

# Cal Poly Humboldt FOUNDATION

## MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS

Friday, October 28, 2022

9:00 a.m.

College Creek Community Center Great Hall  
Cal Poly Humboldt  
Arcata, CA

### **Members Present:**

Jenny Harris, Chair  
Robin Smith, Vice Chair  
Gary Blatnick, Treasurer  
Frank Whitlatch, Secretary/Executive  
Director  
Dr. Tom Jackson, Jr., University President  
Eden Donahue, Faculty Representative  
Philip Anton  
Robin Bailie  
Kurt Fraese  
Ken Fulgham  
Scott Hunt  
Carin Kaltschmidt  
Jennifer Keller  
Jack McGurk  
Heidi Moore-Guynup

### **Members Absent:**

Jason Carlson  
Dan Johnson

**Guests:** Amber Blakeslee, Jenn Capps, Jeff Crane, Traci Goff, Sabrina Graham-Martinez, Cooper Jones, Stacie Lyans, Angie Petroske, Dan Phillips, Kyle Plitt, Samantha Puentes, Katharine Reed, Deborah Rice, Jamie Rich, Eric Riggs, Guido Setton, Lise Smith-Peters, Travis Williams, Robert Yunker

The Cal Poly Humboldt Foundation Board of Directors annual meeting was held on Friday, October 28, 2022 at 9:00 AM in the College Creek Community Center Great Hall on the campus of Cal Poly Humboldt in Arcata, CA.

1. Call to Order/Roll Call

The meeting was called to order by Board Chair, Jenny Harris, at 9:06 a.m.

2. Public Comments

Dr. Tom Jackson, Jr., Cal Poly Humboldt President, commented that the University has received state funding to start hiring and planning for new programs related to the polytechnic transition - there is a lot of momentum on this front, coupled with increased enrollment.

3. Acceptance of Minutes from the August 26, 2022 Meeting

A typo was discovered in the Polytechnic Update (agenda item 7) of the draft minutes.

After discussion, and upon motion duly made (Ken Fulgham), seconded (Jack McGurk), and unanimously carried, it was

RESOLVED, that the Minutes of the August 26, 2022 meeting are accepted, as of correction of the typo.

4. Acknowledge Board Appointments

Members of the Board of Directors are appointed by the President of Cal Poly Humboldt. The Board of Directors formally acknowledges these appointments:

Independent members are appointed to serve a term of three years and may be reappointed to serve a second three-year term, after which they must leave the Board for at least one year. In addition, the President is required to appoint at least one faculty, one staff, and one student member for one-year renewable terms.

Upon discussion and motion duly made (Ken Fulgham), seconded (Robin Bailie), and unanimously carried, it was:

RESOLVED, that the appointment of the following individuals to the Board of Directors of the Cal Poly Humboldt Foundation by the President of Cal Poly Humboldt is acknowledged by the Board of Directors:

For a special one-year term:

Jenny Harris

For a regular three-year term:

Robin Bailie

Ken Fulgham

Jennifer Keller

University faculty for a one-year renewable term:  
Eden Donahue

## 5. Acknowledge Outgoing Board Members

Frank Whitlatch, Executive Director of the Foundation, acknowledged the outgoing board members, with appreciation:

- Gary Blatnick, Board Treasurer, served two terms on the Board.
- Scott Hunt, Chair of the Audit Committee, will continue to serve on that committee as a community member and advisor.
- Dan Johnson had termed out and came back to serve an additional term. He was part of the Board at the Foundation's inception.
- Heidi Moore-Guynup served additional years beyond her terms and provided DEI workshops to the Board. She will continue working with Kurt Fraese and the Executive Committee on the Strategic Plan.

## 6. Annual Investment Review

Kyle Plitt, Cal Poly Humboldt Foundation's Investment Advisor at RVK, Inc., has been working for the Board for about 18 years and has seen much growth in the Foundation's investments over time, even as this latest year has been a challenging year for investments.

Fiscal Year 2021-2022, ending June 30, 2022, was an unusually negative year for markets - the Foundation's investments saw a -8.5% return. However, the Foundation significantly outperformed larger institutions due to higher allocation to real estate and lower allocation to fixed income (i.e. bonds), ranking 25th out of 100 to our peers. Income generated from real estate holdings are providing revenue. Over the last decade, The Foundation's portfolio has ranked above average for 8 of those years, even when compared to institutions with up to \$500 million portfolios.

The fiscal year ending in June, 2022, saw the highest inflation in 40 years, which led to an aggressive Federal Reserve response, rising interest rates, and a global economic slowdown. The Russian invasion of Ukraine added to this global inflationary pressure and broad geopolitical tension, but private real estate has been resilient, and has outpaced public markets.

When looking at the historical growth of the Foundation's investment portfolio from 2004 through FYE 2022, we see a 6.3% annualized return net of fees, and while the market value of assets have declined over the past fiscal year, they are up significantly since 2004, and donations to endowments continue to outpace distributions.

RVK, Inc. and the Foundation Finance & Investment Committee periodically review both total returns and volatility (i.e. Standard Deviation). Ideally, the Foundation generates returns that exceed the spending policy (4.5%), foundation expenses (1.5%), and the rate of inflation, exceed performance benchmarks after fees, and minimize volatility. Since its inception, the portfolio has generated higher returns with lower volatility than larger peer institutions.

After conducting the annual asset allocation study, RVK recommended no change to the Investment Policy targets. ESG (Environmental, Social, and Governance) investment strategies, a growing trend in institutional spending, now total nearly 40% of the Foundation's funds.

As we move into 2023, the Board will want to address the transfer (i.e. reduction) of local real estate holdings by evaluating new nationally diversified property funds, continue Green Funds policy development and ongoing ESG manager universe evaluation, and conduct an annual asset allocation study and evaluation of Policy targets.

## 7. Investment Policy Update

Ken Fulgham, Chair of the Finance & Investment Committee, reviewed the proposed changes to the Investment Policy.

After discussion and upon motion duly made (Kurt Fraese), seconded (Robin Bailie), and unanimously carried, it was:

RESOLVED, the Cal Poly Humboldt Foundation Board of Directors accepts the recommendation from the Finance & Investment Committee to approve the redlined updates to the Investment Policy.

## 8. Endowment Distribution Rate for FYE 2024

The purpose of an endowment is to provide a distribution each year that is both relatively consistent from year-to-year and that keeps pace with inflation. Endowment funds are governed by the State of California Uniform Prudent Management of Institutional Fund Act ("UPMIFA") which requires the Board of Directors to invest and manage the Foundation's endowment funds in order to provide a consistent level of distribution for charitable purposes while preserving the capital value of the endowment over time. In order to determine the annual endowment distribution rate the Board must take into account expected investment return, expected inflation, and the 1.5% service charge and balance these with the need to provide a payout amount which is meaningful to the students, programs and departments that benefit from the endowment.

The Finance and Investment Committee recommends that it is prudent to set the distribution rate for fiscal year ending 2024 at 4.5%.

After discussion and upon motion duly made (Ken Fulgham), seconded (Jack McGurk), and carried with one dissension, it was:

RESOLVED, that the Cal Poly Humboldt Foundation Board accepts the recommendation from the Finance & Investment Committee that the endowment distribution amount for fiscal year ending 2024 shall be based upon a rate of 4.5%.

## 9. Committee Reports

Scott Hunt, Chair of the Audit Committee, shared that the auditors, Moss Adams from Medford, Oregon, provided an unmodified (clean) opinion of the Foundation's finances, which is the best you can receive from an auditor. They reviewed new leasing standards that make comparisons difficult. There were no instances of non-compliance and no audit adjustments were made. Overall, they were complimentary of the accounting staff's work, especially due to staffing changes. One uncorrected item regarding the Redwood Capital Bank lease will be picked up next year and there was a discussion regarding the appraisal of the Samoa property. The Foundation has one more year in the agreement with Moss Adams, after which the Foundation needs to bid for a new auditor.

Kurt Fraese, Chair of the Donor Intention & Fulfillment Committee, shared with the Board the importance of letting donors know there is oversight over donated funds. This oversight is completed in part through the Check 5 process. This process reviews funds to make sure they are being used to the donor's intent, that timely acknowledgement has occurred, and to find any irregularities. So far, only minor irregularities have been found and all checked funds are being utilized appropriately. Kurt also shared that the committee usually hears from a faculty member or department leader to share a funding impact presentation, illustrating an example of how donor funds are used. During the last meeting, Dr. John Reiss, Professor of Biological Sciences, shared the impact of a very large gift of half a million dollars to the department to purchase a Transmission Electron Microscope (TEM). Lastly, Kurt shared that Advancement staff and University Accounting staff are conducting weekly meetings to address systemic issues in a timely manner and are making progress on issues regarding gift fees, fund creation, and a comprehensive auditing process to catch minor errors more quickly.

Ken Fulgham, Chair of the Finance & Investment Committee, shared that the committee has discussed rebalancing the percentage of the portfolio in real estate and increasing our percentage of Green Funds. The committee resolved to recommend to the Executive Committee the formation of a Green Investing Review Group. The committee also passed a motion to recommend to the Board a 4.5% distribution rate for FY 23-24, but that there was an initial motion to move it to 4.25% as our fiduciary duties are not only to the distribution but also the retention of sufficient asset strength especially in this time of market volatility.

Jenny Harris, Chair of the Executive Committee, shared with the Board that the committee met on October 5th and passed a resolution accepting the Finance & Investment Committee's recommendation to form a Green Investing Review Group. She also shared that strategic planning was the largest part of that meeting, discussing the University's transition to a polytechnic, its first capital campaign, potential new Board members, and aligning the Foundation with University and student needs.

Jack McGurk, Chair of the Governance & Strategy Committee shared that this committee will be put on hiatus as its members are involved in other activities, including the Boldly Rising Campaign and the Strategic Planning process. Agenda item 10 in this meeting will address the hiatus.

Heidi Moore-Guynup, Board member and leader of the Diversity, Equity, and Inclusion training sessions, reminded the Board of the importance of this critical philosophy and that it should be adopted by all committees in all decisions. Ethnic, gender, and ableism should be considered in the intentional diversification of invested and dispersed funds. The Board should be aware of those who may not know they can get help with funding. Heidi also provided a reminder to hold grace with mistakes in terminology and to challenge commentary when injustices arise.

#### 10. Governance & Strategy Committee On Hiatus

Upon motion duly made (Jack McGurk), seconded (Robin Smith), and unanimously carried, it was:

RESOLVED, that the Governance and Strategy Committee will be on hiatus until a time which the Cal Poly Humboldt Foundation Board of Directors determines there is sufficient reason to reinstate the Committee. Functions of the Committee, if any, will be undertaken by the Executive Committee, until the Committee becomes active.

#### 11. Appoint Officers

The Officers of the Foundation are elected annually by the Board of Directors. Each Officer holds the office for a term of one year or until his or her successor has been elected.

After discussion and upon motion duly made (Ken Fulgham), seconded (Gary Blatnick), and unanimously carried, it was:

RESOLVED, that the following are elected as Officers of the Cal Poly Humboldt Foundation to serve for a term of one year for fiscal year 2022-23, unless otherwise noted, or until a successor is elected, effective immediately:

Chair – Robin Smith (2 years)  
Vice Chair – Jack McGurk  
Secretary – Frank Whitlatch  
Treasurer – Jason Carlson

#### 12. Appoint Executive Committee

The Board of Directors appoints an Executive Committee at its annual meeting. The Bylaws delegate to the Executive Committee certain powers to act on behalf of the Board of Directors.

After discussion and upon motion duly made (Ken Fulgham), seconded (Gary Blatnick), and unanimously carried, it was:

RESOLVED, that the following individuals are appointed to the Executive Committee for the Cal Poly Humboldt Foundation:

Robin Smith - Chair  
Jack McGurk - Vice Chair

Jason Carlson - Treasurer  
Kurt Fraese - Chair, Donor Intention & Fulfillment Committee  
Ken Fulgham - Co-Chair, Finance & Investment Committee  
Robin Bailie - Chair, Audit Committee  
Frank Whitlatch, Secretary and Executive Director  
Vacant - Chair, Philanthropy & Advocacy Committee (*on hiatus*)  
Vacant - Chair, Governance & Strategy Committee (*on hiatus*)

FURTHER, that in accordance with the Bylaws, the Executive Committee is delegated authority to act on behalf of Cal Poly Humboldt Foundation, except for the powers to:

- (a) Set the number of Directors;
- (b) Elect Directors or remove Directors without cause;
- (c) Fill vacancies on the Board of Directors or on any Board Committee;
- (d) Fix compensation of Directors for serving on the Board or any Board Committee;
- (e) Amend or repeal the Bylaws or adopt new Bylaws;
- (f) Adopt amendments to the Articles of Incorporation;
- (g) Amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repeal-able;
- (h) Create any other Board Committees or appoint the members of any Board Committees; or
- (i) Approve any merger, reorganization, voluntary dissolutions, or disposition of substantially all of the assets of this corporation

### 13. Appoint Committees

The Board of Directors appoints one or more committees at its annual meeting. The Executive Committee and the Audit Committee are delegated authority to take certain actions on behalf of the Board of Directors. All other committees are advisory committees and are limited to making recommendations for action by the Board of Directors.

Individuals who are not members of the Board of Directors may serve on advisory committees. The Board has delegated to the Board Chair the authority to appoint non-Board members to advisory committees at any time, however, members of the Board of Directors must be appointed to committees by action of the Board of Directors.

The following resolution establishes the committees and appoints chairs and members for the following year:

After discussion and upon motion duly made (Jack McGurk), seconded (Kurt Fraese), and unanimously carried, it was:

RESOLVED, that the following individuals are appointed to the Cal Poly Humboldt Foundation Board Committees as set forth below:

#### Audit Committee

Robin Bailie, Chair

Philip Anton  
Scott Hunt (non-board member)

Donor Intention & Fulfillment Committee

Kurt Fraese, Chair  
Robin Bailie  
Eden Donahue  
Carin Kaltschmidt  
Jack McGurk  
Frank Whitlatch

Finance and Investment Committee

Ken Fulgham, Co-Chair  
Jason Carlson, Co-Chair  
Philip Anton  
Frank Whitlatch

Governance and Strategy Committee

*On hiatus - the Executive Committee will convene if necessary*

Philanthropy and Advocacy Committee

*On hiatus - the Executive Committee will convene if necessary*

14. Authorize Signatures

At its annual meeting the Board of Directors grants to its officers the authority to sign legal and other documents on behalf of the Foundation. Note that this resolution merely establishes the legality of these individuals' signatures to bind the Foundation for actions which the Foundation has approved and authorized according to its established policies and procedures. This resolution does not grant these individuals authority to act unilaterally or without the direction of the Board of Directors.

After discussion and upon motion duly made (Gary Blatnick), seconded (Kurt Fraese), and unanimously carried, it was:

RESOLVED, that the execution of contracts, assignments, certificates and other instruments of whatever nature which have been authorized to be executed on behalf of the Cal Poly Humboldt Foundation, except in cases where the signing thereof is expressly delegated by the Board of Directors, the Bylaws, policies, or by statute to some other officer, officers, or agent of the Foundation, shall be signed by any of the persons listed below:

Robin Smith, Chair  
Jack McGurk, Vice Chair



Jason Carlson, Treasurer  
Frank Whitlatch, Secretary and Executive Director

FURTHER, that, in addition to the above individuals, the individuals employed by Cal Poly Humboldt in the following roles are authorized to sign checks and similar duly authorized documents consistent with the operating contracts and agreements approved by the Board of Directors and consistent with Board policy:

Controller  
Director of Contracts and Procurement

FURTHER, that the following limits are established for the authority granted to University employees to sign checks or similar duly authorized documents:

- 1) If the total value of the transaction is \$50,000 or more, two authorized signatures, one of which must be the Executive Director, are required;
- 2) If the total value of the transaction is \$100,000 or more, at least one of the authorized signatures must be by a member of the Board of Directors who is not an employee of Cal Poly Humboldt and the Executive Committee must be notified of the transaction; and,
- 3) Under no circumstances may an individual sign a check or similar instrument if it is payable to himself or herself, or an organization or company over which they have substantial control

FURTHER, that this signing authority shall remain in effect until revoked or amended by the Board of Directors.

#### 15. Executive Director's Report

Frank Whitlatch, Executive Director of the Cal Poly Humboldt Foundation, expressed his gratitude to the Board members for their service and to those in attendance for participating in Board business.

#### 16. Chair's Remarks

Robin Smith, newly appointed Board Chair, remarked she is excited to start a new year of service to the Board in a different capacity. She reminded attendees there would be a short break before the meeting resumes at 10:40 A.M. for the Boldly Rising Campaign Update.

#### 17. Other Business

No other business was discussed.

#### 18. Campaign Update

Members of the Boldly Rising Campaign Cabinet, led by Chair Dan Phillips, provided an update on the campaign's progress. As of October 24, 2022, over \$33 million has been raised, placing us at about 66% of the \$50 million goal.

Having metrics and milestones helps keep the fundraising team disciplined and focused. One of these metrics is the Table of Needed Gifts, emphasizing how many prospects are needed at each level to procure a gift at that level.

The Campaign Cabinet reviewed the activities that have been held throughout Donor Appreciation Week, October 24-28, 2022, including the public launch of the campaign, and culminating in a media event after this meeting to celebrate Foundation Board and Campaign Cabinet volunteer giving.

John Ballard, Campaign Cabinet Member, shared information about the launch of Lost Coast Ventures (LCV), a plan in conjunction with Dan Phillips, to grow Cal Poly Humboldt and College of the Redwoods (CR) entrepreneurial activities in concert with Humboldt's Cal Poly designation. LCV is a non-profit organization founded as an avenue to obtain venture funding for startups at Cal Poly Humboldt and CR - this commercial avenue can play a role in attracting and retaining both faculty and students.

#### 19. Adjournment

Without objection, the meeting was adjourned at 11:32 A.M.

*Frank Whitlatch*

[Frank Whitlatch \(May 5, 2023 16:51 PDT\)](#)

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Frank Whitlatch  
Executive Director & Secretary  
Cal Poly Humboldt Foundation

May 5, 2023

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Dated