

Wednesday, June 12, 2019
4:00 PM to 5:30 PM
Welch Hall 360 E

EXECUTIVE COMMITTEE MEETING MINUTES

Members Present: Ron Coley, David Donell, Roger von Ting, and Dana Ward

Members Absent: Alan Caldwell

Guests: Richard Chester (Associate Executive Director), Amanda Dodd (Director Human Resources and Payroll), Howard Grobstein (Grobstein & Teeple LLP), Jerome Groomes (Interim Executive Director), and Brian Lundeen (Grobstein & Teeple LLP)

I. Call to Order – Chair Roger von Ting

Meeting called to order by von Ting at 4:10 P.M.

II. Approval of Meeting Agenda

von Ting moved and Ward seconded. Motion carried.

III. Approval of Minutes of Previous Meeting(s)

- April 11, 2019

Ward moved and Donell seconded. Motion carried.

IV. Public Comment

No one was present to represent the public.

V. Officer's Reports

Interim Chair of the Board

von Ting opened his report discussing the mechanics and function of Foundation and the need for a better understanding of the expectations of the University. The committee engaged in conversations including: vendor contracts, compliance, comingling of auxiliary funds, Foundation's expenditures, risk assessment, warehouse leases, and revenue generation. The committee agreed that Foundation's main purpose is to support the University while managing a healthy day to day operating fund. von Ting reported that in pursuit of a healthy balance in Foundation's operating account, Foundation's short-term LAIF account was closed and all funds were transferred into

Foundation's main operating account to make it positive. At this time, von Ting requested that Grobstein Teeple update the committee on Foundation's financials. Lundeen explained to the committee that even though Foundation's financials were showing a negative balance he felt a significant portion of the funds listed as a negative were due to system error. Lundeen informed the committee that technical issues were incurred during the migration from ONESolution to Paychex for Payroll and that the Grobstein Teeple team was working on cleaning the balance sheet up to reflect accurate numbers. Lundeen concluded his discussion by expressing his sentiment that Foundation cash needs to be managed on a daily basis. The committee accepted this information delving into discussions on: consistent positive operating balances, separating comingled accounts, being better service providers with an emphasis on increased communication, generating balance sheets separated by entity or auxiliary, short term investments, increased entrepreneurship, and investment liquidity.

Interim Executive Director

Jerry Groomes opened his report by updating the Executive Committee on Foundation's recruitment efforts. Groomes stated that interviews for the CFO position were scheduled for the weeks of July 8th and July 15th. Groomes further disclosed that the new accountant was "starting tomorrow" and that he was confident that key hires, including the Information Technology Director would alleviate some of the concerns in the accounting department and with Foundation's financial reports. Committee members accepted this information and engaged in conversation regarding the status of the Executive Director Search. The committee agreed that it was in the best interest to hire a CFO prior to hiring an Executive Director due to the length of time the Executive Director Search was taking.

VI. Action Items

Interim Executive Director Appointment Extension

von Ting declared that since efforts to fill the Executive Director position with a permanent hire have been unsuccessful, he recommends extending the appointment of Interim Executive Director, Jerome Groomes on a month to month basis. von Ting further explained that a month to month assignment made the most sense as he did not know how long the new search would take. The Executive Committee agreed to bring the extension of Jerome Groomes as a resolution to the full Board.

von Ting moved and Donell seconded. Motion Carried.

Approving the Schedule of Board and Committee Meetings for FY2019-20

von Ting explained to the committee that Foundation was continuing to follow the outline determined last year in regards to the decreased Board meeting schedule, four full Board meetings and five Executive Committee meetings. The Executive Committee accepted the schedule and agreed to bring the FY2019-20 Board schedule as a resolution to the full Board.

von Ting moved and Donell seconded. Motion Carried.

Approving Capital Expenditure for “Proudly Served” Starbucks

von Ting clarified that this capital expenditure was more for a refresh stating that the current Green Mountain Coffee space in the Library was in need of upgrade and renovation. The committee agreed to bring this item to the full Board as a resolution for vote.

von Ting moved and Donell seconded. Motion Carried.

Approving GSI Increase for FY2019-20

Dodd informed the committee of Foundation’s desire to provide a general salary increase to employees that did not receive a market rate retention increase, recently provided. Dodd further clarified that this increase would mainly affect Dining employees. The committee accepted this information asking questions about market rate analysis and ensuring that without this GSI, the employees who received the market rate increase will still be within what is considered competitive salary standards. Dodd disclosed that only a small number of employees were affected by the market rate increase, four, and that those employees understood they would not be receiving a GSI Increase for FY201920. The Executive Committee agreed to bring this item to the Board for approval in the form of a resolution.

von Ting moved and Donell seconded. Motion Carried.

Approving the FY2019-20 Operating Budget

Lundeen gave a summary report on the proposed FY2019-20 operating budget disclosing that the major difference between this version and a previous version supplied was the addition of substantial narratives and schedules breaking down allocations such as the EO1000, and IDC. Lundeen went on to discuss a proposed change, the addition of an operating reserve that would encompass at least three weeks of expenditures including Campus Dining. The committee accepted this information and engaged in conversation regarding the importance of establishing an operating reserve, University distributions, standards for establishing an operating reserve, and the need to shelter long term investment accounts. The committee agreed that funds from the budget should build a reserve even if that means that Foundation will not be able to distribute a large amount to the University. All members agreed that Foundation’s main purpose is to provide support to the University and noted that if the University was in need of a distribution that was previously not budgeted, the University could ask Foundation to distribute funds from long term investments. The committee transitioned discussions to include topics such as: Grants and Contracts administration, customer service, administering different functions and the costs to administer those functions, subsidizing of services, separating balance sheets, and the sale of the President’s House and venues for Presidential entertaining. The committee acknowledged that the budget reflected the best numbers known to them at the present time and that the services of Grobstein Teeple are budgeted for seventy thousand a month for July and August, with service fees decreasing to thirty-five thousand a month until the end of the calendar year. The committee accepted the proposed budget concluding conversations with a discussion on IDC rates, the review and acceptance of

rates, overhead costs, value provided, and parking. The committee approved the proposed budget with a vote to bring this item in a resolution to the full Board for approval subject to the following modifications: inclusion of two months of Grobstein Teeple fees at seventy thousand a month, inclusion of a one hundred thousand distribution to the University for University Support, and inclusion of Distribution to the University for thirty thousand towards the President's scholarship initiative.

Ward moved and von Ting seconded. Motion Carried.

VIII. Consent Agenda

Statement of Operations as of April 31, 2019

No discussion, explanatory documents distributed. von Ting informed the committee that if they had questions they could reach out to Jerry Groomes.

Investment Review as of March 31, 2019

No discussion, explanatory documents distributed. von Ting informed the committee that if they had questions they could reach out to Jerry Groomes.

VIII. Informational Items - None

IX. Other Items – None

X. Adjournment

von Ting moved to adjourn, Ward seconded. Motion Carried. Meeting adjourned at 6:15 P.M.