SAN FRANCISCO STATE UNIVERSITY FOUNDATION

Board Meeting Minutes
Friday, June 29, 2012
San Francisco State University
1600 Holloway Avenue
NEC Room, 5th Floor, Administration Building
San Francisco, CA 94132

IN ATTENDANCE

L. Blitch Director
R. Bradley Brown Director/Student Rep
L. Bridges Director
M. Chan Director
V. Dolcini Incoming Director
T. Driscoll Director
F. Fudem Director
J. Gemello Director
J. Gumas Chair
N. Hayes Director
M. Huss Director
P. King Director
R. Manois Director
D. Nasser Director
R. Nava President
L. Pitman Director
W. Rose Director
D. Scoble Director
D. Serrano-Sewell Director

ABSENT AND EXCUSED

K. Bastida Director
P. Casey Director
D. Corvin Director
D. O'Donnell Incoming Director
J. Marcus Director
H. Myers Vice-Chair
J. Simmons Director
C. Smith Director
W. Weinstein Director

OTHERS PRESENT

I. Bomar Assistant to VP, University Advancement, SF State
MEETING CALL TO ORDER

Chair Gumas called the meeting to order at 3:20 pm. He invited the newly elected directors, Val Dolcini and Rogelio Manois, to come forward to receive their name plates and asked each one to say a few words about themselves.

APPROVAL OF AGENDA – Minute Action

Chair Gumas 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 June 29, 2012 board meeting.

Motion by: Frank Fudem Seconded by: Regan Bradley Brown Motion: Passed

APPROVAL OF CONSENT AGENDA – Minute Action

The board reviewed the consent agenda which included the February 24, 2012 board meeting minutes and new board committee assignments. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the consent agenda for the June 29, 2012 board meeting.

Motion by: Don Nasser Seconded by: Don Scoble Motion: Passed

FOUNDATION PRESIDENT’S REPORT

Foundation president Robert Nava briefed the board on the following items: the events honoring President and Mrs. Corrigan; FY 11/12 successful fundraising total of $16.8M; 10 largest gifts this year; and, Donna Blakemore’s retirement. He also told the board that he and Chair Gumas will be proposing quarterly board meetings for the next fiscal year with exact dates to be decided at the next executive committee meeting.

EXECUTIVE COMMITTEE REPORT

A. Resolution No. BOD 062612-1 Implementing the CSU Board of Trustees Presidential Compensation Policy

Chair Gumas introduced this item which was initially discussed at the June 1 board retreat. He provided background information on the thought process that
led the BOT to adopt this policy. He then stated that the executive committee prepared and approved the resolution being brought forward to the board. Foundation president Nava pointed out the Foundation is an auxiliary of the CSU, and we have an MOU with the CSU BOT which states that we would comply with CSU policies. Board members expressed their disappointment of not having been asked for Foundation’s input by the CSU BOT and/or Chancellor’s Office prior to the adoption of the policy especially since the Foundation was impacted by their decision. Board members stated their support for the new president; but, they also emphasized their commitment that students, faculty and programs would not be impacted by the Foundation’s commitment of funds for presidential compensation.

Following an overview, discussion, and on motion duly made, seconded, and carried, RESOLUTION NO. BOD 062912-1 was adopted: Implementing the CSU Board of Trustees Presidential Compensation Policy.

Motion by: David Serrano Sewell Seconded by: Lee Blitch Motion: Passed
(Yes - 15, No - 2, Abstain - 1)
M. Huss arrived after the vote

B. Minute Action to Approve Revised Endowment Policy

Robert and Debbie reviewed the revisions to the endowment policy which pertained to the establishment of a flexible endowment. University development requested the change in order to make it more user-friendly and understandable to donors. Revisions included having the donor make an initial gift of at least $5K to establish the endowment; annual gifts of at least $1K to build the endowment; and, annual gifts of at least $1K to provide for current year spending. After discussion, and on motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the revised Endowment Policy as recommended.

Motion by: Lee Blitch Seconded by: Phil King Motion: Passed

FINANCE AND INVESTMENT COMMITTEE REPORT

A. Year-to-Date Investment Summary

Committee chair Phil King reviewed the May 31, 2012 investment summary report. He reported May was a tough month and although our investments were still up 2.5% YTD, they were still lagging the benchmark. He also mentioned that the committee has discussed looking at other alternative investment options — Catfish Fund and Headlands.
B. Minute Action to Approve Revised Restricted Investment Policy

Phil and Debbie discussed the need to revise the Foundation’s investment policy to address a recommendation coming out of the 2012 CSU Auxiliary Organizations Compliance Audit. The recommendation was for the Foundation to include investment return objectives, investment quality and concentration of assets for alternative investments. Phil explained that the committee was already considering these factors in its investment decisions so this was just a matter of revising the policy to include the practice of doing so. After discussion, and on motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the board approves the revised Restricted Investment Policy as recommended.

Motion by: Don Scoble   Seconded by: Laurie Pitman   Motion: Passed

C. Minute Action to Adopt the SF State Foundation Provisional Operating Budget and Operating Reserve for Fiscal Year 2012-2013

A copy of the 2012/2013 Provisional Operating Budget and Operating Reserve Analysis was provided to the board in Tab 7 of the board packet.

The contents of the Budget were summarized and discussed. Treasurer Chaw indicated that the $30K for the SF State president’s compensation augmentation was in the University Support/Advancement category. The Operating Reserve was explained and discussed. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: to adopt the recommended SF State Foundation Provisional Operating Budget and Operating Reserve for fiscal year 2012-2013. (See attachment A for approved budget and attachment B for approved operating reserve.)

Motion by: John Gemello   Seconded by: Tom Driscoll   Motion: Passed

ADVOCACY COMMITTEE REPORT

Committee chair Lee Blitch reported that the committee will be looking for assistance from the board to help with the advocacy efforts this year. For federal activities, SF State’s government relations team will be assisted by Holland and Knight.

DEVELOPMENT COMMITTEE REPORT

Robert Nava informed the board that committee chair Camilla Smith could not attend today’s meeting but asked him to inform the board of her intent to hold future committee meetings on a different day than the regular board meeting. This committee’s first
agenda item will be to review priorities. Robert will be staffing the committee until a new associate vice president is hired.

**COMMITTEE ON DIRECTORS**

Committee chair Don Scobie stated that his report was already presented at the annual meeting preceding this board meeting.

**AUDIT COMMITTEE REPORT**

Audit chair Don Scobie stated that the committee will have an opening meeting with the auditors on July 9 to discuss the Foundation's FY 11/12 financial audit.

**BOARD RETREAT FOLLOW-UP AND ELEVATOR PITCH**

Chair Gumas summarized the process we used to develop a 30-second elevator pitch to describe the Foundation's mission. He presented the output from the four groups and developed the following pitch:

"We are a collection of diverse, dedicated and dynamic volunteer advocates solely committed to making the dream of higher education at San Francisco State University a reality for everyone. We demonstrate our pride as university advocates by asking tough questions, championing student and faculty causes and standing up for what's right. By furnishing scholarships, offering opportunities and evangelizing on behalf of the university, the San Francisco State University Foundation remains focused on creating a promising future for thousands who might not otherwise receive the tremendous value of an SF State education."

The board liked the pitch. Foundation will develop a "fact sheet" that includes the pitch and other pertinent facts for board members to know when advocating and fundraising on behalf of SF State.

**SAN FRANCISCO STATE UNIVERSITY REPORT**

President Corrigan addressed the foundation board for the very last time. In his address, he provided his own personal testimonial and perspective about his twenty four years as SF State's president.

**RECOGNIZING RETIRING BOARD MEMBERS**

Chair Gumas thanked several directors whose terms expired: John Gemello, Mabel Chan and David Sacks. Chair Gumas also presented President Corrigan with a parting gift from the Foundation – a framed SF Giants jersey with the number 24 and Corrigan on the back.

* * *
ADJOURNMENT

There being no further business, Chair Gumas adjourned the meeting at 5:00 p.m.

Dated: June 29, 2012

[Signature]
Secretary, Teresa Ono
SAN FRANCISCO STATE UNIVERSITY FOUNDATION

PROVISONAL BUDGET FOR FISCAL YEAR 2012-2013

AS OF JUNE 29, 2012

<table>
<thead>
<tr>
<th>Revenue:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment Administration Fees</td>
<td>$876,789</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$876,789</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Auxiliary Business Services Expenses</td>
<td>$242,534</td>
</tr>
<tr>
<td>Investment Management Fees</td>
<td>281,788</td>
</tr>
<tr>
<td>Advocacy</td>
<td>24,000</td>
</tr>
<tr>
<td>Legal</td>
<td>3,500</td>
</tr>
<tr>
<td>Auditing and Tax</td>
<td>29,000</td>
</tr>
<tr>
<td>Insurance</td>
<td>2,459</td>
</tr>
<tr>
<td>Membership Fees</td>
<td>3,450</td>
</tr>
<tr>
<td>Postage</td>
<td>600</td>
</tr>
<tr>
<td>Printing</td>
<td>7,500</td>
</tr>
<tr>
<td>Professional Services</td>
<td>30,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,500</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$34,200</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$660,531</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Allocations:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>University Support/Advancement</td>
<td>$50,000</td>
</tr>
<tr>
<td>SF State Scholarships/Programs</td>
<td>$75,000</td>
</tr>
<tr>
<td><strong>Total Allocations</strong></td>
<td><strong>$125,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$91,259</strong></td>
</tr>
</tbody>
</table>
San Francisco State University Foundation  
Fiscal Year 2012-2013

**Operating Reserve Requirements:**

<table>
<thead>
<tr>
<th></th>
<th>2012-2013 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Operations</td>
<td>$ 660,531.00</td>
</tr>
<tr>
<td>Six-month Operations</td>
<td>$ 330,265.50</td>
</tr>
</tbody>
</table>

**Current Reserve Levels:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve</td>
<td>$ 350,000.00</td>
</tr>
</tbody>
</table>

**Recommended Adjustment**

Operating Reserve increase