

# HUMBOLDT STATE UNIVERSITY FOUNDATION

## MINUTES OF THE FINANCE & INVESTMENT COMMITTEE

March 5, 2020  
NHW 213  
Humboldt State University

**Members Present:**

Robin Bailie  
Kenneth Fulgham  
Scott Hunt (via ZOOM)  
Dan Johnson (via ZOOM)  
Moore-Guynup, Heidi (via ZOOM)  
Robins, Duncan (via ZOOM)  
Frank Whitlatch

**Absent:**

Morales, Manolo  
Ramos, Jason

**Guests:**

Gary Rynearson-HSUF Board Vice Chair; Doug Dawes-VP of Administration & Finance; Kyle Plitt and Jake Theno-RVK, Inc.; Mike Fisher; Elizabeth Whitchurch; Jamie Rich; Peggy Mecham-Carlotti; Sarah Long, and Lola Alto.

A meeting of the Humboldt State University Foundation Finance & Investment Committee was held on Thursday, March 5, 2020 at 2:30 PM in Nelson Hall West 213 on the University campus.

1. Call to order

The meeting was called to order by HSUF Vice Chair Gary Rynearson at 2:37 PM.

2. Public comments

There were no public comments.

3. Acceptance of Minutes from the October 8, 2019 meeting

Upon motion duly made, seconded and with 3 abstentions, it was

RESOLVED, that the Minutes of the October 8, 2019 meeting are accepted.

After further discussion an amended motion was duly made, seconded and unanimously accepted, it was

RESOLVED, that the Minutes of the October 8, 2019 meeting are accepted as amended with a correction that HSUREH has “leased” the Samoa Boulevard property to HSU and not “transferred” as originally recorded.

4. Review of Financial Statements through December 31, 2019

The unaudited financial statements for the second quarter of FYE 2020 were reviewed and discussed. Sarah Long, HSU Auxiliary Accountant, reviewed the materials with the committee. The committee expressed concern that Guidelines for Use of Discretionary Contributions and Revenue, which was adopted at the October 18, 2019 Board of Directors Meeting, should be revisited with Section II Use of Discretionary Revenue, Guideline 3 be amended to “Fund any other important University priorities, as requested by the University President in consultation with the Foundation Executive Director and Board Chair”. This would provide assurance that board oversight was included in decisions for major expenditures using Foundation operational funds. It was requested that the issue of amending this document be brought to the Executive Committee so that a resolution may be addressed at the March 27, 2020 Board of Directors Meeting.

The Committee requested further adjustments to the tables presented to provide for clarification with ease of reading and understanding.

5. US Equities Structure

Kyle Plitt, RVK, Inc. Investment Manager, provided background information on the Large Cap US Equity which is the largest target allocation (28%) in the HSUF portfolio with \$9.3 million spanning four investment managers (one “Green”). In August 2019 RVK introduced two Green Managers for further evaluation. In November 2019 and February 2020 the Finance Committee reviewed preliminary comparisons of hypothetical portfolio performance and characteristics with a simplified three manager (two Green) structure.

At today’s meeting RVK recommended terminating the INTECH and Vanguard funds currently in the portfolio and invest in the Brown Sustainable Growth Fund. Brown has exhibited more competitive results over the long-term net of fees. Vanguard and INTECH will continue to have allocations to the energy and utilities sectors whereas Brown does not. The recommended portfolio will further the Foundation’s mission of divestment, increasing “Green” allocations from 26% to 38%.

The Committee discussed current market volatility and uncertainty due to upcoming Presidential elections and COVID-19 pandemic concerns. RVK, Inc. managers would work closely with the Committee and HSUF accountants during the investment change.

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

RESOLVED, that the Finance and Investment Committee recommend to the HSUF Board of Directors 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. HSU Real Estate Holdings

This is a requested standing agenda item. Scott Hunt noted that the previous Minutes from October 8, 2019 meeting noted that the Samoa Boulevard property was transferred to HSU. This was an error as the property has been leased not transferred. A corrected Minutes will be issued. By leasing the property to HSU, the HSUF has a greater flexibility for use of the property. There has been Open Houses to allow other campus people and submit proposals for its usage.

There are tentative plans to hold the next HSUREH Board of Directors meeting in April or May 2020.

7. Other Business

There was no other business to discuss.

8. Adjournment

Without objection, the meeting was adjourned at 4:20 PM