



Minutes for DSST Foundation Board Meeting, 5/25/2021

Attendees:

Dan Wilkerson, President
Steve Halstedt, Member
Marty Erzinger, Member
Tiffany Charles, Member
Teresa Berryman, Member

Nick Plantan, Secretary and VP of Finance
Tony Eberspacher, Treasurer and Sr. Manager of Accounting
Scott Finlay, DSST VP of Development

December Meeting Minutes

The meeting minutes from December were reviewed. The Board has requested that these be included in our agendas moving forward and be sent out in the pre-read materials. The meeting minutes were unanimously approved.

FY22 DSST Budget and DSST, Inc Disbursement Request

Nick presented the 2021-22 budget for DSST, which was approved by the DSST board on 5/20. He shared that DSST is coming out of the COVID recession in a very strong financial position, and new governmental revenues are leading to a positive future outlook. FY22's budgeted net income is +\$112k, which is \$4.4m better than the long-term forecast target. The balance sheet is projected to increase by \$2m, with ending assets \$22.5m above the 3-month reserve target. However, since \$5.3m in revenue is coming into the Foundation, DSST, Inc's assets are expected to decrease by \$5.2m.

DSST, Inc. is requesting a disbursement for up to a maximum \$6m in the upcoming year. This is based on \$5.5m to maintain 2-month reserve balances at DSST, Inc as well as a potential maximum exposure from self-funded healthcare of \$500k. The disbursements will happen on an as needed basis, and management's goal is to need less than the full amount. The request for disbursement was unanimously approved.

Berryman Endowment Diversification

Marty and Tiffany presented their recommendation on diversifying the Berryman endowment. Prior to the meeting, Marty and Tiffany reviewed numerous options to get the endowment asset allocation more in line with the endowment fund investment policy. They recommended shifting 10% of endowment assets into the JP Morgan Floating Rate Fund, a fund in which the Foundation currently has mid-term fund assets. As Treasurer, Tony will complete the moving of dollars.

Development Update

Scott provided an update on Development's fundraising efforts in FY21. Non-extraordinary giving is in line with past year results. The Elevate Capital Campaign has so far raised \$8m, with an additional \$2m expected. The \$10m is short of our \$13.1m campaign goal due to a major gift that was anticipated but did not come in. Scott also shared the results of Slice of Pi, which was held virtually this year due to COVID. While the total amount raised was lower than in previous years, the total cost of the event was also less. Scott said that DSST will be evaluating Slice of Pi for future years.

Auditor Approval

As part of our annual financial controls, Tony presented a recommendation for our auditors in FY22. DSST conducted an RFP for auditing services in the fall, and recommended a switch from Eide Bailly to BKD. Both firms were comparable for cost, but BKD provided the advantage of being the auditor for DPS and APS as well as giving the benefit of a fresh perspective on DSST's financials. DSST's audit committee approved BKD on 5/11. The board unanimously approved BKD as the Foundation's audit provider.

Election of Officers

Nick and Tony's annual terms as secretary and treasurer of the board, respectively, are ending 6/30/21. The board unanimously approved both positions to continue in FY22.

Election of Directors

Teresa and Marty's terms as Directors of the Board are also ending on 6/30/21. Teresa would like to serve an additional 1-year term, while Marty will serve a new 3-year term. Dan also discussed the board seat vacated by Barbara Brohl. This is a DSST appointed seat, and Dan has reached out to a couple current DSST board members to gauge interest in filling that seat. Teresa and Marty's election for new terms was approved unanimously.

Meeting Agenda Review

The board reviewed the agendas for the FY22 meetings. Meeting minutes will be added to both agendas. The fall meeting, held in November or December, will add the following agenda items: 1) review spending policy, 2) year-to-date disbursements to DSST, 3) fall forecast and updated projected disbursements to DSST for the full fiscal year.

Capital Markets Update

Marty provided a quick update on the outlook for capital markets. Overall, economic growth looks strong coming out of the COVID recession. Real GDP growth for the year is projected to be 2-3%.

Form 990

The FY20 IRS Form 990 was distributed in advance of the meeting. No major questions or concerns were raised by the board.

Nick will send out dates and times for the November board meeting in August.

Meeting adjourned at 10:00am.