

SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting Minutes
Friday, October 2, 2015
AT&T Park, San Francisco

Board Meeting Minutes

IN ATTENDANCE

K. Brandon	Director
R. Cortez	Director/VP, Admin & Finance, SF State
G. Cosko	Director
N. Fudem	Director
J. Gumas	Immediate Past Chair
M. Huss	Director
J. James-Harvill	Incoming Dir./Student Rep
J. Marcus	Director
D. Nasser	Director
R. Nava	President/VP, University Advancement, SF State
N. Nobari	Incoming Director
D. O'Donnell	Director
M. Rosenbaum	Director
T. Safford	Vice Chair
D. Simmons	Director
D. Simon	Director
R. Stanley	Director

B. Stranathan	Director
V. Thompson-Ramsay	Secretary & Treasurer
L. Wong	Director/President, SF State

ABSENT AND EXCUSED

V. Anicetti	Director
L. Bridges	Director
D. Corvin	Director
V. Dolcini	Director
T. Griggs	Director
P. King	Director
R. Manaois	Director/Staff Rep.
H. Myers	Director
L. Pitman	Director
W. Rose	Director
S. Rosser	Director/Provost, SF State
D. Serrano-Sewell	Chair
J. Simmons	Director
C. Smith	Director

OTHERS PRESENT

A. Bee	Interim Associate Vice President, University Communications, SF State University
I. Bomar	Executive Assistant to the Vice President, University Advancement, SF State University
L. Claudio	Executive Assistant to the President, SF State University
C. Guthrie	Athletics Director, SF State University
A. Harris	Associate Vice President, University Development, SF State University
D. Hupke	Director of Alumni Relations and Annual Giving, SF State University
C. Johansson	Director of Advancement Services, University Advancement, SF State University
M. Kelleher	Executive Director of Development and Campaign Operations
N. Lange	Director of Special Events, SF State University
S. Menon	ACE Fellow 2015-2016
J. Porth	Executive Director, The University Corporation, SF State
B. Rojo	Administrative Assistant, University Advancement
L. Sunshine	Director of Government and Community Relations, SF State University
P. Wong	First Lady, SF State University

MEETING CALL TO ORDER

Vice Chair Safford called the meeting to order at 4:11 pm. He welcomed everyone to the meeting. He gave a special welcome to Dr. Shaily Menon, the ACE Fellow for fiscal year 2015-2016. He also welcomed Mrs. Phyllis Wong, First Lady of SF State University, as well as the senior advance staff. He also thanked Nicole Lange, Inez Bomar and Brianna Rojo for coordinating the meeting and reception. Finally, he gave special thanks to Russ Stanley for the conference room accommodations.

APPOINTMENT OF STUDENT DIRECTOR

Vice Chair Safford mentioned that the first item of business was to appoint the student representative to the board. He turned the floor over to Mary Huss, chair of the Committee on Directors. Huss introduced Jordan James-Harvill as the student selected by Associated Students, Inc (ASI) to serve on the Foundation board. She said that James-Harvill was a fulltime student pursuing a double major in political science and economics at SF State University. She said

that James-Harvill was also the Vice President of Facilities and Services for ASI. She then highlighted some of his extra-curricular activities, including his involvement with the San Francisco Democratic Party and the Democratic Club. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board ratifies the appointment of Jordan James-Harvill to the Board of Directors of the SF State University Foundation.

Motioned by: Greg Cosko

Seconded by: Nancy Fudem

Motion: Passed

APPROVAL OF AGENDA

Vice Chair Safford asked that the agenda 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 2, 2015 board meeting.

Motioned by: Greg Cosko

Seconded by: John Gumas

Motion: Passed

APPROVAL OF CONSENT AGENDA

The board reviewed the consent agenda, which included the June 25, 2015 board meeting minutes. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the consent agenda.

Motioned by: David L. Simons

Seconded by: Greg Cosko

Motion: Passed

Abstained by: Jordan James-Harvill

SAN FRANCISCO STATE UNIVERSITY REPORT

SF State President Leslie Wong provided an overview of the university's budget, specifically on the additional \$216 million for the California State University (CSU) system. He said the additional funding would support tenure track positions as well as increase the student population. He said the 3% FTE will focus on incoming students. In addition, President Wong said the university currently receives 50,000 – 52,000 applications for only 7,000 available seats. He said this was evidence that the university was becoming a destination campus. President Wong mentioned that a portion of the additional funding would be used to increase employee compensation by 2% as well as to improve Information Technology (IT) throughout the system. Other uses included college preparation through a partnership with City College of San Francisco as well as for innovative grants. He mentioned that over \$1 million had been awarded to the Metro Academies program. President Wong said we experimented with a year-round program and since this past summer was successful, we would probably keep operating summer classes on state funding. He said enrollment for the fall was pretty robust and set the stage for a successful academic year. Director Brent Stranathan asked how much of the \$14 million in IT funds would SF State receive. President Wong estimated about 7% and stated that a lot of work was needed for intercampus IT infrastructure.

Larry Baer, President of the San Francisco Giants stopped by to welcome everyone to AT&T Park. He mentioned how fulfilling it was to have the Urban Youth Academy partnership with SF State University. He said he and his team were excited to have the US President, Barack Obama announce the partnership at the White House last summer.

President Wong mentioned that the Mashouf Wellness Center had broken ground; the Holloway Project was in its final RFP stages, having received three proposals; and that Vice President Cortez's team was working on the Winston project.

President Wong also provided an update on the San Francisco Giants' Community Fund partnership with SF State. He walked board members through slides of the renderings of the planned Urban Youth Academy. He mentioned that some relocation of the existing tennis court would have to take place to accommodate the facility. He said it was an \$8.5 million project, of which SF State would raise \$1 million and our partners would fund the rest. President Wong said that SF Giants baseball player Buster Posey had taken on the project as his community project.

Furthermore, President Wong said that this was the first youth baseball academy on a university campus and gave lots of credit to the university's campus recreation program. He said the proposal would go before the Board of Trustees for concept approval next spring with an aggressive timeline for completion.

President Wong talked about a dinner held at Kokkari restaurant to raise funds for the Willie L. Brown, Jr. Fellowship program. He mentioned that the team raised \$1.1 million in one night and thanked George and Judy Marcus for their hospitality. Also thanked them for their \$100,000 gift for the Archive Fund as well as their matching gift of \$450,000. President Wong informed the board that the Willie L. Brown, Jr. Fellowship Program provided \$1,500 awards to students to gain experience in public service. He said to date, 42 fellows had gone through the program.

FOUNDATION PRESIDENT'S REPORT

Foundation President Nava provided an update on the community relations matter between the university's Romberg Tiburon Center (RTC) and the Salmon Institute (TSI). Nava mentioned that Dr. Karina Nielsen, Director of RTC, asked the small non-profit to cease and desist its salmon release practice due to the health and safety concerns. According to the RTC, TSI had been taking small school children down to the water's edge for release of salmon into the Bay without the proper precaution. Nava said that University Communications would prepare a FAQ on the issue for the Board.

Nava reminded board members of the exercise that John Gumas conducted at the retreat back in April to develop an elevator pitch for the Foundation. He told the board that the executive committee approved the final version of the elevator pitch at its last meeting. Staff passed out the laminated wallet-sized elevator pitch. Nava asked board members to carry the card around so they were always prepared to talk about the board.

Nava mentioned that the university was currently searching for an Associate Vice President, Marketing and Strategic Communications. He said the search committee would focus on candidates that were savvy in non-profit marketing and publications.

Finally, Nava reminded the board that the annual President's Dinner and Hall of Fame would take place on Friday, November 6, 2015 at the Ritz Carlton hotel in San Francisco. He said this was one of the university's signature events honoring SF State alumni. He said that five alumni would be honored that night. He asked board members to let staff know as soon as possible whether they planned to attend or sponsor the event.

EXECUTIVE COMMITTEE REPORT

- a) Vice Chair Safford reported that the Foundation held its second board orientation for new and existing board members. He mentioned that he, David Simon, David Serrano-Sewell, Neda Nobari, Leona Bridges, Dana Corvin, and Brent Stranathan were in attendance. He said the orientation was very informative and gave board members a good sense of the role of the Foundation and how it supported the university's mission. He thanked Jason Porth, Executive Director of the University Corporation, SF State (UCorp), Jay Orendorff, Executive Director, Budget and Risk Management, and Brian Sharpes, Manager, UBS Financial Services for their presentations at the orientation.
- b) As a follow-up to President Wong's earlier presentation, Robert mentioned that the Executive Committee approved the allocation of \$5,000 to support the Willie L. Brown, Jr. Institute. He mentioned that the Willie L. Brown, Jr. Institute's board and volunteer leaders like Darius Anderson and Charlotte Schultz had spearheaded a \$1 million fundraising initiative for the Institute as part of "The Campaign for SF State". Nava said George Marcus challenged everyone to pitch in to make the fundraising initiative a success. He said that the \$5,000 gift from the Foundation was a symbolic gesture. He said it was modest but sent a message that the Foundation was committed to the program. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Board ratifies the allocation of \$5,000 to support the Willie L. Brown, Jr. Archive Fund.

Motion by: Ron Cortez

Seconded by: Mary Huss

Motion: Passed

- c) Robert reminded the board that they had endorsed the University's first comprehensive campaign a couple of years ago and that they also viewed the campaign theme video at the last board retreat that was produced by Snavelly and Associates. He gave some background on Snavelly and their work in providing communications materials for universities. He said our initial attempt at a Case for Support did not hit the mark and so the Foundation was entering into a contract with Snavelly because of their expertise in developing impactful cases for support. Nava mentioned that the packet included a contract that was heavily vetted by the executive committee at its last meeting. He said the scope of work was revised to just print materials and that, because of the excellent feedback from board members, we decided to handle the video production portion of the work internally with the Documentary Film (DocFilm) department. Nava mentioned that the new contract price was \$52,423. Brent Stranathan asked how the revised scope of work would affect the desired timeline. Mark Kelleher mentioned that it would not have any impact. Nava reminded the board that they had already approved the funding at the June board meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Board approves the contract between the Foundation and Snavelly and Associates.

Motion by: David Simon

Seconded by: Mary Huss

Motion: Passed

FINANCE AND INVESTMENT COMMITTEE REPORT

Kimberly Brandon provided the report. She mentioned that the committee met twice since the last board meeting. She said the first meeting was on July 9, 2015 to make a number of investment changes to the portfolio. Brandon said the committee terminated a global long/short equity fund; reduced our allocation to a US Large Cap Growth manager by 50%; added \$7 million to a global equity index manager; increased our allocation to International Small Cap by \$500k and to Emerging Markets by \$1million; and reallocated some funds to fixed income. She said the other meeting was on August 18, 2015 to meet with two consultants who had submitted proposals to evaluate the Foundation's investment portfolio and operations. She said the two firms were Angeles Investment Advisors in Los Angeles and PFM Asset Management in San Francisco. She said committee members unanimously selected PFM Asset Management. Finally, Brandon mentioned that she, Foundation President Nava and Treasurer Thompson-Ramsay had a phone meeting with the PFM team earlier that morning to negotiate the contract. She said a draft contract would be presented at the October 29th Finance & Investment Committee meeting for review and approval.

Treasurer Thompson-Ramsay presented the financials for the fiscal year ending June 30, 2015. She mentioned that the Foundation's earnings in FY 14-15 were about \$1.4 million, which was about 34% more than the previous year. She said the Foundation had about \$1.2 million in expenses, which was about 12% more than the previous year. She mentioned that the endowments earned about \$2.1 million in investment income for the year, which was about 76% lower than the previous year when the market was performing really well. She said the return in 2013-2014 was \$8.8 million compared to \$2.1 million for the 2014-2015 period. Additionally, she mentioned that the 96% decrease in liabilities over the previous year was due to the Foundation liquidating the investments it was holding on its books on behalf of UCorp. She said the Foundation still had an additional \$81K remaining to transfer to UCorp. Thompson-Ramsay pointed out that the Foundation made distributions of nearly \$2 million for scholarships, fellowships, endowed chairs and campus programs during fiscal year 2014-2015. Finally, she mentioned that there was a 3.5% increase (approximately \$2.3 million) in the endowments since the fiscal year began and that as of June 30, 2015, the endowments had a market value of \$67.6 million.

AUDIT COMMITTEE REPORT

Don Nasser mentioned that the Foundation had been engaged in two separate audits during FY 2014-2015. He said the first was the CSU Audit of Auxiliaries that took place every 3 years. He said the CSU audit was completed in March of this year and there were two findings for the Foundation. The first was to revise transactional forms to clearly identify the name and contact information for the administrative staff preparing payment/reimbursement requests and the second was to obtain conflict of interest forms for all board members. Nasser mentioned that documentation had been submitted to internal auditors and would be forwarded to the Chancellor's Office by October 6. Nasser said the second audit was the Foundation's independent audit for FY 2014-2015. He reported that the

auditors conducted their interim fieldwork back in May and met with the Audit Committee on June 3 to officially kick off the audit. He said they completed the year-end fieldwork on August 28 and submitted final drafts of the financials on September 15 to the University's Internal Auditors for submission to the Chancellor's Office. Nasser mentioned that the Audit Committee would meet on October 14 to discuss and accept the audit.

COMMITTEE ON DIRECTORS REPORT

Mary Huss mentioned that the Committee on Directors held its most recent meeting on May 20. She said since that time, Tom Driscoll had resigned from the board. She said Driscoll was a member of the Development Committee and the Committee on Directors. He was also a supporter of the Alexander String Quartet, the classical arts, and demonstrated enthusiasm and energy for young artistic talent helping to advance their careers. Huss said that Driscoll was an insightful and valued member of the board and would be missed.

COMMITTEE ON ATHLETICS REPORT

Dennis O'Donnell reported that the Committee for Athletics met via conference call on September 10. He said they discussed a fundraising goal of \$300,000 for FY 2015-2016. The Committee also received an update on the status of the facility upgrade. He mentioned that the weight room was upgraded and remodeled with a generous gift from board member Judy Marcus and that the grand opening event was currently in the planning stage. He said the Athletics department was still in need of \$50,000 in weights to complete the facility set-up. O'Donnell also mentioned that the 4th Annual Vic Rowen Golf Tournament would be held on Monday, October 19 at Green Hills Country Club in Millbrae, CA. He said the goal was to have 20 foursomes. With regards to the fall sports update, O'Donnell reported that Men's Soccer was doing well and was currently ranked 8th in the West Region. He reported that Women's Soccer suffered 2 losses in tough conditions, while Women's Volleyball had a slow start, versus nationally ranked teams, but was currently improving. Finally, O'Donnell reported that a meeting was held on campus regarding the Major League Baseball Urban Youth Academy. He said those in attendance included President Wong, Larry Baer, and Larry Harper. O'Donnell reported that three committees were formed, which included Design & Concept, Programs, and Fundraising.

ADVOCACY COMMITTEE REPORT

Lisbet Sunshine provided the report. She said at the local level, SF State would convene the inaugural University-City Task Force meeting to share with legislators and decision makers some of the mission-critical projects that the University had underway or was planning in the future. Those confirmed to attend included the SF Mayor's Office, Supervisor Yee's and Avalos's offices, and the mayors of South San Francisco and Daly City. In addition, she said the Office of Governmental and Community Relations would be putting the infrastructure in place for a massive student voter registration and education effort in advance of the 2016 election. She said that SF State would continue to partner with UpVote, a high tech voter registration tool, to create a campaign that reaches our 30,000 student community. Furthermore, she reported that her office would be hosting a Voter Registration Fair on campus on October 13.

At the State level, Sunshine reported that the 2015 legislative year concluded on September 11. She said Governor Brown had until October 11 to make final decisions on hundreds of bills, with only a few of specific relevance to the CSU. She said the most significant bill of concern to the system was Assembly Bill 1000 (Shirley Webber), which would codify the Board of Trustees' adopted policy for student success fees. Sunshine said the CSU was urging a veto of this bill. She said that SF State and other CSU campuses were preparing advocacy plans for the 2016/2017 Support Budget, which would ask for at least an additional \$120 million for the CSU. She said that locally, the university was meeting with Assembly members Mullin, Ting and Chiu and Senators Leno and Hill to highlight what SF State was doing to support a student's success (from K-12 to college) degree.

At the federal level, Sunshine mentioned that the US Congress returned to Washington following a long summer hiatus. She reported that SF State continued to engage with its federal elected officials, including Representatives Nancy Pelosi, Jackie Speier and Jared Huffman, to advocate on a number of issues such as robust funding for the Pell Grant program, SEOG, Work-Study, TRIO programs, GEAR UP, and various Hispanic-serving and Asian-American, Native-American and Pacific Islander-serving programs, as well as Title IX and Campus sexual assault bills. Finally, Sunshine mentioned that because of SF State's leadership in employing technology for student voter registration and mobilization efforts, Congresswoman Nancy Pelosi asked SF State to participate in a press

Vice Chair Safford reminded board members that the next board meeting and holiday reception was scheduled for December 10, 2015 on campus at the Seven Hills Conference Center at 3 pm.

ADJOURNMENT

There being no further business and with Kimberly Brandon making the motion and Judy Marcus seconding, Vice Chair Safford adjourned the meeting at 6:19 pm.
Dated: October 2, 2015

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Venesia M. Thompson-Ramsay, Secretary