



DSST Public Schools Foundation Board Meeting Minutes

May 23rd, 2018

Attendees:

Sandra Scanlon, DSST Foundation Board Member
Teresa Berryman, DSST and Foundation Board Member
Marty Erzinger, DSST Foundation Board Member
Peter Fritzinger, DSST and Foundation Board Member
Nick Plantan, Director of Finance and Secretary of the Board
Anthony Eberspacher, Senior Manager of Accounting and Treasurer of the Board

Not present:

Dan Wilkerson, DSST Foundation Board Member
Dwight Jones, DSST and Foundation Board Member (Nick voted by proxy)
Dan Wilson, DSST Foundation Board Member

Voting on Board Seats

Two board seats – held by Teresa Berryman and Marty Erzinger – are scheduled to expire on June 30th, 2018. The board voted unanimously to retain Teresa and Marty as board members. Per the Foundation Bylaws, Teresa and Marty will begin a 3 year term, set to expire on June 30th, 2021.

Voting on DSST Public Schools Requests from the Foundation

Nick presented the requests for funds made by DSST Public Schools from the Foundation for FY18. The majority of the \$149,028 total requests were made for contributions that were received into the Foundation with restrictions to be spent by DSST in FY18. The requested funds would be distributed from the Foundation at the end of the fiscal year, 6/30.

Marty moved to approve the requests, Teresa seconded, the board voted unanimously to approve.

FY19 Board Meetings

The board then discussed the cadence of board meetings for the 2018-19 fiscal year and agendas at each meeting. It was agreed that management would provide quarterly updates on investment performance, and that the board would meet twice annually. In addition to these regular updates and meetings, the board agreed that management is required to provide off-cycle notifications for any new grant agreements of \$1M or more.

The following agendas were set for the two meetings:

October (exact time and date TBD)-

1. First quarter financials
2. Development update
3. Projection of future asks based on updated LTF
4. Board terms expiring at the end of the year

May (exact time and date TBD)-

1. End of year disbursement requests from DSST Public Schools
2. Development update
3. Investment performance report through 4/30
4. Auditor approval

Authority for DSST Public Schools to Audit the Foundation

Next, the board discussed giving DSST Public Schools' auditor (Eide Bailly) authority to audit the Foundation. Teresa said that as long as the Foundation maintains current scope she does not see a concern with having the same auditor as DSST. Peter recommended that the Foundation votes on audit authority annually during the May meeting.

Teresa moved to approve Eide Bailly auditing the Foundation, Marty seconded, the board unanimously voted to approve.

Charging expenses to the Foundation

The Foundation was initially established with the intent to not hire staff or incur any expenses directly. The board debated whether this should continue to be the policy moving forward. Implications discussed included the financial impact of decreasing the assets under investment and the perception of moving expenses off DSST's books and onto the Foundation. Marty mentioned that other Foundations separate annual giving, which stays with management, from planned giving, which can be a part of the Foundation. Teresa recommended that expenses stay

with DSST. The board agreed that at this time there will be no change in the current procedure, but left this open to potentially be revisited in the future.

Investment Performance

Nick presented an investment performance report pulled from Vanguard on the operating and endowment funds. Marty provided an additional third party report from Morningstar on the VASGX fund in which the endowment is invested. Marty walked the board through the Morningstar report and pointed out that VASGX has outperformed the benchmark and is in the top quartile of performance for the 3 and 5 year timeframes. Marty generously offered to work with Nick on creating the next investment report.

Meeting adjourned at 1:45pm.