Chair Norma Howard announced that a quorum for the Board Meeting was not present so the Investment Committee Meeting was conducted, but the Quarterly MSC Foundation Board of Directors Meeting did not convene until after lunch (12:30pm). The Investment Committee Meeting was conducted by Chair Micah Taylor.

The committee reviewed the LPL Investment Portfolio received by fax on January 16th from Howell Financial Services in response to an email request from Investment Committee Chair, Micah Taylor, relaying that John Howell prepare an investment portfolio representative of the percentages per category that the Investment Committee had determined. The committee also reviewed two other LPL portfolio models (Growth with Income and Growth with Moderate Income) which had been received the day of the January 28th meeting. Mr. Howell had called and indicated that he disagreed with the Investment Committee’s request and that the two most recent portfolio models are what he recommended be considered.

Since Mr. Howell could not attend the meeting, a conference call was placed to his office. Several questions were discussed. Mr. Howell explained that he relied on the expertise of the research team to which he subscribes and for which some of the fees paid by the Foundation cover that cost. He feared that deviating from the model suggested by the research team would not yield the results wanted and that the Investment Committee might want to change the percentages each quarter – which would be burdensome. The Investment Committee assured Mr. Howell that changing percentages quarterly was not their intention. The percentages were provided as a guide for him to design a portfolio for the MSC Foundation. Mr. Howell was reluctant to provide a projection of expected annual yield for such a portfolio since it would have to be hand calculated and would take significant time and effort. The teleconference was concluded.

The Investment Committee considered all the options that had been discussed and decided to recommend to the full Board:

1. Move the LPL account to an Income with Moderate Growth investment portfolio with the emphasis on dividends to support scholarships and operations with the following allocation parameters:
   - 20% maximum in International, of which 5% in International bonds
   - 25% bonds, with no more than 5% hi yield
   - Balance (55%) – John Howell propose

If this recommendation is approved and the Investment Committee is satisfied with the portfolio subsequently provided by Mr. Howell, the Investment Committee is authorized to direct Mr. Howell to implement the portfolio. Earnings are to be placed in Cash and paid to the MSC Foundation twice per year (to align with scholarship award process).
Additional financial reports were provided for the committee’s review including quarterly Checks Report, Revenue Report, and the special report that was requested at the last meeting which summarized the amount and number of scholarships awarded in FY12 ($27,250/59 awards), FY13 ($40,923/90 awards), and Fall 2013 ($37,632/57 awards). The report also noted that approximately $40,000 is received in annual interest allocations to specific scholarships and annual donations to specific scholarships.

Meeting was adjourned.

Lunch

MURRAY STATE COLLEGE FOUNDATION
BOARD OF DIRECTORS MEETING
JANUARY 28, 2014

Murray Administration Bldg.  12:30 p.m.  MSC Foundation Conference Room

ATTENDING:  Basil Bigbie, Norma Howard, Judy Huston, Scott Landgraf, President Joy McDaniel, Larry Sloan, Micah Taylor, E.J. Tolbert, Martin VanMeter

OTHERS:  Karen Cantrell, Brenda Stacy, Wade Fisher (Auditor-Hinkle and Company)

CALL TO ORDER

Chair Norma Howard convened the January 28, 2014 meeting of the Murray State College Foundation Board of Directors to order at 12:30 p.m. Announcement of meeting notice filed in accordance with the Open Meeting Act was made. Board members in attendance constituted a quorum. There were no public comments on the agenda.

APPROVAL OF MINUTES

The motion was made by Joy McDaniel and seconded by Basil Bigbie to approve the minutes of the October 22, 2013 Regularly Scheduled Board Meeting. Motion approved.


NO: None

ABST: None

The motion was made by Micah Taylor and seconded by Basil Bigbie to approve the minutes of the January 9, 2014 Special Board Meeting. Motion approved.


NO: None

ABST: None
D. APPROVAL OF FY13 AUDIT
(This Action Item was moved forward on the agenda so that the Auditor could present findings early in the meeting allowing him to leave as needed.)

Mr. Wade Fisher of Hinkle and Company reported that the MSC Foundation received an unqualified (“clean”) audit. He noted that the overall financial health of the Foundation had increased over the previous year. He indicated that all requested documents were provided in a timely manner and the financial accounting was well organized.

The motion was made by Joy McDaniel and seconded by Basil Bigbie to approve the FY13 Audit. Motion approved.


NO: None

ABST: None

Judy Huston departed; however, a quorum was maintained.

REPORTS

UPDATE ON MURRAY STATE COLLEGE PROJECTS—PRESIDENT MCDANIEL

President McDaniel provided an update on the Nursing and Allied Health Building Expansion project which has begun on campus. The orientation of the building will change to face Byrd Street and parking lots will be added to the East of the gymnasium, East of the current Nursing Building, and East of Fletcher Auditorium. A basement which will serve as a storm shelter will be a part of the building.

It was also reported that the first Installation Phase of the Light the Way project is being implemented which will place 80 lamp posts on the North half of the campus. Placement is based upon a light study which identified the need for 160 total lights. Additionally, new signage will be installed – directional, You Are Here, and building signs will be included.

The Science and Agriculture Building planning is underway with groundbreaking expected at Homecoming in November 2014. It will be a 30,000 sq ft, two-story building and will be located south of the Engineering Building.

The Gunsmithing Technology program is being expanded by 20 students for Fall 2014. There are over 200 qualified applicants each year for this popular and high technology program.

President McDaniel also reported that Student Housing is full and that Student Housing is a primary reason that MSC Tishomingo campus has a strong enrollment. Overall, the institution is down approximately 10% compared to last year – a trend being felt all across Oklahoma due to low unemployment and high paying jobs in the oil fields.

President McDaniel relayed that the Washington D.C. Trip for the President Scholars Program students was a great success. PSP student, Jordyn Naugle, briefly described her experience and thanked the Board for helping to fund the PSP activities.

President McDaniel announced that Soccer would be added in Fall 2014 in Ardmore. A part-time coach is being hired and students are being recruited for both Men’s and Women’s teams.
INVESTMENT COMMITTEE REPORT

The Investment Committee Chair, Micah Taylor, reported that the Investment Committee has met numerous times throughout the year to review and understand and research the investment accounts of the MSC Foundation. Recommendations presented for full Board approval include:

IX. ACTION ITEMS

B. APPROVAL OF RECOMMENDATIONS MADE BY INVESTMENT COMMITTEE

(This Action Item was moved forward on the agenda so that Investment Committee Chair, Micah Taylor, could leave for another commitment.)

The motion was made by Martin VanMeter and seconded by Larry Sloan to approve the following Investment Committee recommendations:

1) MSC Foundation Investment Committee Recommendations regarding Howell Financial Services Investment Portfolio.
   - Move the LPL account to an Income with Moderate Growth investment portfolio with the emphasis on dividends to support scholarships and operations with the following allocation parameters–
     - 20% maximum in International, of which 5% in International bonds
     - 25% bonds, with no more than 5% hi yield
     - Balance (55%) – John Howell propose

If this recommendation is approved and the Investment Committee is satisfied with the portfolio subsequently provided by Mr. Howell, the Investment Committee is authorized to direct Mr. Howell to implement the portfolio. Earnings are to be placed in Cash and paid to the MSC Foundation twice per year (to align with scholarship award process).

2) The Investment Committee recommendation to request the NY Life Annuity dividends be sent by check semi-annually (to support scholarships awarded in the Fall and Spring.)

3) The Investment Committee recommendation of establishing a Goal of increasing scholarship awards by $40,000 to $80,000.

   NO: None
   ABST: None

Micah Taylor departed; however, a quorum was maintained.
Dr. Stacy shared the MSC Strategic Plan and recent accomplishments with the Board members. It was noted that the work of the Foundation is incorporated into the document and that the Strategic Plan truly guides decision making at all levels at Murray State College. The MSC Mission Statement was reviewed as well as the Mission Statement of the Foundation.

MSC Mission: *Murray State College provides opportunities for student learning, personal growth, professional success, and community enhancement.*

MSC Foundation Mission: *The Murray State College Foundation provides support for student scholarships, faculty initiatives, and institutional projects.*

Dr. Stacy relayed that while the MSC Foundation Mission aligns well with the MSC Mission and Strategic Plan, consideration might be given to changing “institutional” to “college” since “institutional” could have the connotation of “mental institutional” or incarceration. A review of the MSC Foundation Mission Statement will be placed on the agenda of the April 22, 2014 Annual meeting of the Members.

### A. APPROVAL OF FINANCIAL DOCUMENTS

1) Investments with LPL and Primevest; 2) Monetary Assets (Including NY Life)

The Investment Report reflected a 13.1% annual percentage increase for 2013 on the LPL Account and a 37.7% annual percentage increase for 2013 on the Primevest Landmark Investments that had been received after documents had been sent for printing; although, it was noted that a deposit of $111,000 had been added to the Primevest account during the first quarter of this year.

The Monetary Assets Report was reviewed which reflected $2,051,554 in CD’s which have earned $10,142 at the end of the second quarter (December 31, 2013.)

The Investment Statements for October, November, and December were also reviewed for the LPL, Primevest, and NY Life accounts. In addition, a Financial SnapShot was examined summarizing all financial accounts and the totals of monies received and checks written in the second quarter.

The motion was made by Scott Landgraf and seconded by Larry Sloan to approve financial documents.

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B. APPROVAL OF FY13 AUDIT  
(See Action above)

C. APPROVAL OF DIRECTORS AND OFFICERS (D & O) INSURANCE QUOTES.  
Two quotes from one agency were submitted; however, the Committee asked the Executive Director to provide an additional quote from another agency for consideration at the April 22, 2014 Board Meeting.

The motion was made by Basil Bigbie and seconded by Martin VanMeter to Table this item until the April 22, 2014 meeting.

YES: Basil Bigbie, Norma Howard, Scott Landgraf, Joy McDaniel, Larry Sloan, E.J. Tolbert, Martin VanMeter
NO: None
ABST: None

D. APPROVAL OF FY13 AUDIT  
(See Action above)

E. APPOINTMENT OF A NOMINATING COMMITTEE  
Chair, Norma Howard, appointed Basil Bigbie, E.J. Tolbert, Micah Taylor, and Joy McDaniel to a Nominating Committee to:

1) Recommend (at the Annual Meeting of the Foundation Members in April 2014) the Renewal of Directors' terms which are expiring (with their approval) or to recommend nominees for Directors to fill any vacant positions. Such positions would begin service at the July 2014 Board of Directors Meeting. Directors whose terms expire as of June 30, 2014 are Fred Chapman, Scott Landgraf, Stan Marshall, Sarah Ann Shaw, Micah Taylor.

2) Recommend at the Board of Directors' Meeting in April 2014 a slate of Officers for 2014-2015 who will begin (or continue) serving as of July 2014.

F. APPROVAL OF ADDING THE FOLLOWING STATEMENT TO THE INVESTMENT POLICY

As investment earnings are allocated for MSC Foundation operations and scholarships, the Investment Committee should ensure that the operational budget not exceed total dollar amount of funds allocated for scholarship awards.

The motion was made by Joy McDaniel and seconded by E.J. Tolbert to add the above statement to the Investment Policy. Motion passed.

YES: Basil Bigbie, Norma Howard, Scott Landgraf, Joy McDaniel, Larry Sloan, E.J. Tolbert, Martin VanMeter
NO: None
ABST: None
G. APPROVAL OF IMPLEMENTING AN ELECTRONIC PAYMENT PROCESS THROUGH THE BANCFIRST-TISHOMINGO CHECKING ACCOUNT 2921.

Dr. Stacy explained that some vendors are beginning to request electronic payments. She proposed securing a bank card for the BancFirst Checking Account ending in 2921. She indicated that upon checking with the auditor, it was proposed that a Purchase Order system be implemented requiring two signatures prior to electronic payments being made. This process would maintain the integrity of the current policy requiring two-signatures on hard-copy checks.

The motion was made by Larry Sloan and seconded by Scott Landgraf to approve the implementation of an electronic payment process through the BancFirst-Tishomingo checking account 2921. Motion passed.

| YES: | Basil Bigbie, Norma Howard, Scott Landgraf, Joy McDaniel, Larry Sloan, E.J. Tolbert, Martin VanMeter |
| NO:  | None |
| ABST:| None |

X. NEW BUSINESS

President McDaniel asked Dr. Stacy to provide a copy of the New York Life Annuity Policy for the April 22, 2014 meeting. She suggested that the Board should examine the wording in the policy for clarification to ensure it is the type of investment wanted and that the payout is not tied to anyone’s demise.

XI. ADJOURNMENT

The motion was made by Martin VanMeter and seconded by Larry Sloan to adjourn the meeting. Motion passed.

| YES: | Basil Bigbie, Norma Howard, Scott Landgraf, Joy McDaniel, Larry Sloan, E.J. Tolbert, Martin VanMeter |
| NO:  | None |
| ABST:| None |

Meeting was adjourned at 2:00 p.m.

________________________________________
Sarah Ann Shaw, Secretary

________________________________________
Norma Howard, Chair