

ADVANCEMENT
FOUNDATION
HUMBOLDT STATE UNIVERSITY

**MINUTES
OF THE ANNUAL MEETING OF THE
BOARD OF DIRECTORS**

**February 22, 2019
Humboldt State University
NHE 106
Arcata, CA**

Present:

Gary Blatnick	Alisa Judge (via ZOOM)
Tory Catteneo	Manolo Morales
Laura Fisher (via ZOOM)	Lisa Rossbacher, Ph.D.
Kurt Fraese (via ZOOM)	Gary Rynearson
Mark Hemphill-Haley	Craig Wruck

Not present:

Jenny Harris
Scott Hunt
Dan Johnson
Heidi Moore-Guynup
Eric Ramos

Guests:

Lola Alto, Amber Blakeslee, Wayne Brumfield, Tom Cairns, Douglas Edgmon, Dr. Alexander Enyedi-Provost & VP of Academic Affairs, Maria Forrest, Warren Harrelson, Dr. Cheryl Johnson, Executive Director of ODEI, Bernadette McConnell, Peggy Mecham-Carlotti, Dr. Brian Mistler, Executive Director of Student Health & Wellbeing Center, Deborah J. Rice, Interim AVP of Philanthropy, Jamie Rich, Travis Williams, Director of Annual Giving, Frank Whitlatch, AVP of Marketing & Communication and Robert Yunker.

The Humboldt State University Advancement Foundation Board of Directors annual meeting was held on Friday, February 22, 2019, in the Nelson Hall East Room 106 on the campus of Humboldt State University in Arcata, CA.

1. Call to Order/Roll Call

The meeting was called to order by Chair Alisa Judge at 9:06 A.M. The Finance & Investment Committee recommended that Item #10 "Revise Signature Limits" be tabled until the next meeting when Vice President of Administration and Finance can be present to provide background and explanation. An issue has arisen regarding property insurance.

Without objection, the agenda was amended to table the signing authority action item and substitute an information item regarding property insurance.

2. Public Comments

There were no visitor comments.

3. Acceptance of Minutes from October 12, 2018 Meeting

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

RESOLVED, that the Minutes of the October 12, 2018 meeting are accepted as corrected.

4. Executive Director's Report

Executive Director Craig Wruck noted that the Finance and Investment Committee thoroughly reviews financial statements and present their recommendations to the full Board of Directors. He reviewed a flowchart tracing contributions through the Foundation, explaining the three fund types included in the Foundation financial statements:

- Unrestricted Funds – funds over which the Foundation has discretion to spend for purposes and at times it sees fit. The Foundation's annual operating budget comes from this category.
- Temporarily Restricted Funds – contributions where a donor has imposed restrictions as to the purpose or timing of use; the Foundation's responsibility is to ensure that the money is used as the donor intended. The majority of contributions are in this category.
- Permanent Funds – those where a donor has indicated that the contribution is to be used to provide a permanent source of funding for a charitable purpose; the Foundation's responsibility is to invest and manage the funds in order to make consistent distributions that keep pace with inflation over time

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

RESOLVED, that the Board of Directors affirms the acceptance of the financials ending December 31, 2018.

Craig Wruck reported that HSUAF and HSUREH filed automatic extensions (May 15, 2019) on their 990 Tax Returns. The Centennial Memorial Grove project had originally collected \$16,000 in donations however due to cost and time overruns the proposed improvements have proven to be cost prohibitive. Facilities Management have agreed to continue looking at alternative locations and designs.

Craig Wruck presented for future consideration a Cost Allocation Reimbursement Proposal for Fiscal Year 2019-2020. In compliance with State law and the requirements and policies of the California State University (CSU), the Humboldt State University

Advancement Foundation (HSUAF) proposal is that, in order to better serve the educational mission of the University, The Foundation proposes that the University adopt a Cost Allocation Reimbursement Plan that recognized the full value of tangible as well as intangible exchanges of value provided to the University by the Foundation. The proposed plan is in alignment with the Cost Allocation Reimbursement Plan applied by the Office of the Chancellor to the California State University Foundation. The proposed plan would increase undesignated funds available for the University.

5. President's Report

President Lisa Rossbacher thanked the Board for their continuing support of the students and HSU. Her focus includes to be developing a stable budget, expanding involvement with accessible technologies, and ensuring a smooth transition for the new incoming president. Dr. Alex Enyedi, Provost & Vice President of Academic Affairs, provided a hand-out on Enrollment Management Data. Applications are fewer than last year. HSU graduation rates are higher from 14.7% to 22%. The current cost to attend HSU is \$25, 260 per year. When scholarships and other financial aid are subtracted students have an average of \$6,251 of unmet need.

President Rossbacher noted other issues include the collaborative effects of College of the Redwoods and HSU have been instrumental, along with private funding from the community, to enable forward movement for a Nursing Program. KHSU is focused on current operations.

6. HSU Real Estate Holdings

Wruck reported that the Humboldt State University Sponsored Programs Foundation voted to transfer four properties to HSUREH. He reminded the Board that HSUREH was created 2 ½ years ago as a wholly owned subsidiary of HSUAF. The transfer of titles on these four properties is pending. In the future there are expectations that the Natural History Museum and the Schatz Tree Farm will also be transferred from HSUAF to HSUREH.

Gary Rynearson updated the Board that the 600+ acres forest in Jacoby Creek had been gifted to the State. It is owned by HSU and will be an excellent natural resource for fieldwork.

7. Articles of Incorporation

Craig Wruck reminded the Board that the HSU Advancement Foundation had recently applied for a name change with the IRS and the Franchise Tax Board. The new name will be Humboldt State University Foundation (HSUF). The word Advancement would be removed as it didn't hold meaning for donors and was creating administrative confusion on campus. It was also noted that the existing Articles have a narrow purpose of education whereas the updated change would broaden the purpose to charitable.

Next steps would be passing a resolution accepting the new name change, filing appropriate documents with both the Internal Revenue Service (IRS), the Franchise Tax Board (FTB) and the Attorney General of California's office.

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

RESOLVED, that the Board of Directors approves the name change from Humboldt State University Advancement Foundation (HSUAF) to Humboldt State University Foundation (HSUF or Foundation) and

FURTHER RESOLVED, that the Board of Directors approve the revision of their Articles of Incorporation to broaden the purpose of the Foundation from educational to charitable.

8. Committee Reports

Laura Fisher, Philanthropy & Advocacy Committee Chair, requested the appointment of David Kalb to the HSUAF Philanthropy & Advocacy Committee as a non-board member.

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

RESOLVED, that David Kalb is appointed to the Philanthropy & Advocacy Committee as a non-board member.

Craig Wruck, on behalf of Patrick Cleary, Audit Committee Chair, requested the appointment of John Dalby, CEO of Redwood Capital Bank, to the HSUAF Audit Committee as a non-board member.

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

RESOLVED, that John Dalby is appointed to the Audit Committee as a non-board member.

9. Revised Budget

The budget for Fiscal year 2018-19 were adopted, the Board of Directors asked that a revised budget be presented for consideration mid-year after actual beginning fund balances were available. When the fiscal year 2018-19 budget was presented in June 2018 it included projected July 1, 2018 fund balances but, because of the timing of certain financial information those projected fund balances were based upon December 31, 2017 actual fund balances. The discussion was that it would be prudent to provide the Board with an opportunity to consider the fiscal year 2018-19 budget mid-year after actual beginning balances were available.

The following changes were noted:

Unrestricted (Foundation Operations) – The actual beginning fund balance was slightly higher, \$70,918, than projected at the time the budget was adopted.

Permanently Restricted (Endowment) – The actual beginning balance is significantly higher, \$734, 857, than projected at the time the budget was adopted. This is due largely to higher projected contributions and better investment performance during the second half of fiscal year 2018-19

Temporarily Restricted – The actual beginning balance is significantly lower, -\$856,742, than projected at the time the budget was adopted. This is due to greater utilization of contributed funds by the campus. The Temporarily Restricted fund balance represents donor restricted contributions that have not yet been put to use as the donors intended.

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

RESOLVED, that the Revised Budget for fiscal year 2018-19 based on actual beginning fund balances are approved.

10. Property Insurance

Craig Wruck reported that thanks to due diligence on the part of HSU Accounting an error had been discovered with the insurance coverage on properties held by HSUAF, HSUREH and Humboldt State University.

HSUAF owns the Natural History Museum and land in Maple Creek (Schatz Tree Farm). The building located on the Maple Creek property is owned by HSUSPF with a lease agreement which expired in 2018.

HSUREH owns both the Samoa Boulevard warehouse property currently leased to HSU and 570 Granite Avenue, Arcata which is lease to tenants.

HSU (the State) owns the Trinity Annex property.

Staff will notify the Board when proper insurance is secured on all HSUAF and HSUREH properties.

11. Guest Presentation

Dr. Brian Mistler, Executive Director of Student Health and Wellbeing Services spoke to the Board about student awareness of services available to them. The Student Health and Wellbeing Services are growing awareness to ensure that every student knows how and where to seek medical and mental health services. His group is working with the Admissions Team as more students are arriving with specialized needs. The recent student approved increase has been put to use with the addition of qualified staff and doctors. The Board was

encouraged to support the Student Health and Wellbeing Services fundraising efforts and to enlist support from their peers.

12. Humboldt Together Campaign

Associate Vice President of Philanthropy, Deb Rice, updated the Board on the status of the Humboldt Together Campaign (the Campaign). The Campaign goal is 7 million dollars by December 2021. It is in the Quiet Phase with Philanthropy Advisors working behind the scenes to secure a lead gift before The Campaign goes public which is anticipated to be in October of 2019. The Campaign focus is on Student Support. The Philanthropy Department is excited to be engaging donors and students at the upcoming IdeaFest which will be held in the HSU Library.

13. Presidential Search

President Lisa Rossbacher excused herself from the room to allow the Board to discuss the ongoing search for the next HSU President.

Alisa Judge and Manolo Morales participated on the search committee. This is a confidential search so information is limited. The search committee will be meeting in April 2019 to review resumes. Interviews are scheduled for May 2019 with a decision announced at the May 2019 Board of Trustee Meeting.

14. Other Business

Wruck noted that the 2019 Board of Directors Meetings are scheduled for:

June 7, 2019, 9 AM to 12 Noon

October 18, 2019, full day on campus

15. Adjournment

The meeting was adjourned at 11:36 AM



Frank Whitlatch
Executive Director & Secretary
HSU Foundation



Dated