

SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting Minutes
Friday, October 29, 2010
San Francisco State University
1600 Holloway Avenue
NEC Room, 5th Floor, Administration Building
San Francisco, CA 94132

Chair Don Scoble called the meeting to order at 3:07 p.m.

IN ATTENDANCE

D. Scoble	Chair
L. Blitch	Director
L. Bridges	Director
M. Chan	Director
J. Gemello	Director
M. Grace	Director
J. Gumas	Vice-Chair
M. Huss	Director
P. King	Director
L. Morishita	Director/EVP&CFO – Administration and Finance, SF State
H. Myers	Director
D. Nasser	Director
R. Nava	President/VP – University Advancement, SF State
D. Sacks	Director
C. Smith	Director

ABSENT AND EXCUSED

P. Casey	Director
K. Bastida	Director
T. Dolby	Director/Student Rep
N. Nobari	Director
D. Serrano Sewell	Director
W. Weinstein	Director

OTHERS PRESENT

H. Beytollah	MBA Student, SF State
D. Blakemore	AVP – University Advancement, SF State
R. Caltabiano	Associate Dean - College of Creative Arts, SF State
D. Chaw	Secretary and Treasurer
R. Corrigan	President, SF State

K. Daw Dean – College of Creative Arts, SF State
S. Farrand General Counsel
S. Rosser Provost, SF State
Carma Zisman Director of Development, SF State

CHAIR REMARKS

Chair Scoble welcomed and introduced Robert Nava as the new president of the Foundation; Mary Huss and Herb Myers as new board members; Steve Farrand as the Foundation’s general counsel; and the various guests including the university president and provost of SF State.

APPROVAL OF AGENDA – Minute Action

Chair Scoble asked that the agenda, which was provided in the board packet and was distributed in advance of today’s meeting, be approved.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the agenda for the October 29, 2010 board meeting.

Motion by: Dana Corvin Seconded by: David Sacks Motion: Passed

APPROVAL OF MINUTES – Minute Action

The board reviewed the June10, 2010 board meeting minutes that was provided in the board packet and distributed in advance of today’s meeting by Secretary –Treasurer Chaw.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the minutes for the June 10, 2010 board meeting.

Motion by: Michael Grace Seconded by: Phil King Motion: Passed

SAN FRANCISCO STATE UNIVERSITY REPORT

President Corrigan stated that SF State’s current faculty represents the diversity of the student population. No new tenured faculty members were hired for FY 10/11; but, ongoing searches for FY 11/12 will proceed. Having a new governor will most likely impact

these plans, but unlike previous budget deficit years, a mid-year cut has not been mentioned. The CSU Board of Trustees will decide at their next meeting whether or not to increase tuition (previously referred to as fees) by 5%.

Executive vice president Leroy Morishita reviewed the fiscal year 2010/2011 enrollment numbers and stated that SF State has a balanced budget for the current fiscal year.

Dana Corvin stated she wanted President Corrigan, who is no longer on the board due to bylaw changes, to continue to attend as an invited guest and make a report at the board meetings.

Morishita also mentioned that there is a system-wide initiative looking at how auxiliaries are structured and that he is on the committee. He said that the CSU does have controls in place to oversee the auxiliaries, such as CSU audits every three years. SF State and its auxiliaries passed the last audit.

EXECUTIVE COMMITTEE REPORT

A. Ratification and Certification of Amended Bylaws

Chair Scoble reviewed the bylaw changes that were initially proposed and discussed at the June 10, 2010 board meeting. The revised bylaws in Tab 2 of the board packet incorporate the proposed changes. At the executive committee meeting on October 4, 2010, the revisions were reviewed, discussed, and approved for recommendation to the full board. After further discussion on the Amended and Restated Bylaws, it was moved and seconded, and unanimously carried, to take the following action by Resolution No. BOD 102910-1 to Ratify and Certify the Amended Bylaws:

- 1) That the Bylaws are hereby amended to reflect changes requested and approved by the President of San Francisco State University; and
- 2) That the Foundation Secretary is directed to certify the amendment of said Bylaws by the Board of Directors, and to take other appropriate action in connection with said actions.

Motion by: Dana Corvin Seconded by: Camilla Smith Motion: Passed

B. Minute Action to Ratify Resolution No. BOD 100410-1 Authorizing Change in Signatory for the Wells Fargo Bank Account

Chair Scoble stated that the executive committee passed a resolution to change signatory for the Wells Fargo Bank account which was necessitated by the leadership change in the vice president of university advancement position at SF State. Even though the bylaws allowed the executive committee to take such action, the resolution stated that the full board would ratify the resolution at the October 29, 2010 meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board ratifies Resolution No. BOD 100410-1 Authorizing Change in Signatory for the Wells Fargo Bank Account, which was passed by the Foundation's Executive Committee at its October 4, 2010 meeting.

Motion by: Don Nasser Seconded by: Leona Bridges Motion: Passed

C. Acceptance and Approval of Finance and Investment Committee's Recommendation on Alternative Investment Managers

Chair Scoble asked finance and investment committee chair Phil King to review the alternative investment management selection process and status. Phil stated that the process, which was started in August 2010, included interviews with 13 alternative funds. Fund performance, fees and terms were reviewed and discussed also. Phil stated that the finance and investment committee reviewed the list and recommended to the executive committee that the Foundation invest in 10 fund managers, \$1M per fund. The 10 funds are Parador, Pacific Madrone, Heliios Energy, SES, Enable, Harvest, Marathon Real Asset, Catalyst, Redmile and Lizard Foundation counsel Farrand asked if any of the recommended funds were leveraged. Phil stated that none of the funds were leveraged.

Chair Scoble stated that the executive committee approved the finance and investment committee's recommendation. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board accepts and approves the Finance and Investment Committee recommendation of alternative investment managers.

Motion by: Lee Blich Seconded by: Dana Corvin Motion: Passed

NOMINATING COMMITTEE REPORT

Nominating chair Blich shared prospective board member Tom Driscoll's profile with the board. Tom, who as a prospective board member, attended the June 10, 2009 meeting.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board nominates Tom Driscoll to Foundation board of directors.

Motion by: Lee Blitch Seconded by: Michael Grace Motion: Passed

FINANCE AND INVESTMENT COMMITTEE REPORT

A. Minute Action to Approve Revised Investment Policy

Committee Chair Phil King highlighted the changes made in the proposed revised *Investment Policy* recommended by the committee and provided in Tab 6 of the board packet. The revisions pertained to compliance, asset for allocations and timeframes due to cash flow, and payout rate goal.

Following a brief presentation, discussion, and on motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: to approve the revised *Investment Policy* as recommended.

Motion by: John Gemello Seconded by: Camilla Smith Motion: Passed

Chair Scoble thanked Phil, Leona and Will for their efforts in helping the Foundation manage its investments.

B. 1Q Financial Results

Secretary-Treasurer Chaw presented the current year financial statements and budget report as of September 30, 2010.

AUDIT COMMITTEE REPORT

Audit Chair David Sacks briefed the board on the Foundation's fiscal year 2009/2010 audit. The committee had a conference call with the Hood and Strong auditors in the morning to review and discuss the audited financial statements, report to the board, and management's response to the audit. Copies of all three documents were provided to the board.

Chair Sacks reported that the Foundation is in good health, and there were no material weaknesses reported. He asked that the board accept the auditor's report.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board accepts the auditor's report for the Foundation's audited financial statements ending June 30, 2010.

Motion by: David Sacks Seconded by: Phil King Motion: Passed

DEVELOPMENT COMMITTEE REPORT

Committee member Dana Corvin gave the committee report. The committee's focus has changed its main role. It will focus on development efforts and fundraising as it relates to the President's Circle -- a group of donors who give annually at the \$1,000 level and above. Dana asked that board members consider their annual giving to SF State and join the President's Circle, if they are not already members.

SF STATE FOUNDATION REPORT

A. President's Report

Foundation president Nava remarked on his first 3 months at SF State; he expressed his excitement to be a part of SF State and how he looks forward to working with faculty, staff and Foundation board to continue to build a culture of philanthropy at SF State.

B. Business Activity Update

Conflict of Interest Policy statements were distributed, signed and collected for those board members who were in attendance.

C. Creative Arts Campaign

- 1) Dean Kurt Daw gave a presentation on the College of Creative Arts, including its programs, faculty and alumni. He highlighted the reasons why a new facility is needed.
- 2) Foundation president Robert Nava presented a new proposed structure to lead the campaign efforts for the Mashouf Creative Arts Campaign. The structure includes a leadership council comprised of some Foundation board members but also other volunteers and sub-committees to focus on specific roles and

responsibilities. The council would report back to the board on the progress of the campaign at future board meetings.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the formation of the Mashouf Creative Arts Center Leadership Council to oversee the campaign.

Motion by: David Sacks Seconded by: Phil King Motion: Passed

- 3) Associate vice president Donna Blakemore shared concept of the "In Preview" event to be held on Thursday evening, February 17, at the College of Creative Arts. Foundation board members will be invited and are encouraged to attend.

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ADJOURNMENT

There being no further business, on motion duly made, seconded, and unanimously carried, the meeting was adjourned at 5:03 p.m.

Motion by: Phil King Seconded by: Camilla Smith Motion: Passed

Dated: October 29, 2010

Secretary, Debra P. Chaw