

HUMBOLDT STATE UNIVERSITY FOUNDATION

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

OCTOBER 23, 2020
9:00 AM
TELECONFERENCE MEETING

Present:

Robin Bailie
Gary Blatnick
Jay Bower
Kurt Fraese
Kenneth Fulgham
Jenny Harris
Dan Johnson

Carin Kaltschmidt
Jennifer Keller
Jack McGurk
Heidi Moore-Guynup
Gary Rynearson
Robin M. Smith
Frank Whitlatch

Not present:

Scott Hunt
Tom Jackson, Jr.
Destiny Mancilla
Eric Ramos

Guests:

Kyle Plitt-RVK, Inc., Jake Theno-RVK, Inc, Aashika Patel-CCS Fundraising, Julie Siebel-CCS Fundraising, Deborah Rice, Stephanie Lane, Sarah Long, Peggy Mecham-Carlotti, Jamie Rich and Lola Alto.

The Humboldt State University Foundation Board of Directors annual meeting was held on Friday, October 23, 2020, via ZOOM teleconferencing.

1. Call to Order/Roll Call

The meeting was called to order by Board Chair Gary Rynearson at 9:02 AM

2. Closed Session

The board moved into the closed session at 9:04 AM. to discuss asset allocation involving property. Robin Bailie recused herself from any discussion or action on this item.
The board returned to open session at 9:20 AM

3. Public Comments

There were no public comments.

4. Acceptance of Minutes from September 14, 2020 Meeting

Upon discussion and motion duly made (Fulgham), seconded (Bailie, Blatnick), and unanimously carried, it was:

RESOLVED, that the Minutes of the September 14, 2020 meeting are accepted.

5. Acknowledge Board Appointments

Members of the Board of Directors are appointed by the President of Humboldt State University. 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 terms, 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 (Fulgham), seconded (Blatnick) and unanimously carried, it was:

RESOLVED, that the appointment of the following individuals to the Board of Directors of the Humboldt State Foundation by the President of Humboldt State University is acknowledged by the Board of Directors:

For a special one-year term:

Gary Rynearson
Heidi Moore-Guynup

For a regular three-year term:

Jay Bower
Carin Kaltschmidt
Jack McGurk
Robin Smith

University faculty, staff, students for a one-year renewable term:

Vacant, (faculty)
Destiny Mancilla (student)

6. Annual Investment Review

Kyle Plitt, RVK Investment Manager, provided information on Endowment Investment Portfolio. RVK and the Finance & Investment Committee periodically review both total returns and volatility (i.e. Standard Deviation). Ideally the Foundation generates returns that align with the spending policy (4.4 to 4.5%), performance benchmarks, and fees; and minimize volatility. Since inception, the portfolio has generated higher returns with lower volatility than larger peer institutions.

RVK reported on the 2020 Portfolio Structure and Divestment progress. HSUF has eliminated concerning exposures via INTECH and Vanguard equity funds (14%) of portfolio and added “green” manager Brown Sustainable Growth Fund. The new policy target allocation approved and “green” allocation increased from 26% to 38%.

The 2021 Objectives are:

- Continue Green Funds universe education and monitoring. The latest recommendation (property acquisition) increase targeted divestment allocation from 38% to 43%.
- Complete real estate transaction and portfolio restructure.
- Annual asset allocation study and evaluation of new Policy target.

7. Endowment Distribution for FY 2022

The purpose of an endowment is 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 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 and Investment recommends that it is prudent to set the distribution rate for fiscal year ending 2022 at 4.4%.

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

RESOLVED, that the Board of Directors approves distributions from its endowment funds for Fiscal Year Ending 2022 based upon 4.4% of the 12-quarter rolling average of market values through June 30, 2020.

8. CCS Fundraising

Aashika Patel and Julie Siebel from CCS updated the board on current progress of campaign. They presented the Gift Pyramid which will be used on the Giving website as well as shared with donors to acknowledge the various levels of financial support.

The proposed timeline is:

Wave 1-Planning Phase is scheduled for August-December 2020

- Identify the need and goal
- Draft and test the case
- Build campaign team
- Identify the campaign volunteer leadership
- Build Prospect pool
- Engage and leverage Foundation Board leadership
- Establish timeline and benchmarks
- Develop graphic identity
- Refine campaign messaging and case

Wave 1-Quiet Phase-scheduled for January 2021-April 2022

- Finalize the case, campaign's visual identity, and key messages
- Build campaign collateral materials, briefing documents, grant proposals, stewardship letters
- Recruit and train volunteer leadership (including Foundation Board)
- Educate and cultivate closest benefactors and their friends
- Solicit large and early gifts ("top-down" and "inside-out")
- Expand prospect pool
- Raise 70-80% of the campaign total goal
- Lay the groundwork for the public phase goal
- Review campaign goal and adjust if appropriate for public phase

Wave 1-Public Phase-scheduled for May 2022-June 2023

Wave 2-Planning Phase-scheduled for July 2022-June 2023

Wave 2-Quiet Phase-scheduled for July 2023 (Tentatively)

9. Executive Directors Report

Executive Director Frank Whitlatch acknowledged the board's commitment to the campaign and thanked them for their service.

10. Diversity, Equity & Inclusion

Heidi Moore-Guynup has volunteered to chair the new Diversity, Equity & Inclusion (DE&I) Committee. Several board members have already volunteered to join this committee and the invitation was extended to all members.

Heidi Moore-Guynup presented the board with information which would be beneficial for this committee. Suggested topics for the D, E&I committee to explore and discuss include:

- Unpacking the 4 Dimensions of Racism
- Why being Color Blind is Dangerous
- Additional readings and guided questions
- Define White Privilege
- White Fragility
- Why? Black Lives Matter
- Cultural Appropriation
- Equity Goals for HSUF Board
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It was requested that this committee also look into how the board can acknowledge the land HSU is built upon. HSU has such an acknowledgement and it will be discussed by this committee.

11. Committee Reports

The committee chairs, or their representatives provided the following meeting summaries:

- Support for Fundraising Study Group-Gary Rynearson and Jenny Harris reported that the study group has met and are making progress toward understanding how the board can support the fundraising efforts.
- Donor Intention & Fulfillment Committee-Kurt Fraese reported that this committee has met and are using the Check 5 system to ensure that donor intent is met when a gift is made. The Advancement staff randomly chooses 5 Advancement funds and completes a deep-dive review. If irregularities are found the Advancement staff report those findings, and how corrections were made, to the committee. This provides the committee with a better understanding of the gift cycle and the impact donations make to the students, programs, scholarships and endowments.
- Finance & Investment Committee (F&I)-Ken Fulgham, committee chair reported that the F&I committee continues to work with Frank Whitlatch and Kyle Plitt, RVK Inc. Senior Investment Manager. The Committee discussed and agreed upon a 4.40% endowment distribution rate for the FY 2021-22 as noted previously in the meeting. The committee was also involved with the information presented during the closed session earlier in this meeting.

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.

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

RESOLVED, that the following are elected as Officers of the Humboldt State University Foundation to serve for a term of one year or until a successor is elected:

Chair – Jennifer Harris
Vice Chair – Vacant
Secretary – Frank Whitlatch
Treasurer – Gary Blatnick

13. 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 (Blatnick), seconded (McGurk), and carried unanimously, it was:

RESOLVED, that the following individuals are appointed to the Executive Committee for the Humboldt State University Foundation:

Jennifer Harris, Chair
Vacant, Vice Chair
Gary Blatnick, Treasurer
Kurt Fraese, Chair of the Donor Intention and Fulfillment Committee
Ken Fulgham, Chair of the Finance and Investment Committee
Heidi Moore-Guynup, Chair of Diversity, Equity and Inclusion Committee
Vacant, Chair of the Philanthropy and Advocacy Committee-Temporarily on hiatus due to Campaign work.
Vacant, Chair of the Governance and Strategy Committee-Temporarily on hiatus.
Executive Committee will convene, if needed.
Frank Whitlatch, Secretary and Executive Director

FURTHER RESOLVED, that in accordance with the Bylaws, the Executive Committee is delegated authority to act on behalf of Humboldt State University 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 repealable;
- (h) create any other Board Committees or appoint the members of any Board Committees; or
- (i) approve any merger, reorganization, voluntary dissolution, or disposition of substantially all of the assets of this corporation

14. 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 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 to 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 proposed resolution established the committees and appoints chairs and members for the following year:

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

RESOLVED, that the following individuals are appointed to the Humboldt State University Foundation Committees as set forth below:

Audit Committee

Scott Hunt, Chair
 John Dalby (non-board member)
 Vacant, (non-board member)
 Frank Whitlatch

Donor Intention & Fulfillment Committee

Kurt Fraese, Chair
 Gary Blatnick
 Jay Bower
 Carin Kaltschmidt
 Jack McGurk
 Robin Smith
 Frank Whitlatch

Finance and Investment Committee

Ken Fulgham, Chair
Robin Bailie
Scott Hunt
Dan Johnson
Frank Whitlatch

Governance and Strategy Committee

On hiatus due to Campaign work. If needed the Executive Committee will Convene, if necessary.

Philanthropy and Advocacy Committee

On hiatus to focus on Campaign work.

Diversity, Equity and Inclusion Committee

Heidi Moore-Guynup, Chair
Gary Blatnick
Jennifer Harris
Gary Rynearson
Frank Whitlatch

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.

After discussion and upon motion duly made (Rynearson), seconded (McGurk), and carried unanimously, 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 Humboldt State University 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:

Jennifer Harris, Chair
Vacant, Vice Chair
Gary Blatnick, Treasurer
Frank Whitlatch, Secretary and Executive Director

BE IT FURTHER RESOLVED, that, in addition to the above individuals, the individuals employed by Humboldt State University 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

Manager of Student Financial Services

Director of Contracts and Procurement

BE IT FURTHER RESOLVED, that the following limits are established for the authority granted to University employees to sign checks or similar duly authorized documents:

- 1) If the 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 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 Humboldt State University 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.

BE IT FURTHER RESOLVED, that this signing authority shall remain in effect until revoked or amended by the Board of Directors.

16. Other Business

Jenny Harris noted that a complete schedule of meetings should be provided to everyone. Kurt Fraese emphasized the need to appoint a faculty member to the board. Frank Whitlatch is actively seeking a faculty member to join the board. Several members inquired about ways to contact President Jackson to express condolences. Frank will resend information that was provided to the campus and community.

17. Adjournment

Without objection, the meeting was adjourned at 11:45 AM



Frank Whitlatch
Executive Director & Secretary
HSU Foundation

April 21, 2021
Dated