KENTUCKY STATE UNIVERSITY BOARD OF REGENTS
INVESTMENT & ADVANCEMENT COMMITTEE
REGULAR MEETING

***** Meeting Was Conducted in Person and by Teleconference *****

January 30, 2024
10:00 a.m. EST

Board of Regents Room
Julian M. Carroll Academic Services Building, 2nd Floor
400 East Main Street
Frankfort, Kentucky 40601
(Primary Physical Location)

MINUTES
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I. Call To Order

The Committee's Chair, Regent Charles Moyer, PhD, called the meeting to order at 10:01 a.m.

II. Roll Call

The Board's Secretary, Zachary Atwell called the roll:

Regent Charles Moyer, Chair	Present
Regent Michael Adams, Jr., Co-Chair	Present
Regent Edward Hatchett, Esq.	Present
Regent Robert Ramsey, Sr.	Present
Regent Jason Moseley	Not Present
Regent Ernie Fletcher, MD	Not Present

Four (4) Regents were in attendance and present at roll call. A quorum was therefore established. Regent Dukes and Regent Briggs also were present.

III. Approval of the Agenda

MOTION by Regent Adams:
Move the Committee to approve the agenda of the January 30, 2024, meeting of the Investment & Advancement Committee.
Seconded by Regent Hatchett and passed without dissent.

IV. Quarterly Report from the KSU Foundation, Inc.

This agenda item was to be presented by Mr. Don Lyons, Executive Secretary, KSU Foundation, Inc. Instead, Chair Moyer reported that although the Foundation received ample notice and a reminder of the meeting, Mr. Lyons would not be appearing today as he had replied on short notice that he had a scheduling conflict. Though Chair Moyer subsequently wished Mr. Lyons well and requested him to provide alternative meeting dates, a response has not yet been received. Chair Moyer remains hopeful

that Mr. Lyons or someone else within the Foundation's leadership will respond and reschedule so that an interactive discussion can ensue.

Next, Chair Moyer addressed several documents that had been provided to the Committee by the Foundation over various points in time, and expressed his frustration and concern regarding those documents. He recommended that a discussion of those documents be postponed until a later date, during which time Mr. Lyons or other representatives of the Foundation would be able to be present.

Chair Moyer then invited President Akakpo to share his perspective regarding the relationship between the University and the KSU Foundation and issues that he believes the Committee should focus on. He also invited Regent Dukes and Regent Adams to share their comments following Dr. Akakpo's, as they had both attended a Foundation board meeting.

President Akakpo began by stating that he did not believe KSU and the Foundation have a working relationship. However, he hopes for a better relationship in the future. President Akakpo shared a history and timeline of his interactions with the Foundation since he has been at KSU, and his frustrations and concerns regarding those communications.

He again expressed hope that the relationship improves and commented that if it does not, he believes that the existing MOU will need to be revisited.

Chair Moyer thanked President Akakpo for his remarks and invited comments and questions from the Committee.

Regent Hatchett, Regent Dukes, and Regent Adams echoed President Akakpo's comments and concerns.

Chair Moyer observed that in recent years the Foundation's management expenses and general expenses appear to have exceeded the amount spent on student scholarships. He asked President Akakpo whether he needed anything from the Committee, such as advancing a motion to encourage the University to proceed with renegotiating the MOU with the Foundation or presenting the issue to the entire Board at its next meeting. Chair Moyer then requested General Counsel Atwell's recommendation.

General Counsel Atwell suggested that the Committee make a recommendation (specifically, that they recommend that the Board approve a formal order or declaration granting President Akakpo the authority to renegotiate the MOU) for Board action since the Investment & Advancement Committee does not have the authority to take actions on behalf of the Board. President Akakpo expressed his support for renegotiating the MOU.

Chair Moyer called for a motion to recommend to the Board a formal recommendation or declaration granting President Akakpo the authority to renegotiate the MOU between the University and KSU Foundation.

MOTION by Regent Adams:

Move the Committee to recommend that the Board approve a formal recommendation or declaration that the President has the authority to renegotiate the MOU with the Foundation.
Seconded by Regent Ramsey and passed without dissent.

V. Discussion on the Operating Policies of the KSU Foundation, Inc.

Following the previous agenda item's discussion, agenda items V. and VI. were tabled.

VI. Discussion on the Current MOU and the Relationship Between KSU and The KSU Foundation, Inc.

This agenda item was tabled, as noted above.

VII. Quarterly Investment Report

Mr. Chuck McCurdy, Principal, Cerity Partners was scheduled to present this agenda item and provided the Committee members with a quarterly report prior to the meeting. He was unable to be appear, though, requesting instead to make a brief presentation at the next full Board meeting. The Board's Chair, Regent Dukes, stated that she did not believe that would be a problem.

President Akakpo expressed his displeasure with Cerity Partners and stated that he would like to begin an RFP to find an investment firm that would truly support KSU.

Chair Moyer shared his comments and observations regarding Cerity Partners' quarterly report and inquired of General Counsel Atwell as to the formal process for requesting an RFP to find a new investment advisor. He also invited comments and questions.

Chair Dukes stated that she believed this was a good time to begin an RFP exercise and agreed with Chair Moyer that this needed to be done every three to five years as a best practice.

Regent Hatchett queried whether there was any value in hearing Cerity Partners' presentation to the Board before deciding to issue an RFP.

President Akakpo stated that he did not believe that Cerity Partners had provided the University with good services and with the University's best interests in mind. Chair Moyer emphasized that beginning an RFP was not a punitive action and that it's simply best practice for the University to review investment partners every three to five years. He stressed the importance of maintaining a warm relationship with Cerity Partners.

Chair Moyer called for a motion for the Committee to recommend to the Board the issuance of an RFP to identify an investment manager moving forward. He requested that the recommendation be on the agenda for the next regularly scheduled Board meeting.

MOTION by Regent Hatchett:
Move the Committee to recommend to the Board the issuance of an RFP for investment manager services.
Seconded by Regent Adams and passed without dissent.

Following the vote, Chair Moyer requested that Chair Dukes include this recommendation on the next regular Board meeting agenda, to which she agreed.

VIII. Discussion on the Transition to the New Investment Policy

This agenda item was presented by Chair Moyer, who opened the discussion by remarking that several investments in the University's current portfolio are problematic, especially on the fixed income side.

Regent Hatchett observed that rebalancing is always a difficult decision and requested that all bidders under the new RFP be required to explain how their approach to rebalancing will benefit, not harm, the University. Chair Moyer stated this was an excellent idea.

Regent Adams sought clarification as to the Committee's role and processes for hearing presentations from RFP candidates and making a final recommendation to the Board.

IX. Report on Active and Upcoming Requests for Proposals

This agenda item was presented by Dr. Wendy Dixie, Interim VP, Finance & Business Affairs and Ms. Frances Pinkston, Director of Purchasing. Dr. Dixie introduced Ms. Pinkston, who began the presentation with a discussion of an RFP schedule of events/calendar regarding banking and investments. Ms. Pinkston then opened the floor for questions.

Chair Moyer stated that he had not thought about combining a banking RFP and investment RFP and stated he did not think it was a good strategy to have these services performed by the same entity. Following a discussion, Chair Moyer recommended having separate RFPs and noted that if someone wanted to bid on both, that would not be prohibited. Regent Dukes, Regent Hatchett, and Regent Adams concurred.

Ms. Pinkston responded that this was not a problem and that she would move ahead with maintaining two separate pathways that would progress concurrently.

Regent Adams inquired into the status of KSU's current relationship with Park Community and requested that a financial literacy component for students be included in the banking RFP. Chair Moyer and Regent Hatchett expressed strong support for this idea.

Next, Ms. Pinkston provided a brief update regarding other current and upcoming RFPs.

Regent Dukes sought clarification in reference to the external auditor RFP. Ms. Pinkston and President Akakpo provided further insight and a discussion ensued.

Chair Moyer thanked Dr. Dixie and Ms. Pinkston for their presentation.

X. Future Agenda Topics

a. Overview of Current State of Advancement
b. Gifts and Agreements
c. Impact Reporting
d. The Fundraising Process

Chair Moyer presented this agenda item to inform the Committee of future agenda topics that he would like to address and then requested their input. He anticipated that the next Committee meeting will focus upon University advancement unless issues arose regarding the Foundation.

Regent Dukes expressed her support for the future agenda topics and inquired into the possibility of meeting with the Foundation outside of the Committee's regular meeting schedule. General Counsel Atwell responded that a special called meeting could be held to allow the Committee to meet with the Foundation.

XI. Closing Remarks

Chair Moyer concluded the session by expressing his appreciation to Committee members for their input on these difficult issues, and expressed his confidence that they would be able to resolve them.

XII. Adjournment

MOTION by Regent Hatchett:
Move the Committee to adjourn.
Seconded by Regent Adams and passed without dissent.

The meeting was adjourned at 11:13 a.m.

Submitted by:

Zach Atwell, Secretary
Board of Regents
Kentucky State University

Charles Moyer, PhD, Chair
Investment & Advancement Committee
Board of Regents
Kentucky State University

✓ Approved with no corrections

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