

**MINUTES OF THE BOARD OF DIRECTORS OF THE
CALIFORNIA STATE UNIVERSITY SAN MARCOS FOUNDATION**

A California Nonprofit Public Benefit Corporation

December 15, 2016

Members Present:

Alex Caratti, John Fortune, Jon Fredricks, Ron Gerevas, President Karen Haynes, Neal Hoss, Anthony Jackson, Dawn Myers, Jack Raymond and Steve Wagner with Esther Stearns and Ed Fuller via teleconference

Members Absent:

Luanne Bas, Chris Tresse, Dan Calac, Maryann Edwards, Tony Pack, Toni Ritchey and Sue Moineau

Staff Present:

Cathy Baur, Tina Bell, Kyle Button and Christa Koen

Guest Present:

Emilie Hersh

Proceedings:

On December 15, 2016, 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 7:35 am by Mr. Jack Raymond, Chair of the Board.

Call to Order:

- Chair Raymond welcomed everyone to the meeting and *the* university with tremendous success on Giving Day 2016. He noted the following:
 - This is Alex Caratti's last meeting as he is concluding his studies at CSUSM this month. The Board expressed gratitude for his service as our student representative and provided him with a certificate of appreciation.
 - Tom McGurn has resigned from the Foundation Board as he has moved out of the area, but will continue to support the University through his charitable giving.
- Chair Raymond noted additional presentations to follow on new structure for question of the quarter and Board meetings following the discussions with Board members surrounding the future of the Board. He asked:
 - What question would you like answered at the Foundation Board's Question of the Quarter?

I. President Haynes provided the following update:

- Recent CSUSM leadership change noted and President welcomed Cathy Baur in her new role as Interim Vice President of University Advancement. Neal has stepped in as Interim Vice President of Finance and Administrative Services and campus CFO. He will continue in his role as Executive Director of the board.
- Giving Day was a tremendous success. Thanks were offered to Chair Raymond and Board member Tom McGurn for their challenge gifts as well to the Staples Foundation for its \$25,000 matching gift for food insecurity and Jim Mickelson's \$1,000 matching gift for ACE Scholars Services, all of which contributed to a record number of Giving Day donations.

- CSUSM received a nearly six million dollar Hispanic-Serving Institution STEM grant that will provide foundational funding to start an engineering program. Now working to secure the necessary private-sector funding that will allow CSUSM to launch the engineering program, beginning with computer software and electrical engineering.
- In October donor funds were raised to purchase CSUSM's first Steinway Performance Grand Piano. CSUSM is considering next steps in becoming an all-Steinway campus.
- CSUSM had a record number of freshman applications for Fall 2017 with 16,352 resulting in the largest one- and two-year increases in the CSU system; 7.86% higher than Fall 2016 and 21.38% higher than Fall 2015.
- A letter of intent has been signed for a public-private partnership to design, develop and finance a building located just across the street from the main campus for the University's Extended Learning Program and other academic and student support services growth. The project will move forward following approval from the Chancellor's Office and CSU Board of Trustees.
- The CSU Board of Trustees submitted their Support Budget Request for 2017-18 and the Governor will submit his budget proposal in January. Half of the CSU's revenue comes from the state general fund, which is provided by the state legislature and governor, while the other half comes from system-wide tuition and fees paid by students. If we are not successful in acquiring necessary investment from the state, the Chancellor indicated that a tuition increase will need to be considered for Fall 2017.
- In January 2017, Dr. Joe-Joe McManus will assume the role of Associate Vice President for Diversity and Inclusion, Educational Equity and University Ombuds.
- Based on rankings of job readiness, employability and earnings, *Educate to Career* ranked CSUSM 11 of nearly 1,2000 universities in preparing students for the workforce.
- In recognition of our commitment to diversity, CSUSM was honored by *Minority Access, Inc.* with a Minority Access Award at the National Role Models Conference in Washington, D.C.
- CSUSM opened the Academic Success Center in October 2016 thanks to funds from a 2.5 million dollar award from Governor Jerry Brown that recognized our innovative efforts to serve and retain first-year undergraduate students on their path to a college degree, irrespective of their background.
- The University was awarded a \$20,000 grant as part of the American Cancer Society and the CVS Health Foundation's Tobacco-Free Generation Campus Initiative with plans to be a smoke-and tobacco-free campus by Fall 2017.
- Approximately 1 million dollars in grant funding was received for a program called Graduating American Indians into Nursing, or GAIN.

II. Consent Agenda:

- Chair Raymond requested a motion to approve the consent agenda which included the previous meeting minutes, Committee Reports, Financial Statements, Investment Performance, Gift Fee Policy Correction, Auxiliary Operating Agreement Addendum and Exemption to Bylaws; it was moved by Mr. Wagner and seconded by General Jackson and approved by all.

III. Student Update

- Mr. Caratti noted that the Student Philanthropy Council is working to improve visibility among students on campus, specifically promoting during CougarFest and tabling during

Giving Day. Mr. Caratti recognized student specific gifts during Giving Day resulting in 22 gifts to the Food Insecurity Fund, 19 to the Student Philanthropy Fund and 17 to other areas.

- Ms. Myers reported that during the Fall Phonathon Campaign in October 2016, 37 student workers were employed in the call center raising \$27,833 raised from a total of 587 donors. Ms. Myers noted successful giving from both first-time and lapsed donors as well as a new initiative to reach out to parents of freshmen students.

IV. Advancement Update:

- **Giving Day:** Ms. Baur announced statistics for Giving Day 2016. Total funds raised were \$171,618 from over 550 donors with 49 percent of gifts made by new donors. The top five gift designations were: Athletics, Food Insecurity Fund, ACE Scholars Services, Faculty/Staff Associations and Scholarships, and the Alumni Association Board led with 77 percent of their members making a gift.
- **Campaign Update:** The Board reviewed the Board and Advisory Council Giving Report. As of November 30, 2016 \$31.6 million of the \$50 million campaign goal which is 63 percent. Ms. Baur noted that we are at a critical point in the campaign but are confident as we have strategies in place, gifts in the pipeline along with a strong and motivated development team.
- **CSU Compliance Audit:**
 - The CSU Chancellor's Office conducts a compliance audit of campus auxiliary organizations every three years. There were five findings for the CSUSM Foundation which have all been addressed and remedied.
- **AKT Audit:**
 - The Foundation's final financial audit report for year ending June 30, 2016 has been posted to our website. Hard copies provided.

V. Thank You Cards:

- Board Members were asked to handwrite thank you notes to recent donors. Cards were collected at the end of the meeting and mailed on the Board Members' behalf.

VI. Conflict of Interest:

- Chair Raymond noted that it is required to record all contractual relations with the Foundation and therefore in an abundance of caution, Mr. Wagner disclosed that his company, Stone Brewing, has an annual event contract with the University to hold their company's anniversary celebration on campus at CSUSM. The event is co-sponsored by the University and all proceeds benefit a variety of charitable organizations, including the CSUSM Foundation.

VII. "Guest" Presentation: Report To Board of Directors:

- Chair Raymond acknowledged the committee's time over the summer to discuss the future of the Foundation board and presented the following which were discussed by the Executive Committee in November 2016.
- **Requesting specific task / action items**
 - Short Term Goals: Mr. Hoss shared the status of three short term goals including the Veterans Center Match, Steinway Match, and the Sports Center Video Board Loan, and requested the board's assistance in finding additional philanthropic support to move these projects forward.

- Lofty Goals: Mr. Hoss shared that the launch of an Engineering program and the growth of the research within Action Sports need financial funding and requested the board's assistance in finding additional philanthropic support to fund these initiatives.
- **Discussion at meetings**
 - Chair Raymond communicated that moving forward the Question of the Quarter will be focused on objectives the University or Foundation are currently facing, short term/long term lofty goals, etc. allowing an opportunity for board members to identify solutions and share their expertise.
 - Chair Raymond noted the Take Away will transition from a passive response to an action item with each board member given an opportunity to share an action they will perform and report back on at the next meeting.
- **Restructuring meetings**
 - Foundation Board will continue to meet quarterly beginning at 7:30am at The McMahan House. One meeting will include an annual retreat or planning session as needed. To increase attendance, calling in via teleconference will be offered for board meetings as needed.
- **Committee restructure**
 - Finance & Investment as well as Audit Committees are required and will continue to meet quarterly. Marketing and Fundraisings Committees will be on hiatus and a short term taskforce or individual advisors will be used to address immediate concerns.
 - General Jackson initiated discussion surrounding a Governance Committee which would be responsible for membership management, recruitment, and oversight of required board documentation. Chair Raymond asked for volunteers to serve on a short term task force to discuss the addition of a Governance Committee. Chair Raymond, General Jackson, Mr. Wagner and Ms. Stearns volunteered.

ACTION ITEM: Schedule Governance Committee task force meeting

- **Primary role of the Foundation Board is fundraising**
 - Mr. Button addressed the board to review expectations and fundraising responsibilities noting that fundraising and philanthropic support should be on the forefront of everyone's mind at every meeting. Mr. Button asked each member be educated about the campaign case for support, opportunities and ways to give, as well as promote attendance at and attend campaign events.
 - Mr. Button then presented a process for prospect screening where board members will review current and prospective philanthropic prospects to provide any relevant information or connections that would help CSUSM Advancement staff progress the relationship. Board members were asked to sign a confidentiality and nondisclosure agreement and upon receipt will be contacted by Advancement to begin the screening process which is hoped to be completed in January 2017.
- **CEO Roundtable**
 - Chair Raymond addressed board member suggestions of an annual CEO roundtable where major employers of the region would meet with President Haynes to develop relationships to better serve the region. Chair Raymond asked for volunteers to serve on a short term task force to discuss process and structure. Mr. Wagner and Mr. Fredricks volunteered.

ACTION ITEM: Schedule CEO Roundtable task force meeting

- **Membership**
 - Mr. Hoss stated that with the maturation of the Foundation Board organization, it is necessary to dedicate time to thoughtful and intentional recruitment as growing membership is a priority. The Governance Committee task force will incorporate into their planning.
- **Talking Points**
 - Talking points for the three short term goals were provided and moving forward relevant talking points and highlights about the Foundation and the University will be provided on a monthly basis.

Adjournment:

There being no further business, the meeting adjourned at 9:25 am.

Minutes submitted by: Christa Koen

Dated: December 16, 2016



Secretary