

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
EXECUTIVE COMMITTEE MEETING
San Francisco City Club, 12th FL (Deco 3 Meeting Room)
155 Sansome Street, San Francisco, CA
Friday, June 2, 2017**

Chair Serrano Sewell started the Executive Committee meeting at 11:41 AM.

Committee Members Present

David Serrano-Sewell, Chair

Taylor Safford, Vice Chair

Robert Nava, President

Kimberly Brandon, Investment Committee Chair

Ted Griggs, Committee on Athletics Co-Chair (via phone)

John Gumas, Immediate Past Chair and Campaign Cabinet & Development Committee Co-Chair

Mary Huss, Committee on Directors Chair

Herb Myers, Advocacy Committee Co-Chair (via phone)

Don Nasser, Audit Committee Chair

Wade Rose, Advocacy Committee Co-Chair

Camilla Smith, Campaign Cabinet & Development Committee Co-Chair

Committee Members Absent and Excused

Dennis O'Donnell, Committee on Athletics Co-Chair

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer

- I. **Review of Agenda:** The committee reviewed the agenda.
- II. **Approval of Meeting Minutes:** The committee reviewed the minutes from the February 22, 2017 meeting and the March 3, 2017 special meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the minutes for the February 22, 2017 meeting and the March 3, 2017 special meeting, as prepared.

Motion by: John Gumas Seconded by: Taylor Safford Motion: Passed

III. **Operating Business:**

Provisional Operating Budget for FY 17-18: Thompson-Ramsay presented the proposed operating budget for FY 2017-2018. She mentioned that the Foundation would have revenue of \$1,567,846. With operating and non-operating expenses estimated at \$1,538,938, she stated that the Foundation would end the fiscal year with net income of \$28,908. She said the net income would bring the Foundation's unrestricted net assets to about \$784,496 by the end of the fiscal

year. Finally, she mentioned that the Foundation would need about \$16,000 more in order to have sufficient funds to meet the CSU-required six months of operating reserve policy. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the provisional operating budget for FY 2017-2018.

Motion by: Kimberly Brandon Seconded by: Camilla Smith Motion: Passed

Endowment Distribution for FY 17-18: Thompson-Ramsay presented the endowment balances and proposed payouts for FY 2017-2018. She reminded the committee that the payout amounts were based on the policy they approved back in 2011, which allowed a 4% payout for endowments with balances more than 4% above contributions; 2% payout for endowments with balances above water but less than 4% above contribution; and no payout for endowments with balances below water. She mentioned that the Foundation planned to make a distribution of \$2,445,715 for FY 2017-2018. She reported that about four (4) endowments were underwater and, as such, would not have a distribution in FY17-18, per the Foundation policy. She said, instead, the Foundation would cover those distributions from its operating budget. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the proposed endowment payouts for FY 2017-2018.

Motion by: Kimberly Brandon Seconded by: John Gumas Motion: Passed

Bequests: The Committee decided to review the following bequests from four estates and take one action as on all four, as follows:

Bequest from Estate of Karl & Frauke Gries: Nava reminded the Committee that at its February 22nd meeting, they approved an exception to the Board quasi-endowment policy and approved a request from the Dean of the College of Liberal & Creative Arts to quasi-endow two-thirds (\$726,000) of the bequest from the Gries estate gift and direct the remaining one-third (\$374,000) for current use. Nava said the Dean was amending his request to have the portion previously directed for current use to now be used to establish a temporary endowment.

Bequest from Estate of John F. Norton: Nava mentioned that the Poetry Center received a gift of \$91,500 from the estate of local writer, John F. Norton. He said the gift would automatically trigger the establishment of a quasi-endowment. However, the Poetry Center was requesting an exception to the Board quasi-endowment policy so that the funds may be used to establish a temporary endowment where the principal may be accessed, as needed.

Bequest from Estate of Maria Carter: Thompson-Ramsay reported that the Guardian Scholars Programs received a gift of \$100,000 from the estate of Maria Carter. She said the gift would automatically trigger the establishment of a quasi-endowment. Thompson-Ramsay said the Director of the Guardian Scholars Program was concerned about having additional endowments to manage and, as such, was requesting an exception to the Board quasi-endowment policy so that the funds may be added to an existing permanent endowment, fund #60124. Thompson-Ramsay added that fund #60124 did not restrict the addition of dollars to

the endowment and the Maria Carter bequest did not require the establishment of a separate fund but merely stipulated that the gift was used for the benefit of the Guardian Scholars program.

Bequest from Estate of Valerie Hashimoto: Thompson-Ramsay mentioned that the Foundation received a realized bequest to establish a memorial endowment scholarship in Valerie Hashimoto's name for women majoring in business, preferably in accounting. She mentioned that the bequest violated Proposition 209, which made it illegal to provide scholarships based on gender. She said, as such, the Committee was being asked to adopt a resolution to accept and administer the Valerie Hashimoto Endowed Scholarship through a non-preferential process until such time that administering the scholarship according to donor's intent became legally permissible.

On motion duly made, seconded, and carried, the following Minute Actions were taken:

- 1) That the Committee directs the portion of the Gries bequest, originally approved for current use, to establish a temporary endowment to support the Humanities.
- 2) That the Committee directs the funds from the John F. Norton bequest to establish a temporary endowment for the benefit of the Poetry Center.
- 3) That the Committee makes an exception to the policy where bequests of \$25,000 or more are quasi-endowed and allow the proceeds from the Maria Carter estate to be added to an existing endowment, #60124.
- 4) That the Committee adopts a resolution to administer the Valerie Hashimoto gift through a non-preferential process.

Motion by: Herb Myers

Seconded by: Kimberly Brandon

Motion: Passed

Senior Class Gift: Nava reminded the Committee that at its September 8, 2016 meeting, it approved a matching gift from the Foundation for up to \$12,500 for the graduating class of 2017. Nava said the fundraising for the graduating class came in much lower than expected and, as such, he was asking the Committee to increase its commitment up to \$20,000 so that the 2017 class would be able to establish an endowment. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee increases the Foundation's commitment up to \$20,000 for the 2017 senior class gift.

Motion by: Kimberly Brandon

Seconded by: Camilla Smith Motion: Passed

Committee Restructuring – Athletics & Advocacy: Nava said he thought the Advocacy Committee was too broad in its issues and focused heavily on state level issues. He believes the committee should have a new charge with a more local emphasis to engage local leaders. He said he was working with his advocacy staff to draft a new charge. With regards to the Committee on Athletics, Nava said that as of July 1, 2017, the Athletics Department would report directly to President Wong. Nava said that moving Athletics to the President's Office was consistent with good practices in the NCAA and the CCAA of having the Athletics Director report to the President. Nava said he would like for the Foundation's Committee on Athletics to remain in effect for one more year to help ensure a smooth transition. He said the Committee on Athletics' assistance and support during the transition year would ensure continuity with our fundraising

efforts, which included increasing scholarships, enhancing programmatic support and improving facilities.

Committee Chairs Appreciation Luncheon: Nava said the Foundation had a very committed board who dedicated a lot of time to its success. He said the heavy lifting happened at the committee level and as such he would like to thank committee chairs for their time. Nava said he would like to host a luncheon for the committee chairs sometime in August after the summer break.

Board & Annual Meeting Agendas: The Committee reviewed the agendas for the annual and regular board meetings.

Executive Committee Meeting Dates for FY 17-18: The Committee reviewed and agreed on the dates for the 17-18 executive committee meetings: August 30, 2017, November 9, 2017, March 23, 2018 and June 1, 2018.

Campus Update: Nava provided the latest updates on the campus climate issues. He said the Government & Community Relations Office had developed a timeline of events over the past year. He mentioned that President Wong would be meeting with the Jewish Caucus in Sacramento in the coming week. He said we still needed to resolve the “Know Your Rights” matter and complete the Time, Place, Manner policy.

IV. Investment Committee Report: Brandon mentioned that since entering into an investment advisory contract with Cambridge Associates (CA), we had met with them twice to discuss an investment plan and revised policy for the Foundation moving forward. Brandon said the first meeting on April 19th was to lay out CA’s understanding of the Foundation, its spending policy, and its financial and investment objectives, including its mission-related or SRI investing objectives. She said at the May 11th meeting, CA provided data on some of the key things driving endowment returns, specifically asset allocation. Brandon said CA presented the Investment Committee with two investment proposals broken down by asset classes. She said the proposal that CA recommended had a 20% allocation to private investments, which concerned some committee members. Brandon said she was working with CA to adjust the allocations to a place that the committee would be comfortable with. She said that CA had also drafted a new SRI policy, which incorporated pieces of our old policy but enhanced some of the environmentally-focused and ESG language. Brandon said we were scheduling another meeting to finalize the asset allocation, discuss whether to continue with a separate Green Fund or combine with the regular portfolio and to discuss the optimum governance structure for investment decisions and approvals.

V. Committee on Directors Report: Huss reported that the committee met on May 15 and reviewed the board analysis. She said the committee agreed that more diversity on the board was important and that one or two members in science and technology should be added. Huss mentioned that the committee also reviewed the application of Mr. Man J. Kim, owner of Lori’s Diner, and recommended his membership to the board. Huss also mentioned that the Committee on Directors discussed the re-election of board members whose terms were expiring on June 30, 2017:

1-Year Term – (July 1, 2017 – June 30, 2018)

Weston Adams, Student Representative

3-Year Term – Re-elected to a Second Term (July 1, 2017 – June 30, 2020)

Vince Anicetti	2014 – 2017
Kimberly Brandon	2014 – 2017
Taylor Safford	2014 – 2017
Dottie Simmons	2014 – 2017

3-Year Term – Re-elected to a Third Term (July 1, 2017 – June 30, 2020)

Nancy Fudem	2013 – 2017
Judy Marcus	2011– 2017
Wade Rose	2011– 2017

3-Year Term – Re-elected to a Fourth Term (July 1, 2017 – June 30, 2020)

John Gumas	2008 – 2017
Mary Huss	2010 – 2017
Herb Myers	2010 – 2017
Don Nasser	2008 – 2017
Camilla Smith	2008 – 2017

Huss said the board members confirmed their willingness to continue on the board. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed slate of elected and re-elected directors.

Motion by: Taylor Safford Seconded by: Don Nasser Motion: Passed

Huss further mentioned that the Committee on Directors also reviewed the slate of officers and committee chairs for FY 2017-2018, as follows:

Officers: David Serrano-Sewell, Chair; John Gumas, Immediate Past Chair; Taylor Safford, Vice Chair; Robert Nava, President; and Venesia Thompson-Ramsay, Secretary and Treasurer.

Chairs: Wade Rose (Advocacy Committee); Don Nasser (Audit Committee); Ted Griggs and Dennis O'Donnell (Committee on Athletics); Mary Huss (Committee on Directors); John Gumas and Camilla Smith (Campaign Cabinet & Development Committee); Kimberly Brandon (Investment Committee).

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

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed slate of officers and chairs for FY 2017-2018.

Motion by: Robert Nava Seconded by: Don Nasser Motion: Passed

VI. Audit Committee Report: Nasser reported that since the last Executive Committee meeting, our auditing firm Grant Thornton had completed the Foundation's 2015 governmental return (also known as the IRS Form 990). He said the 990 was circulated to the Executive Committee for review and was submitted electronically by the May 15th deadline. Nasser said we were getting ready to kick off the audit for fiscal year 16-17. He said an Audit Committee meeting had been scheduled for June 15th where the auditors would outline the audit plan and timeline for completion. Nasser said the audit for fiscal year 16-17 would be completed by the fall.

VII. Advocacy Committee Report: There was no report.

VIII. Campaign Cabinet/Development Committee Report: Gumas reported that as of June 1st, \$65.5 million (M) had been raised toward our \$150 million campaign goal. Of this \$65.5M, approximately \$51M was for current use and \$14M in planned gifts. Gumas said the majority of the funding to date, about \$24M, was from alumni, while \$12M was from foundations and \$7.8M from corporate support. Gumas said that friends of the university had given over \$13M. With regards to fundraising progress to date, Gumas said he was happy to report that the development office had turned fundraising around with \$14.8M raised to date (\$11M since December 2016). Gumas said the team was working hard to close \$13M in outstanding proposals in the short-term pipeline. Gumas said the fundraising pipeline for the next year looked promising with over \$80M in submitted and planned proposals. Gumas provided some highlights of recent gifts and pledges, which included \$575,000 from the Opportunity Institute to expand SF State's Project Rebound to eight CSU campuses; \$485,000 from the Building Owners and Managers Association (BOMA) to create a fellowship for the commercial real estate certificate program; \$285,000 from the Peter and Mimi Hass Foundation for early childhood education and \$56,000 from retired faculty member to fund a new fellowship in earth and climate studies. Finally, Gumas mentioned that the next combined Campaign Cabinet & Development Committee meeting would be held on June 6th.

IX. Committee on Athletics Report: There was no report.

X. Adjournment: No further items were discussed. With Smith having made a motion to adjourn the meeting and Huss second, the meeting was adjourned at 1:23 pm.

Respectfully submitted,



David Serrano Belwell, Chair



Date