

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES
Strategic Planning Meeting
July 25, 2017

The strategic planning session of the Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 8:00 a.m. on July 25, 2017 in the Champion Room of the Holiday Inn University Center located at 1250 W. University Avenue, Gainesville, Florida. (See Agenda – Attachment 1)

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Richard I. Isaacson, Trustee
Dr. Nina Ellenbogen Raim, Trustee (via Conference call)
Dr. Gene G. Ryerson, Trustee
Dr. Madhav Thambisetty, Trustee
Dr. Robert Wah, Trustee
Ms. Melanie Cianciotto, Corporate Trustee
SunTrust Bank Institutional Investment Solutions

Others attending:

Mr. Henry H. Raattama, Jr., Legal Counsel
Ms. Debbie Mason, President, Strategists, Inc.

1. Welcome and Introductions:

Dr. Lee Dockery, called the meeting to order and welcomed the facilitator, Debbie Mason, President of Strategists, Inc. and thanked her for her continued service as the facilitator for the strategic planning process for the MBRF at the meetings October 14, 2014 and February 6, 2017. (See Biographical Sketch—Attachment 2)

1. Approval of Minutes

The minutes of the February 6, 2017, Board of Trustees Meeting Strategic Planning meeting of the MBRF were reviewed (Attachment 3). The minutes were approved as presented.

Action Item 1: The trustees approved the minutes of the February 6, 2017, Board of Trustees strategic planning meeting as presented (Attachment 3).

2. The Future of the McKnight Brain Research Foundation

To facilitate the continuing discussions regarding the future of the MBRF, Dr. Lee Dockery informed the trustees of his request to Mr. Raattama, MBRF legal counsel, to develop a proposal considering three organizational models for the future operation of the MBRF.

- A. Continue status quo
- B. Reorganize the MBRF, establish an office of /for the MBRF (i.e. Function, Staff, Space)
- C. Termination of the MBRF through transfer of assets to another worthy entity in combination with a scheduled phasing down while completing future obligations of the MBRF.

Mr. Raattama in response to the request developed a very comprehensive report consisting of five potential options for reorganization of the MBRF (Attachment 4).

After discussion by the trustees, the proposal was consolidated into four different options which were discussed separately at length.

- A. Continue as is with reorganization:** No change in governance, reduce trustees' work, establish MBRF office
- B. Change MBRF Governance Structure:** Change MBRF governance structure; closer/synergistic relationships with Institutes, Advisory Board
- C. Partial Wind Down:** Retain assets to fulfill current commitments, transfer balance of assets to a 3rd party, trustees monitor recipient of assets and sponsor mission related programs
- D. Complete Wind Down:** 100% phase out within five years, transfer assets to a 3rd party, recipient continue mission of MBRF via Gift Agreement. Trustees monitor only during wind down.

In Mr. Raattama's report, each of options was thoroughly discussed and with Ms. Mason facilitating the discussion, the trustees reached agreement on the following items:

- A. It is premature to partially wind down or terminate the MBRF
- B. Most successful organizations are led by an individual who provides the driving force to energize the organization in fulfilling its Mission.
- C. A central issue to each of the options is the impending potential for the loss of four of the seven trustees one of whom is the chair and a founding member.
- D. Currently the chair, who will retire July 1, 2019, has performed many of the duties which would be performed by a Chief Executive Officer (CEO) or staff person.
- E. There may be considerable overlap of the duties between the chair, vice chair, corporate trustees and a CEO/staff person.

Action Item 2: The trustees finalized their discussion by requesting Ms. Mason to take the following action:

- A. Create functions of new employee role, as well as review of the current board Chair, Vice chair and corporate trustee's responsibilities and suggest appropriate new or amended roles
- B. Sends deliverables to corporate trustee to distribute to Trustees in late August in preparation for September meeting
- C. Host on September 11th a conference call meeting with Trustees to review deliverables (send invitation to corporate trustee for distribution to trustees)
- D. Make revisions and submit to corporate trustee to include in the November Board package for final discussion and ratification
- E. Prepare draft timeline and process of recruitment if a new staff person or CEO position is approved

3. Succession Planning

The qualifications for new trustees were reviewed as well as the terms of service of the current trustees. Dr. Gene Ryerson's Term expires in April 2018 and Dr. Wah's term expires in August 2018. Each is eligible for nomination and election to a third term if it is desired by them. The trustees unanimously reaffirmed the Qualifications for New Trustee (Attachment 5).

Action Item 3: The trustees unanimously reaffirmed the Qualifications for New Trustee (Attachment 5).

4. Monte Carlo Simulation: The trustees reviewed for information three Monte Carlo simulations (Attachments 6) predicting the MBRF portfolio balance at the end of five, 15 and 30 years adjusted to the rate of return, inflation and standard deviation. The three simulations used the current asset allocation, the recommended asset allocation and a hypothetical asset allocation using all private equity.

Action Item 4: The trustees reviewed for information the Monte Carlo Simulations Report. (Attachment 6).

5. Future Directions: The trustees discussed the future directions of the MBRF within the context of the next steps in reorganizing and formulating the duties between the chair, vice chair, the corporate trustee and the potential of an additional staff person, the qualifications and profile of which haven't been resolved. The trustees, in the discussion which followed, expressed general agreement with the following points of view.

The Vision, Mission and Purpose of the MBRF are the responsibility of the trustees and the trustees are committed to meeting the current obligations for the next three to five years with completing the funding matching endowment with University of Arizona, the renewal of the Research Partnership in Cognitive Aging with the National Institute on Aging (NIA) and the McKnight Scholarships through the American Brain Foundation (ABF).

The trustees discussed the importance of the fiduciary management of the portfolio in preserving and growing the assets of the MBRF to fund initiatives to further the Purpose of the MBRF, either individually or with partners.

Within the construct of the consideration of future funding initiatives, each must be assessed with quantification of the assets available and the spending rates for short, medium and long-term support of the Purpose.

The trustees also recognize the ongoing obligation of the partnership between the MBRF and each of the McKnight Brain Institutes that the investment not be lost. The MBRF branding, marketing, maintenance of relationships, strategic planning, public face of the organization, oversight and monitoring of grants and funded programs, and oversight of corporate trustee relationship are important components of the trustee responsibilities and must be balanced with role and responsibilities of an individual occupying an executive staff position. The trustees voiced the importance of evaluating the progress of the MBRF in meeting its Mission and identifying ways to advance the progress and succeed in the vision to, "Improve the quality of life through the understanding and alleviation of age related memory loss." (See Facilitator's notes, attachment 7)

6. Election of Chair: The two-year term of Dr. Lee Dockery as chair of the MBRF is expiring. There are no term limits to the office of chair. Dr. Lee Dockery was nominated for another two-year term as chair of the MBRF. There were no other nominations and Dr. Lee Dockery was unanimously elected for chair of the board of trustees of the MBRF


Action Item 5: Dr. Lee Dockery was unanimously elected for chair of the board of trustees of the MBRF

6. Election of Vice Chair: The two-year term of Dr. Michael Dockery as vice chair of the MBRF is expiring. There are no term limits to the office of vice chair. Dr. Michael Dockery was nominated for another two-year term as chair of the MBRF. There were no other nominations and Dr. Michael Dockery was unanimously elected for chair of the board of trustees of the MBRF.

Action Item 6: Dr. Michael Dockery was unanimously elected for vice chair of the board of trustees of the MBRF

There being no further business, the meeting was adjourned at 12:00 Noon.

Respectfully Submitted,



Melanie A. Cianciotto
SunTrust Bank, Corporate Trustee

Appendix 1: Summary of Actions, Page 5

Appendix 1: Summary of Actions

MCKNIGHT BRAIN RESEARCH FOUNDATION BOARD OF TRUSTEES Strategic Planning Meeting July 25, 2017

Action Item 1: The trustees approved the minutes of the February 6, 2017, Board of Trustees strategic planning meeting as presented (Attachment 3).

Action Item 2: The trustees finalized their discussion by requesting Ms. Mason to take the following action:

- A. Create functions of new employee role, as well as review of the current board Chair, vice chair and corporate trustee's responsibilities and suggest appropriate new or amended roles**
- B. Sends deliverables to Corporate Trustee to distribute to Trustees in late August in preparation for September meeting**
- C. Host on September 11th a conference call meeting with Trustees to review deliverables (send invitation to corporate trustee for distribution to Trustees)**
- D. Make revisions and submit to Melanie to include in the November Board package for final discussion and ratification**
- E. Prepare draft timeline and process of recruitment if a new staff person or CEO position is approved**

Action Item 3: The trustees unanimously reaffirmed the Qualifications for New Trustee (Attachment 5).

Action Item 4: The trustees reviewed for information the Monte Carlo Simulations Report. (Attachment 6).

Action Item 5: Dr. Lee Dockery was unanimously elected for chair of the board of trustees of the MBRF.

Action Item 6: Dr. Michael Dockery was unanimously elected for vice chair of the board of trustees of the MBRF.

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914

1914