

HUMBOLDT STATE UNIVERSITY FOUNDATION

MINUTES

BOARD OF DIRECTORS MEETING

June 7, 2019
Humboldt State University
NHE 106
Arcata, CA

Present:

Gary Blatnick (via ZOOM)
Laura Fisher (via ZOOM)
Kurt Fraese (via ZOOM)
Jenny Harris
Scott Hunt
Dan Johnson (via ZOOM)

Alisa Judge (via ZOOM)
Heidi Moore-Guynup
Manolo Morales (via ZOOM)
Lisa Rossbacher
Gary Rynearson
Frank Whitlatch

Not present:

Mark Hemphill-Haley
Eric Ramos

Guests:

Lola Alto, Douglas Dawes-VP of Administration & Finance, Alexander Enyedi-Provost & VP of Academic Affairs, Maria Forrest, Peggy Mecham-Carlotti, Kristin Pitsenbarger, Deborah J. Rice, Lindsay Richter, Lynn Sandstrom, Travis Williams and Robert Yunker.

The Humboldt State University Foundation Board of Directors meeting was held on Friday, June 7, 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.

2. Public Comments

There were no public comments. Jenny Harris, on behalf of the HSUF Board, thanked President Lisa Rossbacher for her service and support of the students and HSU.

3. Acceptance of Minutes from February 22, 2019 Meeting

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

RESOLVED, that the Minutes of the February 22, 2019 meeting are accepted.

4. Introduction of Special Guest

President Lisa Rossbacher introduced incoming President Dr. Tom Jackson, Jr. Dr. Jackson will be the eighth HSU President.

5. Appointment of Frank Whitlatch to HSUF Executive Director & Secretary

HSUF Board Chair, Alisa Judge, presented the following resolution:

WHEREAS President Rossbacher has appointed Frank Whitlatch as Interim Vice President for University Advancement beginning May 2, 2019, and

WHEREAS the bylaws provide that the Vice President for University Advancement serves as an ex-officio voting member of the Board of Directors, and

WHEREAS President Rossbacher has appointed Frank Whitlatch as Executive Director of the Foundation beginning May 2, 2019, and

WHEREAS President Rossbacher has requested that the Board of Directors grant to Frank Whitlatch the same responsibilities and authority as the previous Vice President for University Advancement,

NOW THEREFORE BE IT RESOLVED, that Frank Whitlatch is appointed as Secretary of the Board of Directors, and,

BE IT FURTHER RESOLVED, that Frank Whitlatch is authorized to sign 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.

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

RESOLVED, Frank Whitlatch is appointed as Executive Director and Secretary of the Humboldt State University Foundation, as of May 2, 2019, with full rights and responsibilities.

6. Executive Directors Report

Executive Director, Frank Whitlatch, presented an overview of the Foundation and fundraising at HSU. The Foundation's Endowment is \$32 million with an annual distribution of \$1.1 million. There are 974 different Advancement Funds of which 220 are endowed and 261 are restricted to scholarships. The largest endowment is \$5.3 million which supports the Schatz Energy Research Center. There were 5,855 individual donors last year. HSU consistently ranks one or two in the CSU System for Alumni giving. The

Chancellor's Office will be assisting HSU on developing campaign readiness and staffing. This will give the Philanthropy Department an opportunity to refocus on major, six figure, gifts especially during the Humboldt Together Campaign.

Associate Vice President of Philanthropy, Deborah Rice, and Director of Annual Giving, Travis Williams, updated the board on the Humboldt Together Campaign. The Campaign remains in the "quiet phase" while seeking a major lead gift. They shared donor stories and encouraged board members to donate, advise, advocate and introduce others to HSU.

7. President's Report

President Lisa Rossbacher thanked the Board for their continuing support of the students and HSU. She noted the Nursing Program is set to begin in Fall 2020. She noted an upcoming bond measure for higher education, if passed, will enable HSU to update several buildings. Enrollment issues continue to be complex. The graduation rate has increased while enrollment and retention continue to decline. Humboldt Loyalty Grants will be announced. These grants are up to \$10,000 with funds coming out of the unrestricted Humboldt Loyalty Fund. The grant criteria this year focused on supporting student success. President Rossbacher announced that the CSU has investigated use of crypto currency which opens new philanthropic opportunities for digital assets.

8. FY 2019-20 Budget

Frank Whitlatch noted that the Finance and Investment Committee thoroughly reviews financial statements and presents their recommendations to the full Board of Directors. There is no change to the Cost Recovery Program which was discussed at a prior February 22, 2019 board meeting. For the FY 2019-20 Budget the beginning fund balance is \$886,320. Total revenue is \$265,876 and total expenses are \$577,000 which includes a \$20,000 line item to support CSU Advocacy for a bond measure for Higher Education which could provide funding for new buildings. The ending balance is \$1,075,196. Required reserves total \$432,750. The HSUF has a strong reserve policy and there is a \$642,446 balance above the Reserve Requirement.

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

RESOLVED, that the Board of Directors affirms the acceptance of the FY 2019-20 HSUF Budget as proposed by the Finance & Investment Committee.

9. Asset Allocation and Revision to Investment Policy

Finance & Investment Chair, Manolo Morales, noted that the Finance and Investment Committee, with the advice of RVK, Inc., propose the removal of BlackRock from the Endowment portfolio due to poor return on investment and volatility of manager and

leadership changes at BlackRock. Removing this fund, and allocating the assets to another green fund increases the Foundation's target from 23% to 26%.

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

RESOLVED, the HSUF Board of Directors approve the Finance and Investment Committee recommendation to remove Blackrock Global Allocation Fund with the expectation to rebalance the Investment Policy with the support of RVK, Inc.

BE IT FUTHER RESOLVED, the Board of Directors approve the Finance and Investment Committees recommendation to support a modest increase in Equity, including Green Allocation to Large/Mid Cap US and International Equities while reducing allocation to the more volatile Small Cap Equities with the support of RVK, Inc.

BE IT FURTHER RESOLVED, the Board of Directors approve the Finance and Investment Committee recommendation to support a modest increase in Fixed Income and TIPS with the support of RVK, Inc.

10. Revision of Signature Limits

Vice President of Administration and Finance, Douglas Dawes, presented a proposal to increase signing limits. As part of the HSUF Business Management Service Agreement, HSU provides accounts payable functions in safe, efficient, and cost effective methods for the timely disbursement of Auxiliary funds. In order to create uniform standard across campus, streamline and increase efficiency HSU asking HSUF to increase the limit for signatures. Per ICSUAM 3103.02-Outgoing Disbursements, whether a payment is being disbursed via ACH, wire, or paper check, a second level review is required when the payment amount is equal to or greater than \$50,000. HSUF current limit is \$15,000.

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

RESOLVED, that the HSUF increase the signature limit from \$15,000 to \$50,000 to align with CSU policy and assure uniform accounting standards at HSU.

11. Committee Reports

- Finance & Investment-Chair Manolo Morales encouraged all board members to join them. There was no further report as committee business had been addressed earlier
- Philanthropy & Advocacy-Chair Laura Fisher thanked members who participated in the donor thank you calls or notes project. She encouraged members to make their annual contribution and create an endowment. Travis Williams lead the group through a Gift Report that is reviewed at every Philanthropy & Advocacy Committee meeting. It was noted that gifts of \$1,000 have increased.
- Donor Intention & Fulfillment-Chair Gary Blatnick updated the board on a presentation by Lisa Bond-Maupin, Dean of College of Arts, Humanities and

Social Services. Further discussion about the committee's role will be taking place in future meetings.

- Executive and Governance & Strategy-Chair Alisa Judge goals for this summer to include streamlining committee meeting calendar to improve flow and to focus on the recruitment of new board members.

12. HSU Real Estate Holdings

Doug Dawes reported that the transfer of four properties from Humboldt State University Sponsored Programs Foundation to HSUF is completed and escrow has closed. The Samoa Blvd. property still being considered for lease to another State entity.

The 890+ acre forest in Jacoby Creek had been gifted to the State. It is owned by HSU and will be an excellent natural resource for fieldwork. The Annex, which was sold to HSU, will likely be rebuilt for the Children's Center if new funds are received from upcoming bond issue. The

13. Other Business

Frank Whitlatch noted that the next Board of Directors Meetings is scheduled for October 18, 2019, on campus. Laura Fisher suggested a dinner or fieldtrip on the evening before the meeting. Kurt Fraese requested an update on the Memorial Grove project be included in the agenda.

14. Board Chair's Comments

Alisa Judge congratulated President Rossbacher on her retirement and thanked her, on behalf of board members, for her leadership.

15. Adjournment

The meeting was adjourned at 11:09 AM



Frank Whitlatch
Executive Director & Secretary
HSU Foundation



Dated