



# Florida School for the Deaf & the Blind

*Do More. Be More. Achieve More.*

## MEETING MINUTES

### ENDOWMENT INVESTMENT COMMITTEE

April 14, 2023, at 9:30 a.m.

Moore Hall 215

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#### Call to Order

Mr. Hadley called the meeting of the Endowment Investment Committee to order at 9:30 a.m.

#### Attendance

**Present:** Mr. Ralph “Terry” Hadley (Chairman), Dr. Tom Zavelson, Ms. Christine Chapman (Alternate), Mr. Owen McCaul (Alternate).

**Absent:** Mr. Matthew Kramer, Ms. JuneAnn LeFors

**UBS:** Mr. David Hanvey, Ms. Lacey Conner

**FSDB:** Ms. Tracie Snow (President), Ms. Julia Mintzer (Administrator of Business Services)  
Mr. John Wester (Comptroller), Ms. Alison Crozier (Exec. Director, Budget Management)  
Ms. Traci Anderson (Exec. Director, Advancement)  
Mr. Guy Maltese (Exec. Director, Safety and Facilities Operations)  
Mr. Addison Burns (Assistant Director of Construction, SaFO)  
Ms. Denise Fernandez (Recording Secretary)

#### Approval of Meeting Minutes

The October 28, 2022 Endowment Investment Committee Meeting minutes were *approved on a motion by Dr. Zavelson; seconded by Mr. McCaul.*

#### Public Comment

None

#### New Business

**UBS Update (Dave Hanvey and Lacey Conner)**—The UBS team presented the endowment performance and market updates.

Performance: Ms. Conner provided the following overview of each endowment.

- *Endowment I*—During March, the endowment opened at approximately \$18,705,000. Net deposit/withdrawals were -\$175K, dividends and interest were slightly above \$42K, change in accrued interest was approximately \$9.9K, and the fund market performance was \$261,804.29. The closing value was approximately \$18,844,000, with a rate of return of +1.70%. Compared to the benchmark and indices, the endowment’s performance MTD was at +1.70% vs. +2.41% BM, +3.67 S&P; YTD +2.27% vs. +5.20% BM, +7.50% S&P; and in 2022, -10.00% vs. -15.16% BM, -18.11 S&P. While the portfolio lagged behind the benchmark’s and S&P’s MTD and YTD figures, it did outperform for the 2022 year and trailing 12 months.

As of the close of business, April 13, 2023, Endowment 1’s closing value was \$19,029,009.65. During the MTD period, the portfolio increased +0.98% (equal to \$184,669.26) and outperformed the benchmark at +0.77% and the S&P at +0.96%. However, it did not keep up with YTD and trailing comparisons.

- *Endowment II*— During March, the endowment opened at \$10,864,000 and closed at \$11,029,000 approximately. Its MTD rate of return was +1.52%, YTD 2.64%, and in 2022 - 10.66%.

As of the close of business, April 13, 2023, Endowment 2's closing value was \$11,132,880. During the MTD period, its performance increased +0.94% (equal to \$104K approximately); YTD was +3.61%, and trailing 12 was -1.84%.

Ms. Conner also shared the current asset allocation and data on the investment grade quality bond holdings to further illustrate how UBS adheres to the policy and keeps up with current market conditions.

Market and Investment Outlook: One prevailing factor as to why both portfolios outperformed the 2022 benchmark and trailing 12 months was due to UBS's sound fixed-income investing strategy. This is because UBS continues to align with FSDB's investment policy and maintains a disciplined approach to investment decisions by adhering to the model, while:

- continuously evaluating the endowment portfolios' risk tolerance.
- periodically rebalancing desired asset mixes.
- methodically evaluating historical performance data.
- deliberately avoiding the "herd instinct" of chasing the market.
- regularly auditing their performance.

Although Mr. Hanvey anticipates a mild recession by year-end alongside other challenges, he remains optimistic about both endowments' future.

**Advancement Update (Traci Anderson and Julia Mintzer)**—Ms. Mintzer and Ms. Anderson relayed the achievements of Advancement's fundraising and private funding efforts aligned with the "everybody knows our name" strategic plan campaign:

- As of March MTD, dollars received were \$1,523,536.83, a 15% increase over 2022 data.
- A donation of \$350K was willed to FSDB through an attorney recommendation.
- A donation of \$10K is earmarked by the High Springs Lions Club.
- The total number of private funding projects is 173 for 2023-24, compared to 115 for 2022-23.
- The total number of *new* private funding projects is 58 for 2023-24, compared to 32 for 2022-23.

Ms. Mintzer also provided an update and recommendation on the bleacher project:

- The \$1.6 million forecasted budget has more than doubled to an estimated \$3.4 million.
- The precast design has been eliminated from further consideration due to the exorbitant cost.
- A \$1 million alternative project proposal is being submitted for approval. This will entail exceeding the spending threshold to \$263,257, 1% over the allowable 5% expenditure limit.

Assistant Director of Construction Addison Burns presented sample illustrations from two vendors under consideration—Southern Bleachers and GT Grandstand—and shared research findings.

**Chairman's Comments**—In keeping with the BOT's fiduciary duty and complying with agency procurement practices, Mr. Hadley recommended that investment management services be subject to periodic review and competitive solicitation. He will broach the subject further at the next meeting of the Endowment Investment Committee.

**Next Meeting**—October 27, 2023.

**Action Items for Consideration**

1. Approval is requested to allocate a greater amount than the five percent (5%) of the average of the twelve (12) trailing quarters of the value of the Endowment Fund in support of the football bleacher project, based on a super-majority vote of four (4) of the six (6) board members. Note: This approval would allow for an additional \$263,257.94 to be allocated to the football bleacher project, increasing the allocation to 6% of the average of the twelve trailing quarters. *Mr. McCaul moved to approve; Dr. Zavelson seconded the motion.*
2. Approval is requested for the proposed Endowment Project Budget for 2023-2024. All projects are within the budgetary guidelines established by the Board of Trustees. *Dr. Zavelson moved to approve; Mr. McCaul seconded the motion.*
3. Approval is requested to continue the UBS Client Services Agreement for the 2023-2024 fiscal year. *Mr. McCaul moved to approve; Dr. Zavelson seconded the motion.*
4. Approval is requested to continue the Truist Banking Services Agreement for the 2023-2024 fiscal year. *Mr. McCaul moved to approve; Dr. Zavelson seconded the motion.*

**Adjournment**

The meeting adjourned at 9:15 a.m. by Mr. Hadley.