

# Cal Poly Humboldt FOUNDATION

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

Friday, October 20, 2023  
9:00 AM Pacific Time  
Nelson Hall East, Room 102 (Goodwin Forum)  
Cal Poly Humboldt  
Arcata, CA

### **Members Present:**

Robin Smith  
Jack McGurk  
Jason Carlson  
Frank Whitlatch  
Eden Donahue  
Jordan Kemme  
Philip Anton  
Kurt Fraese  
Ken Fulgham  
Carin Kaltschmidt  
Jennifer Keller  
Robin Quigley

### **Members Absent:**

Tom Jackson, Jr.  
Jenny Harris

**Guests:** Amber Blakeslee, Jenn Capps, Jeff Crane, Mike Fisher, Jacob Furgatch, Kevin Furtado, Stacie Lyans, Cyril Oberlander, Angie Petroske, Nick Pettit, Kyle Plitt, Samantha Puentes, Jamie Rich, Dan Sealy, Guido Setton, Lise Smith-Peters, Indigo Thorson, Teresa Wilmott

The Cal Poly Humboldt Foundation Board of Directors annual meeting was held on Friday, October 20, 2023 at 9:00 AM in Nelson Hall East, Room 102 (Goodwin Forum) 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, Robin Smith, at 9:03 AM.

## 2. Public Comments

There were no public comments.

## 3. Acceptance of Minutes from the August 25, 2023 Meeting

Upon motion duly made (Kurt Fraese), seconded (Ken Fulgham) and unanimously carried, it was

RESOLVED, that the Minutes of the August 25, 2023 meeting are accepted.

## 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 (Jason Carlson) 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 regular three-year term:

Scott Hunt

Carin Kaltschmidt

Jack McGurk

Robin Smith

University faculty for a one-year renewable term:

Eden Donahue

## 5. Acknowledge Outgoing Board Members

Frank Whitlatch, Executive Director of the Foundation, acknowledged and thanked for their service two Board members terming out: Jenny Harris and Kurt Fraese.

## 6. Committee Reports

Kurt Fraese, Chair of the Donor Intention & Fulfillment Committee, reported that Dr. Rick Zechman, Director of Marine Facilities, provided an overview of the Stephen Hillenburg Marine Science Research Award Endowment, the purpose of which is to provide research grant awards to support student research projects in the marine sciences, intersecting both art and science. Dr. Zechman also provided an overview of the facilities and services provided by the Telonicher Marine Lab and R/V Coral Sea, including classrooms, wet labs, course offerings, student employment and outreach

through the marine naturalist program. Lastly, Dr. Zechman touched on the process currently underway to replace the R/V Coral Sea with a new research vessel.

There were no significant findings in the Check 5 Report.

Robin Quigley, Chair of the Audit Committee, shared that there was an Audit committee meeting in September and that the results have been shared with Board Members. The auditors, Moss Adams, provided a clean audit with no material weaknesses or deficiencies and reported that they worked well with University staff.

Ken Fulgham and Jason Carlson, Co-Chairs of the Finance & Investment Committee, reported that the approved investment manager transition plan, informed by the Green Investing Review, was successfully implemented and all asset classes are currently within Investment Policy allowable ranges.

The Finance & Investment Committee passed the following resolution regarding changes to the Investment Policy:

RESOLVED, that the Cal Poly Humboldt Foundation Finance & Investment Committee recommends the Board of Directors accept the redline changes to the Investment Policy, replacing Section VII's SEROP language with updated Environmental and Social Responsibility (ESR) language.

The committee reviewed the Current Market Value of Endowments as of June 30, 2023 and passed the following resolution regarding the Endowment Distribution Rate:

RESOLVED, a recommendation to the Cal Poly Humboldt Foundation Board that the endowment distribution amount for fiscal year ending 2025 shall be based upon a rate of 4.5%.

Robin Smith, Chair of the Executive Committee, reported that the following resolution was passed during the October 6, 2023 meeting:

RESOLVED, that the Cal Poly Humboldt Foundation Executive Committee will fund the purchase price, totaling \$174,055, of the Mobile Alumni Center, in support of positive outreach to Humboldt constituents and prospective students.

## 7. Strategic Plan Update

Kurt Fraese, Co-Leader of the Strategic Planning effort, shared that the culminating strategic planning meeting occurred yesterday, resulting in a document outlining four focus areas with implementation strategies. The focus areas include charitable giving and donor engagement, board development, environmental and social responsibility, and property investing. This will be a living document, meant for periodic review and updating and will provide guidance in board activities and decisions.

## 8. Campaign Update

Executive Director Frank Whitlatch reviewed the current campaign report for activity occurring during the month of September 2023. Three years after the campaign's public

launch, we have reached 86% of our \$50 million goal and the total number of donors surpasses that of enrolled students. Often, high activity (visits and asks) and high giving alternate, with high activity in one period leading to increased giving in subsequent periods. This period shows high activity and the gift officers feel confident there will be some very large gifts coming in the next few months.

## 9. Annual Investment Review

Kyle Plitt, RVK Investment Advisor, reported to the Board a positive 7.3% net of fees return for fiscal year 2022-23, putting the Foundation in the 74th percentile, underperforming larger institutions due to a significantly higher allocation to real estate in a year where global equity markets soared. High allocations to real estate had a stabilizing effect when markets were down in 2021-22, but provided for reduced returns once the stock and international markets rose. However, the Foundation remains competitive with its policy goals and has outperformed 81% of its peers over the previous 3 years.

Regarding historical growth of the investment portfolio since 2005, the Foundation has seen a 6.4% annualized return net of fees, assets have significantly increased, and donations continue to outpace distributions.

RVK and the Finance & Investment Committee periodically review both total returns and volatility of the investment portfolio. The Board has established an Investment Policy seeking returns that exceed spending policy (4.5%), Foundation expenses (1.5%), and the rate of inflation, exceed performance benchmarks after fees, and minimize volatility. Over the last decade, the portfolio has generated higher returns with lower volatility than larger peer institutions.

After conducting the annual asset allocation study, RVK recommended increasing allocations to fixed income (+4%) and real estate (+2%), offsetting these with reductions in US equity (-4%) and Non-US equity (-2%). The proposed target was based on more compelling interest rates (i.e. income from bonds), and the continued expansion of local real estate holdings.

Following these asset allocation changes in March 2023, the Committee approved underlying investment manager changes in August 2023, increasing dedicated Environmental & Social Responsibility (ESR) strategies from 38% to 69%.

## 10. Investment Policy Update

Ken Fulgham, Co-Chair of the Finance & Investment Committee, reviewed the proposed changes to the Foundation's Investment Policy.

After discussion and upon motion duly made (Ken Fulgham), seconded (Robin Smith), 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 redline changes to the Investment Policy, replacing

Section VII's SEROP language with updated Environmental and Social Responsibility (ESR) language.

#### 11. Endowment Distribution Rate for FYE 2025

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 & Investment Committee recommends that it is prudent to set the distribution rate for fiscal year ending 2025 at 4.5%.

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

RESOLVED, the Cal Poly Humboldt Foundation Board of Directors accepts the recommendation from the Finance & Investment Committee that the endowment distribution amount for fiscal year ending 2025 shall be based upon a rate of 4.5%.

#### 12. 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.

Upon motion duly made (Carin Kaltschmidt), seconded (Robin Quigley), and unanimously carried, it was:

RESOLVED, that the following are elected as Officers of the Cal Poly Humboldt Foundation Board of Directors to serve for a term of one year for fiscal year 2023-24, unless otherwise noted, or until a successor is elected, effective immediately:

Chair – Robin Smith  
Vice Chair – Jack McGurk  
Treasurer – Jason Carlson  
Secretary – Frank Whitlatch

#### 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 (Ken Fulgham), seconded (Eden Donahue and Jack McGurk, simultaneously), 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

Scott Hunt, Chair

Philip Anton

Eden Donahue

Carin Kaltschmidt

Donor Intention & Fulfillment Committee

Carin Kaltschmidt, Chair

Philip Anton

Eden Donahue

Jordan Kemme

Jack McGurk

Frank Whitlatch

Finance and Investment Committee

Ken Fulgham, Co-Chair

Jason Carlson, Co-Chair

Dan Johnson (community member)

Robin Smith

Robin Quigley

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. 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 (Jack McGurk), seconded (Eden Donahue), 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  
Carin Kaltschmidt - Chair, Donor Intention & Fulfillment Committee  
Ken Fulgham - Co-Chair, Finance & Investment Committee  
Scott Hunt - Chair, Audit Committee  
Frank Whitlatch - Secretary and Executive Director  
Vacant - Chair, Philanthropy and Advocacy Committee (*on hiatus*)  
Vacant - Chair, Governance & Strategy Committee (*on hiatus*)

FURTHER, that is 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

## 15. 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.

Upon motion duly made (Ken Fulgham), seconded (Carin Kaltschmidt), 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  
Assistant 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.



16. Executive Director's Report

Frank Whitlatch, Executive Director, introduced to the Board the following individuals:

Kevin Furtado - Foundation Business Analyst  
Teresa Wilmott - Associate Vice President, Development  
Lise Smith-Peters - Director of Development  
Stacie Lyans - Director of Development  
Guido Setton - Director of Development  
Samantha Puentes - Financial Analyst

17. Chair's Remarks

Robin Smith, Board Chair, thanked all the members for their dedication and support.

18. Other Business

Robin Smith, Board Chair, reminded members that Angie Petroske, Board Coordinator, will send electronic documents for signature next week including the Consent for Electronic Communications and the Conflict of Interest/Confidentiality forms. The 2024 meeting dates were reviewed.

19. Closed Session - Property

The Board of Directors moved into closed session at 10:46 AM to discuss property.

The Board of Directors returned to open session at 11:04 AM.

Executive Director Frank Whitlatch reported that the Board took action on two property items during closed session.

19. Adjournment

Without objection, the meeting was adjourned at 11:05 AM.

*Frank Whitlatch*  
Frank Whitlatch (Apr 27, 2024 09:19 PDT)

---

Frank Whitlatch  
Executive Director & Secretary  
Cal Poly Humboldt Foundation

Apr 27, 2024

---

Dated