

CAL POLY HUMBOLDT FOUNDATION

MINUTES MEETING OF THE BOARD OF DIRECTORS

Friday, August 26, 2022
9:00 AM

Hybrid: In-person and Zoom Teleconference

Members Present:

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

Members Absent:

N/A

Guests:

Kyle Plitt, RVK

Cal Poly Humboldt Personnel: Jenn Capps, Jeffrey Crane, Traci Goff, Sherie Gordon, Cooper Jones, Stacie Lyans, Cyril Oberlander, Angie Petroske, Samantha Puentes, Katharine Reed, Deborah Rice, Eric Riggs, Lise Smith-Peters, Connie Stewart, Travis Williams, Shawna Young

A meeting of the Cal Poly Humboldt Foundation Board of Directors was held on Friday, August 26, 2022 at 9:00 AM both in-person at the Humboldt Bay Aquatic Center and via Zoom Teleconference.

1. Call to Order/Roll Call

The meeting was called to order by Board Chair, Jenny Harris, at 9:00 A.M.

2. Public Comments

Cal Poly Humboldt President, Dr. Tom Jackson, Jr., shared information on a shift of administration within the University and Provost Dr. Jenn Capps provided an update on the pre-census student enrollment numbers. Total enrollment is currently up 5% from last fall and new student enrollment is up about 35%.

3. Acceptance of Minutes from the March 25, 2022 Meeting

After discussion and upon motion duly made (Ken Fulgham), seconded (Heidi Moore-Guynup) and unanimously carried, it was

RESOLVED, that the Minutes of the March 25, 2022 meeting are accepted.

4. Investment Report

Kyle Plitt, RVK Investment Manager, provided a preview of a lengthier presentation for the Board during the October meeting. The 2021-22 fiscal year was an unusually poor year for all investors. The Foundation had a -8% return. This percentage is calculated before fees so that it can be comparable to other institutions. This is largely a result of a slowing US economy, growing inflation, and rising interest rates. These factors have a negative impact on overall economy and investors in bond markets. However, while performance was negative on an absolute basis, the Foundation has substantially outperformed peers. This is a result of a significantly higher allocation to real estate (including local properties), a lower allocation to fixed income (i.e. bonds, which have been negatively impacted by rising interest rates), and excess returns by select investment managers.

The new fiscal year, 2022-23, is off to a good start with a 5.9% net of fees return from July 1 through August 17, 2022. It is RVK's hope that inflation is peaking and will soon start to slow.

Over the course of last fiscal year, the Fund's estimated market value decreased from \$49.5 million (6/30/21) to \$44.6 million (6/30/22). This decline includes -\$0.7 million in net cash flow, largely attributed to annual distributions. RVK expects fiscal year 2023 distributions will occur by the end of the first quarter (September 2022). As of 8/17/22, the Fund's estimated market value has increased from \$44.6 million to \$47.1 million.

5. Properties Report

Frank Whitlatch, Executive Director of the Foundation, reviewed the list of properties held by the Foundation and those held by Real Estate Holdings, with emphasis on homes and townhomes surrounding campus. The buildings on these properties will be upgraded and used as transitional housing for faculty and leadership moving here from out of the area while they look for permanent housing. Frank also mentioned the construction of a "Green & Gold" corridor – a foot bridge from the Craftsman's Mall location to campus.

6. Committee Reports

Ken Fulgham, Chair of the Finance & Investment Committee, discussed the Foundation's current over-allocation to real estate assets and the need for the Executive Committee to formally acknowledge this variance as an unusual event given the Market volatility and the temporary holdings of local real property on behalf of Cal Poly Humboldt. A working group consisting of Frank Whitlatch, Ken Fulgham, Kyle Plitt, Scott Hunt, and Jason Carlson will convene to make updates to the Investment Policy.

The Finance Committee also resolved to recommend to the Executive Committee the formation of a Green Investing Review to be formed this Fall. Membership to this group as tentatively planned would consist of:

- a Foundation Board member (appointed by the Executive Committee)
- the Foundation's investment manager, Kyle Plitt
- the Vice President for University Advancement, Frank Whitlatch
- a member of the public, Peter Lehman
- the University Sustainability Analyst, Katie Koscielak
- the Chair of the Finance & Investment Committee, Ken Fulgham
- a current Cal Poly Humboldt student (selected by the University Sustainability Analyst)

Kurt Fraese, Chair of the Donor Intention & Fulfillment Committee, shared that the committee met on August 5th and that the meeting was well-attended. Guest speaker Jeff Crane, Dean of the College of Arts, Humanities, and Social Sciences, provided a presentation on his view of positive impacts to his college from Foundation funding. The committee also received a Check 5 report. This report only contained one month of data, which is unusual, but there were other administrative tasks tackled by staff. There were no serious issues to report and the accomplishments were discussed. Kurt mentioned that committee volunteers will be working with staff to create priorities for the creation of a dashboard as well as how the multiple property investments are ultimately viewed as positive and that effort should be made to communicate these positives to the community.

Jack McGurk, Chair of the Governance & Strategy Committee, shared that his committee had no pressing business so the meeting was canceled. However, he met with representatives from Sacramento State University and they mentioned they were interested in implementing a Check 5 plan for their campus, mimicking the process employed by Cal Poly Humboldt University Advancement.

Jenny Harris, Chair of the Executive Committee, shared information regarding the following resolutions passed during the August 12, 2022 Executive Committee meeting. She informed the Board that the resolution accepting the Committee Chair's reports provides formal acknowledgement of the Foundation's current over-allocation to real estate assets.

RESOLVED, the Cal Poly Humboldt Foundation Executive Committee approves a special distribution of \$45,000 from the Quasi-Endowment called "School of Business Endowment" (A4011) to the current use fund called "School of Business Program" (A6661).

RESOLVED, the Cal Poly Humboldt Foundation Executive Committee affirms the Executive Director's decision to create an endowed fund to support the Logging Sports Club as discussed.

RESOLVED, the Cal Poly Humboldt Foundation Executive Committee accepts the Committee Chair's Reports as presented for the following committees: Donor Intention and Fulfillment, Governance and Strategy, and Finance and Investment.

RESOLVED, the Cal Poly Humboldt Foundation Executive Committee accepts the Finance & Investment Committee's recommendation to accept the FY 2022-23 Budget as presented.

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 Committee Chair's Reports as presented for the following committees: Finance & Investment, Donor Intention & Fulfillment, Governance & Strategy, and Executive.

7. Polytechnic Update

Dr. Jenn Capps, Cal Poly Humboldt Provost and Vice President for Academic Affairs, and Sherie Gordon, Cal Poly Humboldt Vice President for Administration & Finance, are co-leading the implementation of the various polytechnic projects underway. They provided an update on the status of these efforts since receiving the polytechnic designation in January of 2022.

Academic program planning: The University will have 12 new programs by Fall 2023 - 8 new Bachelors programs, 1 new Masters program, and 3 new Certificate programs.

Hiring: The University will recruit-for and hire faculty early for these programs so they can build the program. A cluster-hiring strategy was employed to bring on-board 22 new tenure-track hires (12 specific to new poly programs). Over 50% of the new hires identify as BIPOC which closely matches the school's student population.

Student support: Place-based learning communities allow students to connect with faculty, have a cohort, and provide hands-on learning. This type of support helps students connect with place and their program. A goal is to one day provide all students with this opportunity, as it is connected to better retention and higher graduation rates.

Enrollment is up over last fall after having been in decline. For the first time in eight years housing is full, leading the effort to create temporary student housing at hotel in Arcata.

VP Gordon highlighted some of the upcoming polytechnic priorities including the following:

- Marketing/Branding - new brand guidelines; comprehensive marketing and media plan launch (Humboldt Magazine Fall 2022 offers a sneak peek); environmental branding, such as wayfinding on campus and in the community
- Infrastructure – scaling growth and focusing on being a regional campus, not just a presence in Arcata; 3 main foci:
 - Athletics – need to find new spaces for recreational sports and the possibility of adding space for rodeo
 - Student Housing – goal of 6,000 beds for students, currently have identified space for 4,800 beds
 - Academic Buildings – Marine Facility Research Lab, Engineering/Technology Building, Science Complex, Applied Research & Climate Resilience
- Transportation and Parking – working with stakeholders across community, including the cities of Eureka and Arcata, CalTrans, the College of the Redwoods, and local tribal communities; goal is to make sure students can get from campus to community; will be launching shuttle system as temporary solution

8. Campaign Update

Stacie Lyans, Interim Executive Director of Development, and Deborah Rice, Associate Vice President of Development at Cal Poly Humboldt, provided an update on the Boldly Rising Campaign, indicating an increased interest from donors likely due to the polytechnic designation. Additional Directors of Development on staff have allowed for increased visits with donors to discuss how the University is leveraging the \$458 million awarded from the state to implement the polytechnic standing. The campaign's public launch phase will begin the week of October 24, 2022.

9. Strategic Priorities

Frank Whitlatch, Executive Director of the Foundation, and Jenny Harris, Chair of the Foundation Board, introduced Board members Kurt Fraese and Heidi Moore-Guynup, as facilitators of the Strategic Planning discussion and process. The current purpose statements of the Foundation, Cal Poly Humboldt, and University Advancement were reviewed and discussed, as well as an overview of the strategic planning conceptual approach. Next steps and timing were discussed.

10. Chair's Remarks

Jenny Harris, Foundation Board Chair, announced that Robin Smith will serve as the new Foundation Board Chair for a two-year term starting after October 2022 meeting.

11. Other Business

Frank Whitlatch, Executive Director, mentioned that a draft of the 2023 Board Meeting

Dates will soon be available and reminded attendees there is a reception at Septentrio Winery for Board and Campaign Cabinet members at 4pm.

11. Adjournment

Without objection, the meeting was adjourned at 11:13 AM.

Frank Whitlatch
Frank Whitlatch (May 8, 2023 11:46 PDT)

Frank Whitlatch
Executive Director & Secretary
Cal Poly Humboldt Foundation

May 8, 2023

Dated