

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

Minutes
Finance Committee Meeting
Held at Harbor Branch Oceanographic Institute Foundation, Inc.
January 19, 2018

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

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

*Participated virtually

Call to Order

Chair Raines called the meeting to order at 2:01 pm.

Approval of Minutes

The minutes of the October 13, 2017 Meeting and the December 21, 2017 Meeting were approved unanimously.

Investment Report

Ed Michelson, Matt Bauer, and Kyle Bobinski of The Atlanta Consulting Group (ACG) presented the status of the overall market and our investments based on the Q2 report. The total composite value of the portfolio at December 31, 2017 was \$75,336,136. The balances of the SLP Money Market Accounts as of December 29, 2017 were:

Aquaculture:	\$ 320,681.11
Save Our Seas:	\$ 826,006.90
Protect Florida Whales:	\$ 363,588.59
Protect Wild Dolphins:	\$ 1,035,289.06

President Kissman confirmed the holdings of the SLP plate funds was being accomplished per the previous recommendations of the auditor followed by the Audit, Finance and Grants Committees and approved by the Board. She noted to date FAU HBOI has not needed to draw against these funds as they are still using the remaining funds in the FAU Division of Research plate holding accounts. We have still been unable to confirm what interest has been attributed per plate to these accounts.

For the Committee's information, Mr. Michelson provided an analysis of Long-Term Capital Market Assumptions 2018 by ACG. Mr. Michelson also provided a fee analysis of comparative custodians as previously requested.

Prior to the meeting, Chair Raines and President Kissman had a call with Mr. Michelson posing the questions: How do your other clients address the issue of escalating fees in a bull market? If our portfolio continues going up because the market is going up, how might we protect ACG's fees on the downside while protecting us on the upside of market moves? They noted this was an important consideration for us as a nonprofit. Based on a review of ACG's billing of HBOIF over the last five years, Mr. Michelson proposed a cap of \$79,000 per annum for three years, with the formula used in the past to ascertain pro-rated fees should it fall below this cap. The Committee expressed its deep thanks to Mr. Michelson for its commitment to the success of HBOIF.

After Mr. Michelson, Mr. Bauer, and Mr. Bobinski left the call, the Committee reconfirmed staying with Raymond James for the time being.

Current Financials & Mid-Year Budget Revision

Katha Kissman presented the current Financials. Other than the *Love Your Lagoon* income and expense budgets addressed in the Mid-Year Budget Revision, there are no significant variances in to date figures against the original budget.

The changes for *Love Your Lagoon* income and expense result from the demand by HBOI to hold the event offsite for 2018. The change of venue lowered expenses significantly and while original income projections were adjusted lower, Katha Kissman reported expectations to fund approximately ten 2018 Indian River Lagoon Graduate Research Fellows and support the 2018 Indian River Lagoon Symposium.

The motion to recommend to the Board the FY18 Mid-Year Budget Revision as presented and with the inclusion of the change in the Investment Fees to the new \$79,000 cap was approved unanimously.

Adjournment

There being no further business, the meeting was adjourned at 3:14 pm.