31, 2019. He also noted that the UCF Foundation was conducting a post-campaign analysis study with consultant Bentz Whaley Flessner and the results of the analysis would provide an unbiased look at what went well with the Campaign, and suggested improvements for the next campaign.

Morsberger shared that part of the study would focus on the Advancement division's personnel structure and resources. He concluded his report by noting that UCF Advancement staff were developing a plan on how to achieve the UCFoward goal of \$25M in major gifts from new or previously modest donors.

Alumni Engagement and Annual Giving Report

Dan Ward, Chair of the UCF Alumni Board, provided an update to the Board members on Alumni Engagement and Annual Giving activities. Ward shared that his overarching goal was to continue building a culture of service and philanthropy. He also shared that there had been increased attendance at the UCF Alumni Indoor Tailgates with over 3,350 alumni and friends in attendance over the past three home football games. Ward noted that the UCF Parent and Family Philanthropy Council hosted over 1,500 parents and family members at Family Weekend in September 2019 and thanked Board Member Roslyn Burrtram for her service as emcee during the event. Ward also thanked Foundation Board Member, Loretta Corey, and Foundation Board member Mike Manglardi's wife, Karen Manglardi, for serving as founding members of the UCF Parent and Family Philanthropy Council. He encouraged Board members to attend UCF Homecoming festivities.

Committee Reports

Audit Committee Report

Eva Tukdarian, chair of the Audit Committee, thanked the Board on behalf of Dr. Phillips Charities, where she is the Chief Financial Officer and Chief Investment Officer. Tukdarian welcomed new Audit Committee members, Jessica Blume and Mark Plaumann.

Tukdarian provided the Audit report stating that the FY19 Financial Audit resulted in a clean opinion from CliftonLarsenAllen, LLC. (CLA), the UCF Foundation's external audit firm. It was CLA's first time auditing the UCF Foundation and there were no audit findings or recommendations. She noted that the UCF Foundation Board's Executive Committee approved the audited financials. Tukdarian concluded by presenting the Board with the Audit Committee's charter for review.

Donor Engagement and Stewardship Report

Diane Mahony, Vice-Chair of the Donor Engagement and Stewardship Committee, presented the report. She thanked Board Chair Euliano for supporting the creation of the Committee and Committee Chair Virga for her leadership. Mahony noted that the inaugural meeting of the Committee included an overview of topics of quid pro quo, Internal Revenue Service Guidelines, and donor relationship and stewardship practices. She noted that Associate Vice President Advancement Communications, Pat Crowley, had provided the Committee with an update on planned projects and discussed the UCF Foundation's donor recognition societies and their levels. It was noted that the recognition societies existed in name only and do not have active donor engagement or stewardship plans in place. Mahony noted that a goal of the Committee would be to activate these societies and close the gap between the President's Circle and the Mercury Society.

Finance Committee Report

Alan Florez, Chair of the Finance Committee, provided the report. He shared that the last Finance Committee meeting was a joint meeting with the Audit Committee. He noted that the Finance Charter review was tabled until the next meeting as a quorum was not present. Florez shared that FY19 Q4 resulted in cash on hand being down due to a last-minute request to provide funding to the University for UCF Downtown. The UCF Foundation's unrestricted sources were \$2.4M higher than budget due to an increase in license plate sales and additional funding received for salaries resulting from the classification and compensation project and building expenses were higher than budget due to an increase in outlay related to the Digital Learning building. UCF Vice President's expenses were below budget, and Dean's discretionary accounts used 38% of their available cash. He shared that the Finance Committee requested a roll forward schedule at the next Committee meeting.

Governance Committee Report

Nelson Marchioli, Chair of the Governance Committee, presented the report. Marchioli shared that the Committee had two goals for FY20: one, the recruitment of new board members and two, compliance with the University. Marchioli noted that the Committee would continue to have a Board Member Recruitment Subcommittee.

Marchioli shared that the UCF Foundation Executive Director of Human Resources created a policy that outlined the required training for all UCF Foundation staff. He shared that the policy was approved by the Governance Committee and would be added to the next Executive Committee agenda for approval. Marchioli emphasized that compliance is everyone's responsibility and referenced an ethical decision flowchart from the UCF Code of Conduct book as an excellent tool to help people with their decisions. He shared that the Governance Committee also reviewed the Contract Routing/Certification Form that General Counsel requires for all contracts.

Information Technology Committee Report

Kevin Wydra, Chair of the Information Technology Committee, presented the report. Wydra welcomed Jessica Blume to the Committee and thanked past Committee Chair, Oscar Rodriguez, for his leadership. Wydra noted that Bentz Whaley Flessner consultant, Merrell Milano, updated the Committee on the progress of project Apollo. He shared that the Committee also learned about an analytics project that resulted in gift likelihood models for annual giving, major giving and planned giving as well as a new engagement score.

Wydra shared that Alex Nagy, Director of Advancement IT services, provided the Committee with a comprehensive review of the technologies Nagy's team supports and the services they provide. It was noted that the IT department supported a significant volume of technology and services with a small number of staff. Clint Bullock asked Wydra if a tabletop exercise had been done with IT as it relates to Cyber Security. Wydra responded that he would check with staff. Wydra explained this past year, IT tested their systems for data breaches to make sure data was secure. The results of the tests were positive. Wydra also explained that data security was a goal of Rodriguez and the Committee would continue that focus.

Investment Committee Report

Carrie Callahan, Chair of the Investment Committee, presented the report. Callahan shared that the Committee reviewed the Investment Committee Charter and did not make a recommendation for revision. She noted that the UCF Foundation's investment management company, New England Pension Company (NEPC), had two representatives at a past Committee meeting, and they reviewed the UCF Foundation's investment performance through June 30, 2019. The endowment pool reflected a fiscal year-to-date return of 5.4%. The last quarter of FY19 remained positive, boosted by global equities, and a positive outlook from the Federal Reserve. Callahan cited the active management from NEPC and the increase in the endowment's Maxey/Duggar property as factors to the quarter's positive performance. Callahan noted that the Committee also discussed the portfolio's overall benchmark and asset weight allocations. She shared that the Committee would perform an annual review of the investment policy to determine risk, active vs. passive management, and asset allocations at the next Committee meeting.

Callahan reported that staff had presented a draft of the UCF Foundation's audited financials for FY19 and shared the scope of the new audit firm, CLA, and their focus on investments. It was noted that CLA hired a third-party valuation consultant to validate the UCF Foundation's pricing methods for alternative assets. Callahan shared that the auditor's findings and unmodified opinion reflected the accuracy and hard work of the UCF Foundation's accounting team. She noted that staff also presented the Committee with the investment footnote reflecting total assets by asset class and the breakdown of valuation from marketable and net asset value securities.

Callahan concluded the Investment Committee's report by notifying the Board of the timeline for the Investment Consultant RFP. She noted that the Investment Consultant RFP process would tentatively end with a selection around the end of April 2020, with the new contract beginning in July 2020.

Real Estate Committee Report

Mike Okaty, Chair of the Real Estate Committee, presented the report. He noted that the scheduled October 16th, 2019, Committee meeting was canceled due to lack of action items. Okaty also reported that staff is gathering information to start the UCF Foundation's Building Management RFP Subcommittee. He reported that the RFP process occurs every five years. Okaty noted that the Real Estate Committee desired one Committee member to be assigned to the Building Management RFP Subcommittee to assist in evaluating the respondents. It was shared that the entire process would conclude with a selection at the end of March 2020.

Closing Remarks

Chair Euliano thanked Oscar Rodriguez for serving as IT Committee Chair for the last six years and presented him with a gift of appreciation. Euliano also thanked staff members Danielle Honaker and Chris Meister for supporting the Board while a search committee evaluated candidates to fill the vacant Board Liaison position.

Euliano concluded the meeting by asking if any members of the press or public wanted to make a comment. Seeing no public or press comments, Chair Euliano adjourned the meeting at 4:12 p.m.

Respectfully submitted,



Sara Bernard 08/27/2020 10:09 EDT

Sara Bernard '00

Secretary

UCF Foundation, Inc., Board of Directors

Approved by the Board of Directors on February 6, 2020.

Prepared by: Chris Meister, UCF Foundation