

HUMBOLDT STATE UNIVERSITY FOUNDATION

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

March 27, 2020
ZOOM VIRTUAL MEETING

Present:

Robin Bailie
Gary Blatnick
Kurt Fraese
Kenneth Fulgham
Jenny Harris

Scott Hunt
Jennifer Keller
Destiny Mancilla
Gary Rynearson
Frank Whitlatch

Not present:

Dan Johnson
Heidi Moore-Guynup
Eric Ramos

Guests:

Dr. Tom Jackson-HSU President, Kyle Plitt-RVK, Inc., Jake Theno-RVK, Inc., Aashika Patel – CCS Fundraising, Julie Siebel-CCS Fundraising.

HSU Personnel:

Deb Rice, Steve Kinder, Jamie Rich, Michal Murgage, Anna Gaines, Stephanie Lane, Peggy Metzger, Holly Hilgenberg, Travis Williams and Lola Alto.

The Humboldt State University Foundation Board of Directors annual meeting was held on Friday, March 27, 2020, via ZOOM teleconference.

1. Call to Order/Roll Call

The meeting was called to order by Chair Manolo Moralses at 9:03 A.M.

2. Public Comments

Dr. Tom Jackson, Jr., HSU President, thanked the board members for their leadership during these trying times that the university and the community are facing during the current COVID-19 health crisis. He thanked them for their willingness to be here and part of the HSU community.

Dr. Jackson noted that the health and safety of the students, faculty, staff and community is of great importance. Ensuring that students have housing and food security are essential. Many students don't have a "home" to go to during this health crisis. Having the Residence Halls available to address emergency homelessness and for student for which the Resident Halls are their primary residences HSU is providing housing security while providing a social distancing environment. The University is refunding parking fees which would have been collected since staff, faculty and students are not on campus during the Shelter at Home State and CSU mandates. The University is also refunding housing and dining fees which would have been used during the remainder of the semester. The University is not able to refund mandatory tuition or fees.

The University is moving forward to ensure degree progression. The University has gone from just a few online classes to 100% virtual modality in a short few days. They have working to ensure that all students have a laptop and access to internet services to continue their education. If students do not have laptops special funds have been made available to purchase and mail those laptops to students.

HSU has worked to be good stewards in the community. In the past nearly 18,000 people were on campus on a daily basis. Today that total is close to zero. The University is working to help "flatten the curve" to mitigate the spread of the COVID-19 virus in the community. Nearly all staff, faculty and administrators are working fully in the virtual modality.

HSU has a huge economic impact on the area and with Shelter in Place orders there is an economic impact on the local economy. Even before the current health crisis, the University has been facing economic challenges and the need to tighten its belt. Declining enrollment has been seen and economically felt for several years. It is the University's plan to become a better institution and one way is to evolve as a strong online presence. Families are experiencing decimated incomes and this leads to students staying home to conserve living expense and prevent food insecurities. Fifty percent of Humboldt's current enrollment is from students transferring from community colleges. Moving forward the Foundation's role becomes even more important.

3. Acceptance of Minutes from October 18,2019 Meeting

It was noted that under Agenda Item 18-Authorized Signature Frank Whitlatch should be listed as Secretary and Executive Director and the letter C is a typographical error which should be deleted.

Upon discussion and motion duly made, seconded, and unanimously carried, it was:

RESOLVED, that the Minutes of the October 18, 2019 meeting are accepted as corrected.

4. Guidelines for Use of Discretionary Contributions and Revenue

Executive Director Frank Whitlatch, Board Chair Manolo Morales, and Board Vice Chair Gary Rynearson explained that the Guidelines for Use of Discretionary Contributions and Revenue were approved at the October 18, 2019 Board of Directors Meeting. At the recent Executive Committee it was discussed that this policy should be brought back before the Board of Directors for amendment. It was discussed that by amending Section II, Guideline 3 of the Use of Discretionary Contributions and Revenue policy it provides a level of accountability and oversight on spending and to ensure that the HSUF Executive Committee is aware of such expenditures.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the HSUF Board of Directors accept the consideration from the Executive Committee to amend the Guidelines for Use of Discretionary Contributions and Revenue, Section II Use of Discretionary Revenue, Guideline 3, to read “Fund any other important University priorities, as requested by the University President in consultation with the Foundation Executive Director and Board Chair.

5. US Equities Structure & Current Stock Market Outlook

Frank Whitlatch introduced Kyle Plitt of RVK, Inc (RVK), the Foundation’s investment consultant. Kyle Plitt reviewed the volatile nature that the market finds itself due to the COVID-19 pandemic. The market has seen drastic changes. This has been the fastest “Bear” market in history and a recent report stated 3.3 million people have applied for unemployment benefits which is the highest in US history. Plitt noted that we are experiencing a public health crisis and not a financial crisis, at least not yet. The Endowment was valued at \$32.7 million invested on 12.31.19 and, as of 03.27.20, the value is now at an estimated \$28.3 million.

Kyle Plitt, along with direction from, and in consultation with, the HSUF Finance & Investment Committee recommend the HSUF Board consider a restructure of the large cap U.S. equity portfolio. This would be done by terminating the current Vanguard 500 Index Fund and the INTECH Large Cap Growth Fund which are currently each 7% of the total portfolio. These funds would be replaced by the addition of the Brown Sustainable Growth Fund which would be 9.3% of the Endowment portfolio. As a result the HSUF Endowment portfolio would be at 38% “Green” up from 26%. As a reminder the original goal was to be 10% divested from fossil fuels and concerning sectors.

Given the exceptional volatility in equity markets, RVK has prepared a transition plan to mitigate the impact of market timing-transitioning assets over a 3 week period. Additionally, the Finance & Investment Committee will be looking closely at the distribution rate from the Endowment given the recent decline in portfolio value.

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the HSUF Board of Directors accept the recommendation of the Finance & Investment Committee that the Foundation terminate INTECH and Vanguard then invest in Brown Sustainable Growth Fund and that the Finance & Investment Committee work in consultation with RVK, Inc. Managers to accomplish this transition.

6. Executive Directors Report

Executive Director Frank Whitlatch thanked the board members for attending the meeting using ZOOM so that social distancing could be observed and yet a full meeting could be held.

7. Community Consulting Services, Inc. (CCS)

Frank Whitlatch introduced Aashika Patel, Corporate Vice President & Team Leader and Julie Siebel, Asst. Vice President & Project Coordinator from Community Consulting Services, Inc. (CCS). CCS came highly recommended by the CSU Chancellor's Office, CSU Bakersfield, UC San Francisco and UC Davis. They are compensated by a flat fee for the scope stage and deliverables. The management stage of the campaign can be either in-house or CCS, Inc. can manage with a monthly flat rate fee.

Ms. Patel noted that concerns about the impact of COVID-19 underscore the nonprofit sector's vital leadership role in the welfare of our community. In light of the current and rapidly evolving circumstances, CCS offered ten Timeless Fundraising Principles to remember and reinforce:

1. Increase Communication
2. Communicate Financial Impact
3. Leverage Technology
4. Consider Special Fundraising Initiatives
5. Consider Special Briefings
6. Avoid Wholesale Cancellation of Fundraising Plans
7. Develop a Short-term Action Plan
8. Reaffirm Your Mission and Impact
9. Motivate Your Stakeholders
10. Show Empathy and Concern for Your Stakeholders

CCS has summarized that HSU has been in the quiet phase of a campaign for the last year. Since the campaign started, there has been leadership and staff transition. HSU's president is enthusiastic about the fundraising process and interested in trying new things. HSU is looking at a possible 5-7 year, \$40 million to \$50 million comprehensive campaign.

CCS's Pre-Campaign Planning Study Scope of Work is split into 6 steps, which are:

1. Prepare Study Tools-questionnaires, interview letters, lists of participants;
2. Activate Study Advisory Task Force-identify key leaders who will review and approve materials and reports;
3. Conduct Readiness and Capacity Assessments-Review Mission Statements, fundraising programs, staffing, financials, past campaigns, donor base and messaging;
4. Conduct Strategic Conversations & E-Survey-Strategic conversations, e-surveys, focus groups;
5. Data Analysis-Provide wealth screening and review of donor database;
6. Develop and Present Study Reports, Comprehensive Campaign Plan and Lists-Report findings and make recommendations. Aid in Planning, list of prospective leaders and donors.

CCS's Call to Action for the HSUF Board included:

1. Develop a work plan;
2. Serve as an ambassador and advocate for HSU, its strategic priorities and the campaign;
3. Open doors and extend invitations to those in their network to special events, tours or meetings;
4. Join staff on tours with philanthropy prospects;
5. Host an event at the school, in their home or at other venues;
6. Work closely with leadership to provide information and develop strategies for key prospects;
7. Give personally; and
8. Help thank and steward donors.

8. Other Business

Board Chair Manolo Morales reminded the members of upcoming board meetings on August 28 and October 23, 2020.

There was no other business to present.

9. Adjournment

Without objection, the meeting was adjourned at 10:30AM.



Frank Whitlatch
Executive Director & Secretary
HSU Foundation

10/21/20
Dated