

HUMBOLDT STATE UNIVERSITY FOUNDATION

MINUTES OF THE FINANCE & INVESTMENT COMMITTEE

AUGUST 6, 2021
ZOOM TELECONFERENCE MEETING

MEMBERS PRESENT:

Ken Fulgham, Ph.D.
Dan Johnson
Frank Whitlatch

ABSENT:

Robin Bailie
Tom Jackson, Jr.
Heidi Moore-Guynup
Scott Hunt

Guests:

Jenny Harris, Robin Smith, Jack McGurk, Carin Kaltschmidt, Jay Bower, Peter Lehman, Ph.D., Kyle Plitt, Katie Koscielak, Deb Rice, Katharine Reed, Jamie Rich and Lola Alto

A meeting of the Humboldt State University Foundation Finance & Investment Committee was held on Friday, August 6, 2021 at 2:30 PM via ZOOM Teleconference.

1. Call to order

The meeting was called to order by Finance & Investment Committee Chair, Ken Fulgham, Ph.D. at 2:36 PM

2. Public Comments

There were no public comments.

3. Acceptance of Minutes from the May 28, 2021 meeting

Upon motion duly made (Johnson) and seconded (Whitlatch) and unanimously carried, it was:

RESOLVED, that the Minutes of the May 28, 2021 meeting are accepted as submitted.

4. Financial Statement Ending June 30, 2021

The Financial Statements, from Wells Fargo, for Q4 FY2021 (April 1– June 30, 2021) were not available at the time of this meeting. This agenda item was tabled until the next scheduled meeting on Sept. 17, 2021.

5. Property

The committee discussed the recent purchase of the 697 8th Street Arcata property and building and the rate of return on that investment.

Upon motion duly made (Johnson) and seconded (Fulgham) and unanimously carried, it was:

RESOLVED, that the HSU Foundation Finance & Investment Committee recommends that the HSU Foundation transfer ownership as well as the lease of 697 8th Street Arcata to Real Estate Holdings and that this be in exchange for issuance of a 10 year interest only note with quarterly payments totaling 7% annually of the total purchase price and fees.

6. Asset Allocation

Kyle Plitt, Sr. RVK Investment Manager, reported that through July 31, 2021, the Fund's estimated market value has increased from \$37.9M (December 31, 2020) to \$49.5M. \$7.1M of which is allocated to the University Center Fund. The Fiscal Year 2021 Return is 29.75. The Fiscal Year to Date estimate is at 0.3% and the Calendar Year to Date estimate is 10.5%.

Since 2015, RVK has led annual evaluations of potential “Green Funds”-strategies committed to fossil fuel divestment. Eligible funds are expected to maintain robust assets under management, generate a sufficient track record of excess returns, while running a strategy consistent with the objectives of the HSUF. **HSUF has since expanded its total “green” target allocation to 43%.**

RVK presented information on two funds to consider adding to the portfolio, Boston Common International Equity (BCAIX) and Calvert Green Bond (CGBIX) with the removal of two Vanguard Funds. **This would consideration would increase the total “green’ target allocation to 59%.**

Upon motion duly made (Fulgham) and seconded (Johnson) and unanimously carried, it was:

RESOLVED, that the HSU Foundation Finance & Investment Committee recommends that RVK replace the Vanguard Total International Stock Market Fund with Boston Common International Equity (BCAIX) in the Non-US Large Cap Equity Asset Class.

Upon motion duly made (Fulgham) and seconded (Johnson) and unanimously carried it was:

FURTHER RESOLVED, that the HSU Foundation Finance & Investment Committee recommend that RVK replace Vanguard Total Bond Market Index Fund with Calvert Green Bond (CGBIX) in the Fixed Income Asset Class.

7. FY 2021-22 Budget

The FY 2021-22 Budget had been a Discussion Item at the May 28, 2021 Finance & Investment Committee meeting. Further discussion at this meeting included the investment of hiring additional Development Officers and the Administration Fee. The Committee noted that they would like to see the report be presented in the future so that the University Center Fund is listed separately.

Upon motion duly made (Fulgham) and seconded (Johnson) and unanimously carried, it was:

RESOLVED, that the HSU Foundation Finance & Investment Committee recommends that the HSU Executive Committee accept the FY 2021-22 Budget as presented with future examination of the Endowment Service Charge by the HSUF Finance & Investment Committee and HSUF Board of Directors.

8. Adjournment

Without objection, the meeting was adjourned at 3:50PM.