



# Florida School for the Deaf & the Blind

*Do More. Be More. Achieve More.*

## MEETING MINUTES

### ENDOWMENT INVESTMENT COMMITTEE

April 8, 2022, at 9:30 a.m.

Moore Hall CLD-FSDB Campus

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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), Ms. Christine Chapman, Ms. June Ann LeFors, Dr. Tom Zavelson

**Board of Trustees:** Mr. Owen McCaul

**UBS:** Mr. David Hanvey, Ms. Lacey O’Connor

**FSDB:** Ms. Tracie Snow (President)

Ms. Julia Mintzer (Administrator of Business Services)

Mr. John Wester (Comptroller)

Ms. Alison Crozier (Budgets & Grants)

Ms. Traci Anderson, Ms. Morgan Hutchison, and Ms. Elizabeth Etheridge (Advancement)

Mr. Ron Marhanka (Safety and Facilities Operations-SaFO)

Ms. Katie Bechtold, Mr. Nick McClure, and Ms. Danielle Alexander (Interpreters)

Ms. Denise Fernandez (Recording Secretary)

#### Approval of Meeting Minutes

The September 24, 2021 Endowment Investment Committee Meeting minutes were *approved on a motion by Ms. Chapman; seconded by Dr. Zavelson.*

#### Public Comment

None

#### New Business

**UBS Update (Dave Hanvey & Lacey Conner)**—The UBS team presented two major topics: endowment performance and market updates.

**Performance:** Ms. Conner provided a current overview of the state of the endowment.

- *Endowment I*—During March (MTD), the endowment increased +0.46%, outperforming the benchmark of -0.38%, appreciating \$46K. Year-to-date (YTD), it decreased -4.65% versus the benchmark down -5.78%, and during the trailing 12 months. the endowment increased +2.69%, beating the benchmark of +1.61%, appreciating \$208K with dividends and interest paying approximately \$395k.
- *Endowment II*—During March (MTD), the endowment increased +0.35%, outperforming the benchmark of -0.38%, appreciating \$16K. Year-to-date (YTD), it decreased -4.54% versus the benchmark down -5.78%, and during the trailing 12 months. the endowment increased +0.76%, close to a similar benchmark of +0.81%, yet growing +\$1.4mm factoring net deposits/withdrawals and dividends and interest income.

Ms. Connor summarized the endowment's current asset allocation and provided the equity analysis and bond overview. Despite our "rising interest rate environment," she reminded the committee that UBS's investing strategy ensures the accounts are safeguarded because UBS constantly tests and rebalances the portfolio to the risk model.

**Market Outlook:** Mr. Hanvey affirmed UBS's compliance with FS. 215.47 as it relates to investments and expenditures. Even amid inflation (the highest in the last 40 years ago), recession signals, and market uncertainty, Mr. Hanvey continues to support the conservative investment approach. UBS accomplishes this by aligning with FSDB's investment policy, properly exercising due diligence in its investment decisions and money manager selections, controlling and accounting for investment expenses, monitoring the activities of all hired experts, and avoiding conflicts of interest. Mr. Hanvey also fully endorsed the use of endowment funds to help fund a capital project. He maintained that it would not adversely impact the account's growth based on 10- and 20-year projections. He remains confident that "compounding, risk management, and managing the markets with good people and processes" are essential factors in maintaining a sound and solid endowment portfolio.

**Endowment Funded Special Projects (Julia Mintzer)**—Ms. Mintzer was proud to present 41 private funding requests, 32 of which were new, to the Committee for its approval. She lauded the entire campus for submitting thoughtful, "value-added" requests, as well as the Advancement team for presenting, training, and encouraging staff on the private funding request process.

**Next Meeting**—TBD based on BOT approval of the 2022-2023 meeting dates.

### **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 five (5) of the seven (7) board members. *Dr. Zavelson moved to approve; Ms. LeFors seconded the motion.*

**Discussion:** Ms. Mintzer presented the architectural drawing of the Bleacher project which is now estimated at \$1.59 million (from \$1.2 million in 2021). The anticipated budget for the project necessitates the need to request approval 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 by an amount of \$825,506. The seating capacity will shrink slightly from the existing design, but boast a larger press box, a more ADA-compliant elevator lift, and other features that address our saltwater elements and soil conditions. The project is not expected to compromise the track and field or the sports schedule. Based on research and her familiarity with other capital projects, Ms. Mintzer anticipates the amount to escalate due to the rising costs of materials and labor. Should the amount escalate at the time of the Phase 1 bid solicitation, she will seek other funding sources or return to the Board with another allocation request. Mr. Hadley avidly supported the project request stating that it is "the kind of critical step that can make a significant difference" in our student program enrichment endeavors as well as our enrollment efforts.

2. Approval is requested for the proposed Endowment Project Budget for 2022-2023. All projects are within the budgetary guidelines established by the Board of Trustees. *Ms. LeFors moved to approve; Ms. Chapman seconded the motion.*
3. Approval is requested to continue the UBS Client Services Agreement for the 2022-2023 fiscal year. *Ms. Chapman moved to approve; Dr. Zavelson seconded the motion.*
4. Approval is requested to continue the BB&T Banking Services Agreement for the 2022- 2023 fiscal year. *Dr. Zavelson moved to approve; Ms. Chapman seconded the motion.*

**Adjournment**

The meeting adjourned at 10:20 a.m. by Mr. Hadley