

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CALIFORNIA STATE UNIVERSITY SAN MARCOS FOUNDATION**
A California Nonprofit Public Benefit Corporation

March 29, 2018

Directors Present:

Luanne Bas, Cathy Baur, Bill Bradbury, Esther Calac, Ed Fuller, Ron Gerevas, President Karen Haynes, Jenna Hernandez, Emilie Hersh, Neal Hoss, Tony Jackson, Thomas Kenaya, Nathaniel Keifer-Wheals, Barbara Mannino, Tony Pack, Jack Raymond, Toni Ritchey and Steve Wagner

Directors Absent:

Maryann Edwards, Dan Calac, John Fortune and Taylor Sutherland

Staff Present:

Tina Bell, Kyle Button, Donna Day and Clint Roberts

Proceedings:

On March 29, 2018, and pursuant to California Corporations Code Section 5211(a)(6) a business meeting of the California State University San Marcos Foundation Board of Directors was called to order at 8:31 am by Mr. Jack Raymond, Chair of the Board.

I. Call to Order:

- Chair Raymond welcomed everyone to the meeting including new Director, Barbara Mannino. He advised that Chris Tresse has resigned from the Foundation Board but will continue to serve on the Finance & Investment Committee.
- Chair Raymond asked the question of the quarter:
 - How have you engaged with the university since our last meeting?

II. President Haynes provided the following update:

- The Governor's initial budget was released in January and calls for an increase of only \$92 million for the entire system which is less than a third of what was requested. He had verbally agreed to support increased compensations as well as Graduation Initiative 2025. The Governor's proposed budget is requiring every campus to prepare for cuts while California has a surplus of \$13.5 billion in a rainy day fund. The CSU is continuing to advocate for increased funding.
- Viasat's gift of \$1.5 million and Hunter's gift of \$100k both to the engineering program was publicly recognized at the February Report to Community. The gifts compliment the \$6 million federal grant received earlier to launch the program without cutting from under resourced areas. The visionary support will create the future Viasat Engineering Pavilion with funding to renovate classroom and lab space, purchase new equipment and instrumentation, and support the work of faculty and students. Hunter's gift will enable the campus to create an engineering design lab.
- The Board of Trustees of the California State University approved the P3 (Public Private Partnership) project at the January meeting. The project includes a six-story, 135,000 square-foot building, a parking structure and a pedestrian bridge connecting the building and parking structure to the main campus. The project will provide a home for Extended Learning and free up space on campus to create space for the Viasat Engineering Pavilion.

- Dr. Emiliano Ayala was announced as the new Dean of the College of Education, Health and Human Services. The appointment will begin July 1. He has served in the CSU system for over 17 years as a faculty member, department chair as well as various administrative leadership positions.
- For the third year in a row, a faculty member of CSUSM has earned the prestigious system-wide Wang Family Excellence Award. Dr. Merry Goldberg, a professor of music in the School of Arts, is the CSUSM recipient this year. The honor goes to four outstanding faculty members out of 26,000 within the system.
- During Commencement honorary degrees will be awarded to:
 - Esther and Jan Stearns, both of whom have been committed to advancing the quality of life of all individuals while holding dear the values of inclusion, education access and social justice. In recognition of their support of former foster youth, CSUSM named the ACE Scholars Services space the Jan and Esther Stearns Center for ACE Scholars. Esther also previously served as a vice-chair of the CSUSM Foundation Board.
 - Jimmy Wayne, a country singer who was a former foster youth. Last year he performed on campus as part of the 10-year anniversary celebration of ACE Scholars Services.
 - Dr. Lydia Villa-Komaroff, nominated last year with recognition postponed to this year. She is a renowned molecular biologist and was a key member of the team that showed for the first time that bacteria could be induced to produce insulin, milestone research creating the birth of the biotechnology industry. She spoke at the CSUSM Arts & Lectures series during the 20th anniversary celebration of naming Cesar Chavez plaza.
- On April 9th campus will be celebrating its induction as an all-Steinway campus. This prestigious designation is held by fewer than 200 universities worldwide. After receiving a gift to upgrade the campus pianos, a campaign to raise the level of instrumentation and classification was fulfilled.
- CSUSM is ranked first in California and 13th in the nation in the National Council for Home Safety and Security's 2018 ranking of the Safest College Campuses in America.
- Mary Baker, the director of the School of Nursing Student Healthcare Project, was awarded the 2018 San Diego Business Journal Healthcare Heroes Award for the category of nurses.
- The nursing program was ranked 13th in the state by RegisteredNursing.org amongst 131 other colleges and universities throughout California.
- Men's basketball team hosted the first NCAA Division II playoff game last month. While ending in double overtime with a loss, it was a terrific season for the Cougars. Senior Ethan Alvano was named the California Collegiate Athletic Association Player of the Year.

III. Consent Agenda:

- Chair Raymond requested a motion to approve the consent agenda which included the previous meeting minutes, Committee Reports, Financial Statements and Investment Performance; it was moved by Mr. Keifer-Wheals and seconded by Ms. Ritchey and approved by all.

IV. Finance and Investment Update

A. Endowment Earnings Distribution Rate 2018/19

The Finance & Investment Committee recommended a fiscal year 2018/19 endowment distribution rate of 3.75 percent based on a three year (12 quarter) moving average market value. After much discussion regarding concern for student scholarships and programmatic support, Ms. Bas made a motion to approve a 4 percent distribution rate; it was moved by Ms. Hersh. After additional discussion including reference to the Finance & Investment

Committee's success at once again being the CSU campus with the highest rate of return, Chair Raymond asked if all were in favor of increasing the endowment distribution rate for 2018/19 to 4 percent, all were in agreement and the motion passed unanimously.

B. Gift Fee Policy

Due to a recent gift and trends in the industry, the Finance & Investment Committee recommend an exemption to the policy be included. Ms. Baur shared that a recent pledge of \$100k has been received with donor stipulation that no part of the gift be used for a gift fee. In lieu of an off-the-top gift fee, the gift will be held in the short-term investment pool for 12 months to help generate interest income. After some discussion, a motion was made to include the exemption as presented, it was seconded by Mr. Wagner and approved by all.

V. Student Update:

- Ms. Hernandez shared the success of GradFest where members of the Student Philanthropy Council (SPC) pre-sold 307 Class Champions Packages (the expectation was to sell 50). The package includes a 2-year Alumni Association Membership, gift to the SPC, and an honor cord to wear at Commencement. At the conclusion of the event a total of 606 annual memberships, four lifetime memberships and 557 gifts were received.
- With 13 members, the council is planning to table at different areas around campus to recruit a diverse population of members.

VI. Campaign Update

- The Campaign Progress Report was reviewed, noting that the \$50 million campaign has passed the \$46 million mark which is 92% towards goal with nine months left. While Development staff continue to grow the pipeline of gifts, there is a delta of ~ \$3 million unknown between now and the end of the campaign. Staff are using various techniques to close the gap.

VII. Advancement Update

- Campaign Pledges: Ms. Baur shared that one way to assist in closing the gap of \$3 million for the campaign was to consider multi-year pledges. When pledges are signed the full amount may be counted towards the campaign.
- Deferred Gifts: Estate or Planned Gifts made to CSUSM are also able to be counted in the campaign.
- "Retail Phase": Solicitations to faculty and staff will be made during the last year of the campaign which is called the "retail phase" of the campaign.
- CASE Awards
 - Ms. Baur shared recent accolades from the Council for Advancement and Support of Education (CASE) which were awarded to CSUSM's University Advancement team with the following (5) bronze awards:
 - Invitations: The CSUSM Skyline, End-of-Year Card
 - Best Use of Social Media/Technology: Engaging through Nostalgia: Connecting with Alumni through 'Throwback' Posts on Social Media
 - General Interest Magazines <30K: Steps Magazine
 - Fundraising Campaigns: CSUSM Giving Day Year 2 - Lessons Learned to Increase Donors by 320%.
 - Volunteer Engagement and Leadership: CSUSM Alumni: Month of Love
- Report to Community: The February event was the largest to date, and with additional sponsorships is for the first time breaking even.

- Gala: Sponsorships are coming along with over \$50k raised to date. A sponsorship packet was provided to the Directors.
- End of Campaign Celebration: An internal committee is planning events to celebrate the campaign.
- All-Steinway Bridge Financing: The last gift to support the All-Steinway campaign is a pledge that will be paid for over 3 years. An account will be set up that will run negative until pledge payments are received.
- CSU Foundation Leader Summit: The Chancellor's Office has invited all Foundation Board CSU Executive Directors, Chairs of the Board, and Chairs of the Finance & Investment Committee to a summit in April to discuss best practices.

VIII. Guest Presentation:

- Merryll Goldberg, Ed.D., Professor, College of Humanities, Arts, Behavioral & Social Sciences, School of Arts – Music, and CSUSM's recent Wang Family Excellence Award recipient, provided a presentation discussing how Art = Opportunity.
 - Elevator Pitch: "Why Art?!" Because kids with an arts background are more empathetic, work well with others, take risks, do better in school, have more access to college, and have better chances of getting great jobs. There's tons of research to prove it - including right here in our backyard. Join us April 9 for the All-Steinway Celebration.

IX. Governance Update:

- **Committee Chair Assignments:**
 - Joint Audit Committee Chair: To fill the vacancy left by Helen Adams, the Governance Committee recommended electing Thomas Kenya as chair of the Audit Committee, it was moved by Ms. Bas and approved by all. Mr. Kenya will serve as the Chair on the Joint Audit Committee.
 - Finance & Investment Committee Chair: To fill the vacancy left by Chris Tresse, the Governance Committee recommends electing Taylor Sutherland as chair of the Finance & Investment Committee, it was moved by Mr. Fuller and approved by all. Mr. Sutherland will serve as the Chair on the Finance & Investment Committee.
- **Succession Planning**
 - The Committee will recommend a succession plan at the 2019 annual meeting as follows:
 - Jack Raymond as Chair though June 2019,
 - Anthony Jackson as Vice Chair though June 2019 and assume Chair July 2019,
 - Steve Wagner to assume Vice Chair July 2019.
- **Expectations for CSUSM Foundation Board Directors**
 - At the annual meeting each Director will be asked to complete the form, place in an envelope, hand the sealed envelope to the Chair, and one year later the Director will be returned the sealed envelope to grade themselves.
- **Committee Assignments**
 - Following newly adopted bylaws and Committee charges, the Executive Committee is to be comprised of Committee chairs and 2-4 ad-hoc Committee members designated by the Board Chair. This new configuration will go into effect with the new fiscal year.
 - The Governance Committee is assessing Committee assignments to more closely follow charges.
 - A list showing each Director split amongst their "Classes" was shared. Elections will be held at the annual meeting in June to vote on the "Class of 2018".

X. Thank You Cards:

- Board Directors were asked to handwrite thank you notes to donors that are parents of Student Athletes.

XI. Take Away: Mr. Raymond asked each person to reflect on the card provided listing three suggested "Take Aways" from the meeting. Each Board Director shared their most impactful take away.

Adjournment:

There being no further business, the meeting adjourned at 10:36 am.

Minutes submitted by: Donna Day

Dated: April 2, 2018



Secretary

