

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CALIFORNIA STATE UNIVERSITY SAN MARCOS UNIVERSITY FOUNDATION**
A California Nonprofit Public Benefit Corporation

February 26, 2013

Members Present:

Luanne Bas, David Bennett, Sammi Carr, Maryann Edwards, John Fortune, Ed Fuller, Ron Gerevas, Linda Hawk, President Karen Haynes, Neal Hoss, Michael McDonald, Josh Pack, Esther Stearns, Steve Wagner

Members Absent:

Helen Adams, Dan Calac, Barbara Harper, Anthony Jackson, Ken Markstein, Jack Raymond, Chris Tresse, Jill Watts

Staff Present:

Cathy Baur, Tina Bell, Donna Lutkus, Greg Svatora

Guest Presenters:

Sean Briner, Jennifer Milo

Proceedings:

On February 26, 2013, and pursuant to California Corporations Code Section 5211(a)(6) a business meeting of the California State University San Marcos Foundation Board of Directors was called to order at 7:37 am by Ms. Esther Stearns, Vice Chair of the Board.

I. Welcome, Updates & Announcements:

Ms. Stearns welcomed everyone to the meeting. She asked the question of the quarter: What word or phrase best describes your perception of CSUSM?

II. Story of the Quarter:

At the start of the meeting, a video of Dr. Ching-Ming Cheng, Assistant Professor of Music at CSUSM, was shown. Mr. Hoss advised that Dr. Cheng would be performing live tonight during one of the Arts and Lectures Series (A&L) events. A&L produces a wide-range of curriculum-linked events, including the Father Boyle Lecture, which was the largest single event on campus (other than Commencement) welcoming over 1,400 people. As events grow, they provide an opportunity for Board members to bring others to campus and share the CSUSM experience.

III. President's Remarks

The President provided the following update:

- Three weeks ago was the ninth annual Report to the Community. With record attendance, it is becoming the destination event for the region. Appearing live on UT TV, the President discussed the Report and shared her thoughts on the vision for public higher education.
- With the passage of Prop 30, the CSU system will still be operating at underfunded levels. The Governor's budget allocates a small increase to the CSU over the next few years, but these come with the expectation that Universities will not increase tuition. The Governor expects the CSU to take on debt services as well as cost sharing for employees including

retirement and healthcare benefits. CSUSM continues to look at partnerships and philanthropy to support efforts.

- The reductions in state appropriations have impacted the University's ability to maintain student services. Therefore, the University is beginning discussions of implementing an Academic Excellence and Student Success Fee. It will be designed to assist with offering more courses to speed up the time to graduate amongst other student success initiatives.
- The new Chancellor has been in his office for two months. His style is very consultative as he has held two posts as President, and intends on allowing Presidents increased flexibility.
- CSUSM has recently signed a partnership of choice with Kaiser Permanente to offer online nursing degree prerequisite courses to Trust participants. This new partnership provides access to over 45,000 members of Kaiser's workforce across all eight of their regions.
- The University Student Union is still on target to open in 2014.
- Athletics continues to impress with over 50 percent of student athletes receiving a 3.0 GPA or higher.
- Save the date for the Annual Gala on Saturday, June 8, 2013.
- The next system wide military liaison, Casey Roberts, will be housed at CSUSM beginning in early March.

IV. Consent Agenda

Ms. Stearns requested a motion to approve the consent agenda which included the previous meeting minutes and the Marketing Committee Charge; it was moved by Ms. Bas and seconded by Council Member Edwards. The December 6, 2012 minutes and Marketing Committee Charge were approved.

V. Committee Reports

A. Executive Committee

Ms. Stearns advised that the next Foundation Board meeting will be held in conjunction with the planning session (retreat) on Thursday, June 13, 2013 from 11 am – 6 pm. The meetings will be scheduled in locations around campus to provide an overview of the various buildings. Ms. Stearns requested 100% participation in the questionnaire sent by Chair Jack Raymond.

ACTION ITEM: Board members to complete the pre-planning session questionnaire.

In an effort to reflect on what is important for each individual Board member, the Committees and the Board as a whole, part of the discussion at the planning session will include Goals and Workplans. It was suggested that:

- Board members –utilize the Expectations of a Board Member, and determine what is of value to them and how their contribution can make a difference
- Committees – utilize their charge as a starting point
- Full Board – utilize the Vision, Mission and incorporate higher level goals

Following discussion regarding the growth of campus auxiliaries and Board members' fiduciary responsibility, the Executive Committee recommended that the Foundation Board create their own standalone Audit Committee, separate and apart from the Joint Audit Committee. Mr. Hoss provided a draft charge for an Audit Committee. After review of the charge, Ms. Stearns requested a motion that the Foundation Board create a standalone Audit Committee and

approve the draft charge; it was moved by Mr. McDonald and seconded by Mr. Fuller, and unanimously carried that the Foundation Board create a standalone Audit Committee utilizing the draft charge.

Mr. McDonald reviewed an idea of creating a new level of giving to the University called the "Friends of the University". With a low entry minimum, "Friends of the University" could help expand the reach to thousands of neighbors and community members. At campus events, such as Report to the Community, the Foundation Board could provide additional information and encourage participation. Mr. Hoss will discuss with Annual Giving staff incorporating this idea into their annual giving program.

B. Marketing Committee

Mr. Fuller thanked everyone for approving the Marketing Committee charge. He advised that the Committee has been reviewing plans set forth by Catalyst. The Committee also brainstormed on ways to increase public relations efforts and would be meeting immediately following the Board meeting.

C. Audit Committee

Mr. Hoss referenced the Form 990 Tax form for the fiscal year ending June 30, 2012. Ms. Stearns requested a motion to approve the Form 990 Tax form; it was moved by Mr. Fortune and seconded by Ms. Bas and unanimously carried that the Form 990 Tax form was approved.

ACTION ITEM: Staff to include the Form 990 Tax form online under its "transparency" web page.

D. Finance and Investment Committee

Mr. Svatora advised that the composite performance is at 14.6% for the calendar year. The past three year average, net of fees, is at 8.7%. In an effort to better diversify the portfolio, the Committee has reallocated holdings within the domestic/international stocks into the emerging market fund Aberdeen Asset Management PLC. Funds held in Giovine have been moved into the Maverick fund of funds. The Committee is also watching the Standard Pacific fund, while first quarter returns were doing well, the last few quarters under performed. Overall, the portfolio continues to have one of the top returns within the CSU system.

Summary financial statements were provided in the agenda packet for Board review, with complete financial statements and investment performance information included in advance via email.

Mr. Svatora reviewed the current endowment spending rates noting that scholarships and program endowments are currently at a rate of four percent for fiscal year 2012/13. He noted that the Finance and Investment Committee recommends to the Board that the spending rate remain at four percent for the fiscal year 2013/14. Ms. Stearns requested a motion to approve keeping the endowment spending rate at four percent for both scholarships and programs for the 2013/14 year. It was so moved by Council Member Edwards and seconded by Mr. Fortune. All members present were in agreement to keep the endowment spending rate at four percent, thus the motion was approved.

E. Membership and Fundraising Joint Committee

Mr. McDonald advised that the last couple of meetings have been held jointly between the Membership and Fundraising Committees since so many topics overlap.

- Senior Class Giving Committee – Ms. Carr reported that the campaign has raised \$1,000 plus the matching gift of \$5,000. Should the Committee reach its goal of \$5,000 plus the matching gift, they will endow the scholarship. The Committee will be creating a video and target students as the year progresses and are closer to graduation. Ms. Carr also mentioned that she will be studying abroad during fiscal year 2013/14. A search for a student representative Foundation Board member will be conducted.

ACTION ITEM: Staff to begin a search for a student representative.

- Alumni – Mr. Fortune advised that the Alumni Association is beginning to work on a strategic plan to increase membership and extend three year memberships to lifetime memberships.
- Events – Mr. McDonald reminded members that the Annual Gala will be held on Saturday, June 8. He encouraged the Board to:
 - Invite a guest to expand our friends of the University
 - Participate in the sponsorship opportunities
 - Bundled sponsorships are available at \$7,500 level with name recognition at three campus events
 - Provide auction items
 - Support the Foundation Board Wine Basket
 - Support the Foundation Board Beer Basket

ACTION ITEM: Board members to support the Annual Gala by inviting a guest, sponsorship, and providing auction items.

VI. Development Update

Mr. Hoss shared an update on CSUSM campaign planning, including a one-page snapshot.

Mr. Hoss reviewed a truncated list of fundraising priorities. Feedback was requested from members as well as suggestions for who would be potential prospects for each priority.

VII. Guest Presentation – Jennifer Milo, Director of Athletics, CSUSM

Ms. Milo provided an overview of the Athletics department, student athletes and the goal of achieving NCAA status. She requested philanthropic support in three main areas:

- Multi-Purpose Arena/Clarke Expansion
- Athletics and Recreation Facilities
- Scholarships

Adjournment:

There being no further business, Ms. Stearns adjourned the meeting at 9:35 am.

Dated: February 26, 2013



Linda Dowd
Secretary