

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

Finance Committee Meeting October 13, 2017 Minutes

Held at the Harbor Branch Oceanographic Institute Foundation, Inc.

COMMITTEE MEMBERS PRESENT: John Papa*; Marjorie Raines*, Chair; Mike Toner; Mike O'Reilly*

OTHERS PRESENT: Kyle Bobinski, The Atlanta Consulting Group*; Ed Michelson, The Atlanta Consulting Group*; Debbie Dutton, Director of Operations; Katha Kissman, President & CEO

ABSENT: Sherry Plymale

*Participated virtually

Call to Order

Chair Raines called the meeting to order at 2:00 pm.

Approval of Minutes

The minutes of the May 19, 2017 Finance Committee Meeting were unanimously approved.

Investment Report

Kyle Bobinski and Ed Michaelson provided an overview of the markets and the Foundation's investments. Following presentation and discussion of opportunities, the Committee determined not to pursue Stoneridge (Cat Bonds) at this time. There was additional discussion about Short Duration High Yield opportunities with no action taken.

Review and approval of clarifying language regarding "Rebalancing Procedures" in the Investment Policy

Based on recommendation of language provided by John Papa and reviewed by Mike O'Reilly and Katha Kissman, it was unanimously agreed to revise the Investment Policy to include language following the existing language in p. 4, B. Rebalancing Procedures:

Each Fund will typically be rebalanced at the asset class level when an asset class exceeds the upper limit of the range or falls below the lower limit of the target range by more than one percent (1%), unless the Committee deems any rebalancing not to be in the best interest of the Fund. If the Committee should forgo rebalancing, the decision to do so shall be documented in the minutes and maintained as a permanent record of the Committee.

Current Financials

Ms. Kissman provided in advance the Compiled quarterlies for FY18 1st Quarter as well as the Balance Sheet & P&Ls dated September 30, 2018 for operations and specialty license plates. As it was early in the fiscal year, no anomalies were reported except for budget changes that will be provided in the Mid-Year Budget Revision resulting from the move of *Love Your Lagoon* off campus.

Other Business

Ed Michelson reported on changes occurring at The Atlanta Consulting Group (ACG), the firm he co-founded thirty three years ago. Beginning in December ACG will be separating from its relationship with Raymond James. The ACG will continue as a fiduciary for its clients and has incorporated updated technology which will enhance portfolio reporting. Additionally ACG is broadening its clients' access to additional investment partners.

Following Mr. Michelson and Mr. Bobinski's departure from the meeting, the Committee discussed and directed Ms. Kissman to ask Mr. Michelson to obtain a custodial fee comparison between Raymond James and Northern Trust. The Committee prefers not to have the Foundation's investment assets held in custody at Raymond James with the termination of the relationship between ACG and Raymond James. In addition, it was requested that ACG provide a copy of its Errors and Omissions insurance coverage once their new operations were in place, to request said document annually going forward, and to notify the Committee if or when their policies changed.

Adjournment

There being no further business, the meeting was adjourned at 3:13 pm.