

SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting
Thursday, December 12, 2013
Seven Hills Conference Center
San Francisco State University

Board Meeting Minutes

IN ATTENDANCE

L. Bridges	Director	D. Simon	Director
G. Cosko	Director	C. Smith	Director
R. Cortez	Director/VP, Admin & Finance, SF State	R. Stanley	Director
D. Corvin	Director	V. Thompson	Secretary & Treasurer
V. Dolcini	Director	W. Weinstein	Director
N. Fudem	Director	J. White	Student Representative
J. Gumas	Chair	L. Wong	Director/President, SF State
M. Huss	Director		
P. King	Director		
R. Manaois	Director/Staff Rep.		
J. Marcus	Director		
H. Myers	Vice-Chair		
D. Nasser	Director		
R. Nava	President/VP, University Advancement		
W. Rose	Director		
M. Rosenbaum	Director		
S. Rosser	Director/Provost, SF State		
D. Serrano-Sewell	Director		

ABSENT AND EXCUSED

K. Bastida	Director
T. Driscoll	Director
T. Griggs	Director
D. O'Donnell	Director
L. Pitman	Director
J. Simmons	Director

OTHERS PRESENT

J. Aba	University Advancement Support Coordinator
S. Axler	Dean, College of Science & Engineering
I. Bomar	Assistant to the Vice President, University Advancement
C. Bryan	Assistant to the Associate Vice President, University Development
E. Catalano	Assistant Director of Development, College of Science and Engineering
A. Farrah	Associate Director of Development, College of Health and Social Sciences
D. Fierberg	Assistant Director of Development, College of Business
E. Griffin	Associate Vice President, University Communications
A. Harris	Associate Vice President, University Development
D. Hupke	Director, Alumni Relations and Annual Giving
B. Kean	Dean, Graduate College of Education
M. Kelleher	Senior Director of Development, University Development
K. Monteiro	Dean, College of Ethnic Studies
Kate Morris	Associate Director of Development, Liberal & Creative Arts
T. Mullaney	Director of Planned Giving
W. Nephel	Director of Athletics (Interim)
M. O'Brien	Prospect Research Manager
T. Ono	Director of Special Events, University Advancement
L. Oubre	Dean, College of Business
A. Rouah	Director of Development, College of Liberal & Creative Arts
P. Sherwin	Dean, College of Liberal & Creative Arts
D. Taylor	Dean, College of Health and Human Services
S. Whalen	Chief of Staff, President's Office
P. Wong	First Lady, SF State

MEETING CALL TO ORDER

Chair Gumas called the meeting to order at 3:11 pm. John welcomed everyone to the meeting. He thanked board members for their continued support of the Foundation and the University and mentioned that the holiday gift (SF State pen and post-it pad) in front of them was a "thank-you" from the Foundation.

John asked Robert to welcome two special guests: Dr. Marybeth Love of the Metro Academies and one of her students, Corey Nichols.

APPROVAL OF AGENDA

Chair Gumas mentioned that Camilla Smith, chair of the Development Committee had to leave early so her report would be moved up on the agenda. He then 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 December 12, 2013 board meeting.
Motioned by: Dana Corvin Seconded by: Camilla Smith Motion: Passed

APPROVAL OF CONSENT AGENDA

The board reviewed the consent agenda, which included the September 27, 2013 board meeting minutes. There was one correction requested on page 3 of the minutes to change the word "Baird" to "Baer". On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the consent agenda and the September 27, 2013 board meeting minutes with correction.
Motioned by: Wade Rose Seconded by: Don Nasser Motion: Passed

GUEST SPEAKER

Dr. Marybeth Love and Corey Nichols were invited forward to talk briefly about the Metro Academies Program. Dr. Love shared the history and successes of the program, including their recent award in Washington, DC. Corey shared his experience in the Metro Academies and how the program helped shaped his life. He gave a repeat of the presentation he made in Washington, DC.

SAN FRANCISCO STATE UNIVERSITY REPORT

President Wong talked about the strategic planning process that the University was undergoing. He logged in to the University's Neighborland website page and showed board members how easy it was to provide comments and ideas for the future of SF State. He encouraged the board and guests in the room to visit the website.

President Wong mentioned that a number of important searches were continuing, including the search for the Vice President for Student Affairs. He mentioned that his office had received some great candidates and was close to making a decision.

Finally, President Wong mentioned that the fall 2013 enrollment was up. He said the University received 47,000 applications creating a 6 to 1 application to space ratio. He mentioned that the deadline had passed for spring so they were in the process of selecting and notifying students.

FOUNDATION PRESIDENT'S REPORT

President Nava mentioned that the position for the Athletics Director had been posted and the search committee convened. He mentioned that, to date, we had close to 80 applications and that a subcommittee of the search committee had been formed to conduct initial review and screening. Finally, President Nava mentioned that the search would not be rushed but that the committee would like to have a new Athletics Director on board by the end of the fiscal year (June 2014).

EXECUTIVE COMMITTEE REPORT

Chair John Gumas informed the board that board member Laurie Pitman had requested and was granted a 6-month leave of absence to handle some pressing family obligations. He mentioned that Laurie had chaired the Ad-Hoc Committee formed to lead the fossil fuel divestment work but that Phil King, chair of the Finance and Investment Committee had agreed to oversee the committee in her stead.

President Nava provided an update on the Leadership Briefings. He thanked board members who had hosted past briefings and mentioned that there were still opportunities for other board members to host.

Chair Gumas mentioned that the next time the board meet would be for the board meeting and retreat on March 28th and 29th at the Oceano Resort in Half Moon Bay. He mentioned that the retreat would focus on the comprehensive campaign and that final results of the campaign feasibility study would be presented. He mentioned that more information regarding logistics would be mailed out in January but reiterated that board members were being asked to cover the cost for their accommodations.

On the fundraising side, Chair Gumas announced that the 2-year, \$12M Student First Campaign had exceeded its goal seven months ahead of schedule. He mentioned that as of December 1st, the University had raised \$13.3M thanks to a \$1M gift from alumnus Jerry Rosenberg; a major gift from board member Marsha Rosenbaum; a \$125K gift from the Hearst Foundation; and a \$160K gift from Associated Students, Inc (ASI). ASI executive director, Peter Koo and its president, Adenike Hamilton were asked to stand and be recognized.

Finally, Chair Gumas said he wanted to end with some board accomplishments in 2013. He mentioned that the board added four new members; that board members donated a total of \$60K in direct gifts and leveraged \$150K in additional gifts; that board members brokered relationships to raise \$1M for the Romberg Tiburon Center; and that board members worked with staff to advocate in Sacramento for additional funding in the CSU budget, among other things.

DEVELOPMENT COMMITTEE

Camilla mentioned that as of December 9, the development team had raised \$4.7M, or 31% of its \$15 million goal. She referenced her memo to the board, which described the top six major and principal gifts that made up the \$4.7M. She said there were \$4.5M in submitted proposals, and an additional \$5M in pipeline proposals. She also mentioned that ten (10) leadership briefing events had been held since September, as part of the campaign planning. She mentioned that campaign training for foundation board members and other volunteers, deans and key faculty would be provided over the coming year and encouraged board members to send suggested topics, consultants, or trainers to President Nava or Anne Harris' attention. Finally, Camilla mentioned that a stewardship plan had been developed as well as a 'Donor Impact Report' for gifts of \$50,000 and greater. She mentioned that the Impact Report would be a customized report informing the donor of how their gift was spent and the impact it made. Additionally, she mentioned that the level of giving for the "President's Circle" had increased from \$1,000 to \$5,000.

FINANCE AND INVESTMENT COMMITTEE REPORT

Phil reported that our portfolio was up by 8.14% for the fiscal year to date and 14.7% for the calendar year. He mentioned that our main equity fund, Profit had done particularly well as did our alternatives. He confirmed that we had moved some fixed income to Blackrock SIO and Blackrock Global L/S Credit to lower our exposure to interest rate risk. He also confirmed that we had increased our exposure to international emerging markets as the valuations were better there. Finally, Phil mentioned that we did well in 2013 because we had more invested in US markets compared to the Ivy Leagues that had more invested in alternatives and less invested in US markets. He mentioned that US markets remained pricey so we should proceed with caution.

With regards to fossil fuel, he gave the board an update on the meetings to date. He mentioned that he, President Nava and Secretary/Treasurer Thompson met with an attorney to clarify the board's fiduciary responsibilities as well as issues to consider regarding divestment. He mentioned that some of the things the committee was looking into

included creating an "opt-in ESG or SRI"¹ portfolio, generating a carbon footprint for our entire portfolio, continuing to exclude coal and tar sands from direct investments, and using carbon credit fund, if necessary. He mentioned that the leading option would be vetted and presented at the board March meeting.

Treasurer Thompson summarized the September 30th financials. She mentioned that the Foundation had operating revenue of 247,000 for the 1st quarter (September 30th), which was about 28% of the projected revenue for the year. She mentioned that expenses were about \$147,000 or 19% of the projected expenses, which resulted in net income of about \$100,000 for the quarter. She mentioned that the endowments continued to do well with about \$1.7M in investment income for the quarter (about \$590,000 per month). She stated that, also during the quarter, the Foundation approved distributions of about \$184,000 for scholarships, fellowships and other campus programs. Finally, Venesia mentioned that the endowments had a 3% increase of about \$1.5M during the quarter and stood at \$56.7M as of September 30, 2013. She mentioned that only one permanent endowment remained underwater.

COMMITTEE ON ATHLETICS

Bill Nefel, Interim Director of Athletics, gave the report. He mentioned that the Athletics Department conducted the annual Vic Rowen Gator Golf Classic on October 28, 2013. He mentioned that the event raised over \$8,000 for the department and the banquet received live coverage on KPIX thanks to Foundation board member Dennis O'Donnell. He also mentioned that the Athletics Department hosted the NBA's Detroit Pistons for a practice at The Swamp on November 14th. He also informed the board that the Athletics Department and the Alumni Office collaborated on a promotion, "The Campus Comes Alive After Five" prior to the big match-up with Chico State. Finally, Bill mentioned that Capital Planning, Design & Construction (CPDC) personnel had completed plans for a significant renovation to the Gymnasium, which included the installation of a new floor for the main court, new lockers and flooring in the locker rooms, and the addition of two team rooms in each locker room. The project would begin in June 2014 and should be completed in time for the fall 2014 semester.

ADVOCACY COMMITTEE

David Serrano-Sewell presented the state and federal advocacy schedule for 2014 and discussed the University's efforts in Sacramento and Washington, DC. He also mentioned that there were some interesting conversations happening regarding veterans and the Obama Administration's stance on veterans and that many believed there would be more funding for veterans' education, especially with the draw down in Afghanistan. He also mentioned that the Advocacy Committee gave thought to the campaign consultant's report and discussed what they could be doing locally and regionally to support the campaign.

COMMITTEE ON DIRECTORS

Mary reported that the Committee on Directors held its most recent meeting on November 6th. She mentioned that President Nava shared that the goal was to strategically grow the board to 30-35 members. The Committee suggested that a "gap analysis" be conducted to help define the needs of the board. The Committee felt that, when possible, we should look to recruit board members with some pre-existing relationship with the University. Mary said the Committee welcomes suggestions for new board members. She also directed board members' attention to the recently-approved selection criteria for new directors in the back of the board packet.

AUDIT COMMITTEE

Don mentioned that Nancy Fudem was added to the Audit Committee in October and that the post-audit meeting with the auditors was held on November 5th. He mentioned that the committee engaged the auditors in a conversation on internal controls and whether or not a separate one should be performed given other audits by the Chancellor's Office and the University's internal auditors. Don said the committee would revisit the issue of internal controls in 2014. Don pointed out that although there were no material weaknesses or significant deficiencies, the auditors made a number of recommendations that staff would correct over the coming year. He also mentioned that all prior year issues/deficiencies had been resolved. Don mentioned that one recurring challenge for the auditors was obtaining statements from our alternative investors in a timely manner. Finally, Don mentioned that a final copy of the audit was

¹ "ESG" stands for Environmental, Social and/or Governance. "SRI" stands for Socially Responsible Investing.

posted on the Foundation's website and advertised in the papers, per Education Code, Section 89900 and Title 5, Section 42408.

DEVELOPMENT OFFICER RECOGNITION

Associate Vice President for University Development, Anne Harris, informed the board of a new segment to the board meetings where a development officer would be recognized for his/her accomplishments. She also directed members' attention to the newly-revised "Ways to Give" brochure, based on feedback from board and staff. She then introduced Tom Mullaney, Director of Planned Giving who gave a primer on planned giving and the ways that individuals can make a gift to the University.

ADJOURNMENT

There being no further business, and with Herb Myers making the motion and Val Dolcini seconding the motion, Chair Gumus adjourned the meeting at 5:09 pm.

Dated: December 12, 2013

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Venesia Thompson, Secretary