



**MINUTES  
OF THE  
FINANCE COMMITTEE**

**August 31, 2017**

**Members Present:**

Scott Hunt (via ZOOM)  
Dan Johnson (via ZOOM)  
Heidi Moore-Guynup  
Chuck Petrusha (via ZOOM)  
Jason Ramos  
Duncan Robins  
Craig Wruck

**Absent:**

**Guests:**

Chrissie Anderson-HSUAF Accountant  
Doug Dawes-HSU Interim VP of Financial Affairs  
(Peter Lehman-Schatz Energy Research Center)  
Kyle Plitt-RVK Investment Manager  
Jamie Rich-HSUAF Budget Analyst  
Lisa Rossbacher-HSU President  
Rhiannon Wood-HSUAF Accountant  
Lola Alto

A meeting of the Humboldt State University Advancement Foundation Finance Committee was held on Monday, August 31, 2017 at 2:30 PM in Nelson Hall West 213 on the University campus.

1. Call to order

The meeting was called to order by Committee Chair Jason Ramos at 2:31 PM.

2. Visitor comments

Dr. Peter Lehman, Schatz Energy Research Center, provided a history of the establishment of the Schatz quasi-endowment as a separate portfolio and why it is now reasonable and appropriate for the fund to be commingled with the general endowment portfolio.

3. Acceptance of Minutes from the June 13, 2017 meeting

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

RESOLVED, that the Minutes of the June 13, 2017 meeting are accepted.

4. Endowment payout rate for FY 2018-19

Executive Director Craig Wruck presented a flowchart tracing the flow of contributions through the Foundation showing how fees are collected. He also provided a decision timeline for distributions from the endowment. He noted that a 12-quarter trailing average is employed to smooth market volatility.

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.

After discussion the Committee agreed that, given the market trends and the current political climate, it was prudent to set the distribution rate for fiscal year ending 2019 at 4.5% reserving the ability to review the payout percentage should circumstances warrant.

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

RESOLVED, that the endowment distribution amount for fiscal year ending 2019 shall be based upon a rate of 4.5%.

5. Adjustment to Asset Allocation and Revisions to Investment Policy

Kyle Plitt, RVK Investment Consult, presented to the Committee draft revisions to the investment policy. In addition to a number of editorial corrections including updating the name of the Committee, the Asset Allocation table was modified to accommodate the loss of the sale of the Annex property and to incorporate the inclusion of Treasury Inflation Protected Securities (TIPS).

The Committee discussed the implications of the proposed asset allocation changes and acknowledged that the new allocations will provide an increased opportunity for green investments.

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

RESOLVED, that the Finance and Investment Committee recommend the revised Investment Policy to the Board of Directors for approval.

6. Other Business

The Committee asked that Kyle Plitt attend the Board of Directors meeting to discuss and explain the recommended asset allocations and other modifications to the Investment Policy.

7. Adjournment

The meeting was adjourned at 3:24PM.