

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

March 6, 2012

Members Present:

Helen Adams, Luanne Bas, David Bennett, Dan Calac, Maryann Edwards, John Fortune, Ron Gerevas, Barbara Harper, Linda Hawk, President Karen Haynes, Neal Hoss, Tony Jackson, Marco Lemus, Michael McDonald, Josh Pack, Jack Raymond, Chris Tresse

Members Absent:

Linda Bailey, John Pettitt, Ken Markstein

Staff Present:

Bruce Genung, Donna Lutkus, Greg Svatora

Guest Presenter:

Lori Brockett, Director of Alumni Relations and Annual Giving

Proceedings:

On March 6, 2012, 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 7:36 am by Mr. Jack Raymond, Chair of the Board.

I. Welcome, Updates & Announcements:

Mr. Raymond welcomed everyone to the meeting and provided the following update:

- Earlier this year he attended the Association of Governing Boards conference and will be sharing some new ideas with the Board throughout the year. A significant impact of the meeting was seeing how attendees value their membership on philanthropic University Boards and consider it a high achievement and a great honor.
- Future plans include convening the entire CSU system of philanthropic boards to discuss best practices.

Mr. Raymond welcomed three new Board Members, Barbara Harper, Tony Jackson and Ron Gerevas. As an introduction, he requested all attendees introduce themselves.

II. President's Remarks:

The President provided the following update:

- She officially welcomed Jack Raymond as the Board's new Chair and referenced his long history with the university and our region.
- Community Related Highlights included:

- Report to the Community welcomed almost 500 attendees to campus resulting in very positive feedback and an increase in media coverage via multiple news sources.
- With Mr. Raymond's assistance, the San Diego Foundation's affiliate community foundations were invited to campus. Of the 35 participants, most had never visited the campus.
- The Scholarship-Donor Reception provided the opportunity for students and donors to meet and share their inspiring stories of giving and gratitude.
- CSUSM officially broke ground on the new Student Union in February. This 18 month project will become the heart of the campus.
- The Quad Project, located across the street, will double the number of beds for students, thus increasing CSUSM's appeal to out-of-state and international students.
- CSUSM continues to generate positive press in local media and beyond. On March 15, President Haynes will tape a one-hour segment for KOCT TV that highlights some of the programs and initiatives at CSUSM.
- Budget update:
 - For the 2013/14 academic year CSUSM is expecting a \$5 million cut to our state support. This reduction will bring us to total of \$17 million cut for the past several years. Our state supported budget will be equal to funding provided in 1998, although we serve twice as many students.
 - CSUSM has raised the tuition during this time to help close the funding gap, however the CSU system directed all campuses across the state to reduce enrollment by three percent.

III. Business:

Before proceeding with the Business section of the meeting, Mr. Raymond asked the Board members to each describe what business the Foundation is in. Responses included: success, empowerment, pride, community building, opportunity, dreams, changing lives, creating a culture of philanthropy, people, access, building families, transformation, opening doors, making positive differences, and collectively engaged for common good.

A. Approval of December 1, 2012 Foundation Board Meeting Minutes

Mr. Raymond requested a motion to approve the previous meeting minutes, it was moved by Dr. Calac and seconded by Ms. Adams. The December 1, 2011 minutes were approved.

B. Committee Reports

i. Audit Committee

Ms. Adams reported that the Joint Audit Committee will meet at the end of March to review the Form 990s for each auxiliary, which is essentially the Foundation's annual tax return. A report of the review will be provided at the next Board meeting.

ii. Membership Committee

Dr. Calac reported that the Membership Committee met on January 26. He welcomed the three new members to this meeting and mentioned several prospective members that are actively being recruited.

Staff will be reviewing suggestions from Associated Students Inc. for a new student representative to fill the vacant seat left by student Marco Lemus upon his graduation in May.

Staff will be vetting faculty names with the President and Provost for the vacant seat left by Dr. Ben Cherry.

The goal of the Membership Committee is to add three to four additional members by June, increasing to a total of up to 30 members by the end of the 2012 calendar year.

iii. Finance and Investment Committee

Council Member Edwards lead the discussion for the Finance and Investment report.

1. Investment performance – Mr. Svatora provided a review of the investment performance for the quarter ending December 31, 2011. He advised that the Committee approved rebalancing the portfolio to a 70/30 balance to include reallocating 8.6% to Brandywine Global and 4.6% to Standard Pacific.
2. Financial Statements – Mr. Svatora reviewed the quarterly financial statements for the period ending December 31, 2011. A request was made to include the amount of monies distributed to support campus programs.

ACTION ITEM: Finance and Investment Committee to include the dollar amount of funds distributed to support campus programs in future reports.

3. Investing Cash Balances – The Committee approved transferring 20% of the cash funds to be reallocated into short term income funds.

iv. Fundraising Committee

Mr. McDonald deferred the topic of engaging Board members involvement in fundraising to the Board retreat.

Mr. Lemus advised that the kick-off for the Senior Class Gift Campaign "Thank CSUSM Day" was held on February 28th. For many students this was the first step in having them consider giving back to their University. Mr. Lemus reported that:

- 114 students wrote thank you notes to staff and/or teachers
- 250 students signed the banner
- 25 students made gifts totaling over \$700

Mr. Fortune advised that college specific fundraising campaigns will begin April 2nd. Included in the solicitation letter will be a survey asking alumni to update their current information including their place of employment.

Ms. Adams reported on obstacles that she has met with in finding a champion with professional accounting firms to establish a matching gift campaign to benefit CSUSM. She will connect with Council Member Edwards to discuss how the Finance and Investment Committee might be of assistance.

Mr. McDonald concluded his report with a reference to his company's potential bid submission for the new arena on campus. While there is no direct conflict of interest with the CSUSM Foundation, Mr. McDonald expressed his desire to take a leave of absence from the Board to avoid any misperceptions. Mr. Raymond requested a motion to approve a leave of absence from the Board and the Fundraising Committee for a month while a request for qualification is being reviewed; it was moved by MajGen Jackson and seconded by Council Member Edwards. Mr. McDonald's leave of absence was unanimously approved from March 7, 2012 through April 7, 2012.

At the conclusion of the Committee Reports, Mr. Raymond proposed that the development of a new committee be considered at the Foundation's May retreat. The committee will include the Chairs of each Foundation Committee and be responsible for the governance of the Board.

C. Development Update

Mr. Hoss introduced Lori Brockett, Director of Alumni Relations and Annual Giving. Ms. Brockett announced that the Annual Gala, *All That Jazz*, will be held on campus Saturday, June 9. She provided sponsorship opportunity brochures and asked the Board's help in securing auction items.

ACTION ITEM: Board members are requested to send their ideas for auction items to Donna Lutkus.

The Annual Gala will be co-sponsored by President Karen Haynes and the CSUSM Foundation Board. Each Board member was asked to attend, solicit sponsorship opportunities and/or auction items, and invite guests.

ACTION ITEM: Board members to attend the co-sponsored Annual Gala, solicit sponsorship opportunities and/or auction items, and invite guests.

Mr. Hoss referenced the Event Dates list which provides a glimpse of additional opportunities to invite the community to campus.

Talking Points were provided to assist Board members when engaging prospective constituents.

ACTION ITEM: Staff to provide the Economic Impact Study results.

IV. Chair's Remarks

Mr. Raymond provided a special thank you to Marco Lemus. Mr. Lemus served the Board as a student representative and will graduate in May. Mr. Lemus thanked the Board for their efforts on behalf of students.

Mr. Raymond reminded the Board of the May 30th Board retreat. Board members then each shared their individual 'take-a-ways' from the meeting.

Adjournment:

There being no further business, Mr. Raymond adjourned the meeting at 9:28 am.

Dated: March 7, 2012


Secretary