MEETING MINUTES
Purdue Fort Wayne Foundation

1. Call to Order and Approvals (Dave Molfenter presiding for Becky Teagarden, President)
   a. Introduction of Head Table
      i. Jim Almond, Joanne Brouillette, Larry Weigand, Ronald Elsenbaumer, Ruth Stone, David Wesse, Kimberly Wagner, Vicki Churchward, Glenn Rossman, Howard Chapman, Tom Wyss
   b. Approval of September 18, 2018 Meeting Minutes
      i. The meeting minutes were approved unanimously.

2. Purdue Fort Wayne Foundation Board Reports and Announcements
   a. Announcement of New Public Member (David Molfenter, PFW Foundation Vice President)
      i. Dr. and Mrs. Vijay and Madhavi Chilakamarri, Dr. and Mrs. Stephen and Charlotte Coburn, The Donald F. Wood and Darlene M. Richardson Foundation, Inc. represented by Mrs. Darlene M. Richardson, Fort Wayne Orthopedics represented by Dr. Jerry Cooper, Islamic Relief USA represented by Ms. Anne Wilson, Mr. and Mrs. Billy and Cindy King, Dr. and Mrs. Max and Janet Laudeman, Mr. and Mrs. William and Mary Ann Roebel, The Summit League represented by Mr. Tom Douple, Ms. Amber L. Timbrook, Mr. and Mrs. Herb and Lorraine Weier, The Windgate Foundation represented by Ms. Ashley Moore
      ii. Recognized the passing of members: Leland Boren, Betsy Chapman, Don Lahrman, Don Wolf and Don Wood.
   b. Report of Board of Director and Executive Committee (David Molfenter, PFW Foundation Vice President)
      i. The Board and Executive Committee convened for five meetings including the quarterly review of the financials as well as requests for support.
      ii. Funding was provided to support the acquisition of the Richard T. Doermer School of Business Building, the Environmental Research Center, and the Disc Golf Course.
      iii. A meeting was also held to discuss the affiliation agreement between the Trustees of Purdue University, acting by and through Purdue University Fort Wayne, and the PFW Foundation. This document reflects the responsibilities and obligations of both organizations.
         • The Executive Committee has reviewed this at length and is recommending to the board for approval.
         • The Affiliation Agreement was approved unanimously.
   c. Nomination and Approval of the 2019-20 Foundation Board and Executive Committee (David Molfenter, PFW Foundation Vice President)
      i. The Foundation board is composed of 11 members to include five appointed by the Purdue Board of Trustees and five elected by the public members, plus the Chancellor. With the exception of the Chancellor, each of the directors serves a 3-year term.
      ii. Today we are approving two Public Directors that will serve through 2022. Public director members: Becky Teagarden and Senator Tom Wyss for terms expiring in 2022. They were approved unanimously. Continuing Public Directors include Howard Chapman (2020), David Molfenter (2020) and Glenn Rossman (2021).
      iii. Newly reappointed Purdue Directors are Vicki Churchward and JoAnn Brouillette. They will serve through 2022. Continuing Purdue Directors include Dr. Deborah McMahan (2020), Mike Gavin (2020) and Larry Weigand (2021)
iv. The Foundation Officers consists of six Directors. Purdue Directors and Public Directors alternate each year in the nomination of candidates for the offices of President and Vice President.
   • This year the Public Directors are nominating the President and the Purdue Directors are nominating the Vice President.
     a. The nominations are David Molfenter for President and Larry Weigand for Vice President.
     b. Returning in their current roles are James Almond (Treasurer), Steve George (Assistant Treasurer), Kimberly Wagner (Secretary), and David Wesse (COO).
     c. David Molfenter for President and Larry Weigand for Vice President were approved unanimously.
   • The Executive Committee consists of five Directors, two Purdue Directors, two Public Directors and the President. The nominations for election are David Molfenter (President), Senator Tom Wyss, Glenn Rossman, Joanne Brouillette and Vicki Churchward. The Executive Committee members were approved unanimously.

d. Report of Purdue Fort Wayne Foundation Treasurer (Jim Almond, Senior VP & Asst. Treasurer, Purdue University, West Lafayette)
i. Financial Report (Jim Almond)
   • Each year the audit is completed by the Purdue University West Lafayette internal audit process. They review all the process procedures, controls and the preparation of the financial statement. They have determined that the financial statement fairly represents the financial position of the foundation. There were no findings in the process.
   • The statement of financial position (balance sheet for the foundation) shows total assets of $17,771,338. This was an increase of just under $213,000 primarily driven by an increase in contributions receivable. Total liabilities increased slightly at $4,848. The overall net change in assets for fiscal year 2019 of $208,001.
   • The statement of activities, which is included in the audit, is a view of the revenue and expense. For fiscal year 2019, the foundation revenues were $2,292,891. This was an increase of $534,611. This was primarily due to higher contributions, largely with the contract with Lutheran Health Network, also rental payments from PFW Campus for the Sweetwater Sound lease.
     a. The Foundation entered into the lease with Sweetwater and the University contracted with the foundation and pays the cost of the lease, which is then paid from the Foundation to Sweetwater.
     b. The Doermer School of Business building – $300,000 which the foundation supported.
     c. The payments that come from the Lutheran Health Network come into the foundation and then are transferred to the Athletic Department primarily for the payment of trainers for the athletic program.
   • There was a $208,001 increase in the net assets of the foundation.
   • There were a few changes administratively to the notes in the financial statements. They are prepared in accordance with FASB. Note 6 provided a schedule of accounts with donor restrictions. Note 7 showed the change in the endowment valuations from the current year to the prior and designated if they had donor restrictions or not. In this case, all the foundation endowments (there are 5) were restricted. There’s a section on liquidity and availability of funds within a year period and then expense...
by nature (almost 69% comes into the university for general support, almost 13% supports the real estate, almost 19% supports athletics).

- Before the realignment with IU, there were endowments in the FW Foundation, at the IU Foundation and the University all supporting the Fort Wayne campus. Now, with the realignment complete, there are two different sources.
  a. Within the Purdue Fort Wayne Foundation, there are $7.3 million in endowments supporting the Fort Wayne campus.
  b. Within Purdue University Fort Wayne, there's another $54 million supporting the activities of the Fort Wayne campus.
  c. In total, just over $61 million of endowments are supporting the Fort Wayne campus.

ii. Endowment performance (Blair Webb, Director, Investment Research and Analysis) - Purdue Fort Wayne University and Purdue Fort Wayne Foundation endowment funds are managed financially by Purdue University West Lafayette. Below is the report on the investment performance for the year.
  - The long-term performance of the endowment has been strong. The 10-year rate of 8.8% annualized return outperforms the 8.4% for the benchmark.
  - Over the longer term, in some of the performance drivers (returns to private equity and venture capital), there were a couple underperforming asset classes (hedge funds is one), but all in all, they are at or exceeding the benchmark.
  - Exposure across the asset classes
    a. All asset classes are within board-approved ranges.
    b. A couple things to note:
      i. Purdue University West Lafayette is going to be revisiting the asset allocation later this year. It’s something that’s healthy to do every 3-5 years.
      ii. As part of some of the changes during the last asset allocation study, there was an increase to the allocation to private equity. Private equity and venture capital are a little underweight on the long-term strategic target because it takes time to build up those allocations. That underweight is partially offset by the U.S. equity overweight. It is a slightly large deviation, but it’s still within the board-approved ranges.

iii. Questions (Blair Webb)
  - Do you have a formal advisor? If so, who is it?
    a. We do. We have an investment consultant that helps us at the portfolio level. It’s Cambridge Associates. They advise on a large percentage of endowments and foundations.
    b. As we’ve built, we’ve hired a couple of people internally. We’re driving more of the decisions internally now and relying a little less on the consultant.
  - How many endowments do we currently have?
    a. 223 for Purdue University Fort Wayne. All those are pooled with all the Purdue University West Lafayette Assets and the Purdue Research Foundation assets in a single pool for us to invest in order maximize returns for all.

3. Purdue University Fort Wayne Leadership Reports
   a. Chancellor’s Report (Ron Elsenbaumer, Purdue University Fort Wayne Chancellor)
i. The realignment is one year behind us. Purdue Fort Wayne is deep into the exploration of ideas and strategies that will carry it forward. Clarity has been achieved more regarding university priorities and how to convey that message to its constituents, especially students, the community, the state of Indiana and beyond. The Purdue University brand is being leveraged to advance our institution on every front.

- The new brand has been promoted throughout Indiana and making significant inroads are being made into the states across the Midwest.
- TV and radio ads, billboards, and digital campaigns are highly visible both here and in northeast Indiana and in ever-expanding markets including: Indianapolis, Chicago, South Bend, Ohio and Michigan.

ii. Updates and perspectives on a few important measures on progress and successes

- Last fall, we began a comprehensive strategic planning process. The entire campus community came together in a spirit of collaboration and creating big ideas. The plan will be finalized in early 2020, and presented to the Purdue University Board of Trustees in mid-2020.
  a. The goal is to finish the plan in time to identify priorities for the upcoming fiscal year 2021 budget cycle.
  
- Purdue Fort Wayne has achieved two years of demonstrated enrollment growth in new students, especially in new freshmen, new graduate students, new transfer students and new international students. Altogether, there are 2,512 new students joining our campus this August. Our total enrollment today is 10,208 students, including the dual enrolled high school students.
  
- Purdue Fort Wayne continues to attract new faculty at the top of their field. This fall, 43 new faculty members joined the university, including 22 tenured or tenure-track faculty and 21 clinical continuing or visiting lecturers.
  
- Earlier, this year, an external firm called the Perryman Group conducted an economic impact study for the university.
  a. The more than 60,000 alumni from this campus generate more than 100,000 jobs and $11 billion annually in gross product in Indiana.
  b. The university generates $269 million annually in Fort Wayne.
  
- This past year, the three newest schools: The School of Education, The School of Music and the School of Polytechnic got off to a great start.
  
- In its first year of operation, the PFW Sweetwater Music Center has been a phenomenal success with 161% growth in enrollment in the Music Industry Program thanks, in large part, to the opportunities and experiences they are afforded on the Sweetwater corporate campus.
  
- This past year we seized two important opportunities thanks to the generous support of the Purdue Fort Wayne Foundation.
  a. The Park 3000 building was purchased and renamed the Richard T. Doermer School of Business Building. Classes will commence in that building in fall 2020.
  b. Purdue University Fort Wayne was invited to join the Horizon League effective July 2020. Membership in the Horizon League will dramatically improve the experience of student athletes, especially reducing travel time and time away from campus. Membership will also bring new levels
of competition and will create exciting new rivalries that will help build community and support, especially among our alumni.

c. The Chancellor publicly thanked the Foundation for its support for these initiatives and many more that they’ve supported over the years. The Chancellor asked for everyone to join him in a round of applause thanking the Board of Directors for their tremendous support.

iii. Challenges

• Student housing is at over full capacity for the second year in a row. 1,247 students live in university contracted housing. The lack of more student housing will limit growth if not addressed decisively. This is an urgent need and priority for northeast Indiana. Opportunities to expand are being pursued currently.
• Student retention is a critical focus as it is one of the biggest hindrances to the success of students and the success of the university. This is a focal point of the new strategic plan. It is a high impact, yet high resource demand initiative.
• This year, for our first ever commencement as Purdue Fort Wayne, the graduation ceremony was re-envisioned and 8% more students graduated this year than did last year.
• Central to helping students get to that point and to transition to the next phase of their lives is to provide a first-rate career services program. This is critical in order to fully serve our students, alumni, and employers. A university-wide assessment of career services program and operations lead to restructuring the department and hiring a new leader to rebuild the program.

b. Report for the Athletic Department (Kelley Hartley Hutton, Athletic Director)

i. In August it was announced that our application for membership in the Horizon League for 2020 was accepted. The Athletic Director thanked the Foundation for their generous support. Without it, it would not be possible. The Foundation’s pledge validated this move for the institution and it provided important leverage to secure necessary community funding. There are dollars associated with both the exit of the Summit League and the entrance to the Horizon League.

ii. Questions

• How many student athletes do we have here and how many sports do we have?
  a. We have approximately 245 student athletes. That is up because we added men’s indoor and outdoor track.
  b. We went from 14 to 16 sports recently.
  c. The Horizon League sponsors 19 championships. 15 of our 16 sports align with those 19 championships. Men’s Volleyball still competes in the MEVA.

c. State of the Campus Facilities Report (Greg Justice, Physical Plant Director)

i. Richard T. Doermer School of Business Building was acquired in July this year.

• It’s full of classrooms and offices and has approximately 85,000 square feet, almost 13 acres of land and almost 600 parking spaces. Minor modifications to the building will be made so that the Doermer School of Business along with some other University units will be able to relocate to it.

ii. There were several projects completed on campus to increase sustainability and our environmental sensitivity.
• A rain garden was created in front of Kettler Hall. All of the water from the parking lot, the approach and the drop, are collected into a rain garden. It has over 6,000 plants (native wildflowers) that are compatible with a wet environment and will collect and let the water soak naturally back into the ground.
• Solar panels are being tested on top of Kettler Hall. They produce seven kilowatt hours of power, which is enough to power the largest computer lab in Kettler Hall. It’s being tested for the next year. If that turns out well, the project will be expanded.
• A Disc Golf Course was added to the west campus across from the Alumni Center.
• The Facilities group has been integral in developing the campus master plan for the next 20 years. The consultant group of ASG, located in Baltimore, as helped us develop the plan. They also helped Purdue West Lafayette with their plan.

iii. Questions
• What is the schedule for occupancy of the new Doermer building?
  a. We’re looking at doing renovations early next year and into the spring and occupying for next fall semester.

d. Report for the Office of Development (Ruth Stone, Vice Chancellor for Development)
  i. Having just started five months ago, Ms. Stone has been doing a lot of listening and learning as well as working with the team to define who it is, who it wants to be moving forward, and what the goals will be in order to plan for success.
  • The development team is going through a strategic planning process with the help of Jeff Malanson. The plan will be completed in early 2020.
  ii. As part of the planning process, past performance was reviewed. Below are some of the findings:
  • Purdue University Fort Wayne has 223 endowments totaling $60 million. Thanks to the Betsy and Howard Chapman Challenge, there are 30 new endowments were started this year.
  • $6.6 million was raised in fiscal year 2019 as compared to fiscal year 2018 when $5.8 million was raised. The 6-year average is roughly $6 million; however, it is very much on a roller coaster of fundraising and dependent on some large one-time gifts. A future goal is to flatten that out with an upward trend so that more resources can be secured to fund more scholarships and strategic initiatives for the university.
  • Sources of gifts
    a. 20% from alumni
    b. 21% from Corporations.
    c. 25% from Foundations
  • Alumni
    a. Unfortunately, the Director of Alumni position has been a bit of a revolving door. There have been eight alumni directors in the past six years. The search for an alumni director has started. Engagement of alumni on the campus is critical to the future success for development. Bringing alumni back on campus is a priority so they can see all the great things that have happened since they left and to engage them in a variety of activities.
The Office of Development and Office of Communications and Marketing are working together to analyze current messaging about the institution in order to revise it to share the many great stories of success from our students, alumni, and faculty. The goal is to share in a more consistent and engaging manner. Sharing the needs of our campus with the community will generate more support.

The Purdue Fort Wayne Foundation went through a series of changes with the university’s realignment. The Foundation board has expressed a desire to be more involved to support development and alumni relations. Foundation best practices for foundations similar to ours are being researched so that the foundation can be structured to increase that involvement.

a. Top 6 funding priorities for the campus are scholarships, the Richard T. Doermer School of Business Building renovations, transition from the Summit to the Horizon League, student housing, a new building for the ever-growing College of Engineering, Technology, and Computer Science, and a gallery for the College of Visual and Performing Arts.

4. Other Business - Reminders (David Molfenter, PFW Foundation President)
   a. The 2020 Annual Meeting will Tuesday, September 15.
   b. Board members were asked to review and complete the Conflict of Interest and Confidentiality form and return to Mia Starr.
   c. Mr. Molfenter thanked Ruth Stone, Mia Starr, and the rest of Ruth’s staff for all the efforts and support that they have led in making this meeting a reality.
   d. Mr. Molfenter also thanked all foundation members for being here and continuing to support our university.

5. Adjourn and Lunch