

A D V A N C E M E N T
FOUNDATION

H U M B O L D T S T A T E U N I V E R S I T Y

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

**February 17, 2017
Corbett Conference Room
Arcata, CA**

Present:

Gary Blatnick
Steve Brown
Laura Fisher (via ZOOM)
Jenny Harris
Mark Hemphill-Haley
Scott Hunt
Dan Johnson
Alisa Judge (via ZOOM)

Emily McBride
Heidi Moore-Guynup
Chuck Petrusha
Jason Ramos
Duncan Robins
Gary Rynearson
Lisa Rossbacher
Craig Wruck

Not present:

David Kalb

Guests:

Lola Alto
Peg Blake
Alex Enyedi
Maria Forrest
Joyce Lopes

Kyle Plitt, R V Kuhns, Inc. (via ZOOM)
Kimberley Pittman-Schulz
Sylvia Shively
Travis Williams
Robert Yunker

The Humboldt State University Advancement Foundation Board of Directors meeting was held on Friday, February 17, 2017, in the Corbett Conference Room on the campus of Humboldt State University in Arcata, CA.

1. Call to order/Roll call

The meeting was called to order by Chair Duncan Robins at 10:06 A.M. Robins asked that, due to possible time conflicts with a board member, Agenda Item 8 and 9 be switched. All present agreed.

2. Public Comments

There were no visitor comments.

3. Approval of Minutes from October 7, 2017 Meeting

Upon discussion and motion duly made, seconded, and carried with four abstentions, it was

RESOLVED, that the Minutes of the October 7, 2017 meeting are approved.

4. President's Report

Humboldt State University President Lisa Rossbacher reported on a collaborate project with College of the Redwoods. The University will assist with a program to allow registered nurses to earn a Bachelor of Science in Nursing (BSN) degree. This would benefit the local healthcare system by retaining local nurses in this rural and underserved area.

She briefed the Board on the University's Intercollegiate Athletics program which is operating at a growing financial deficit. During the State financial crisis in 2008 funding for Athletics was shifted from general funds to student fees in order to preserve general fund resources. An unintended consequence is that expenses have grown faster than revenue. The University is considering options to address the budget problem. Increased fundraising is a component, but cannot fill the financial gap. President Rossbacher expects to solicit advice and counsel from a variety of constituents and, over the summer, develop a plan to address these issues. President Rossbacher indicated that she would welcome board member input.

The University's projected fall enrollment is down. The admissions staff is focused on yield activities intended to ensure that accepted applicants enroll in the fall. In the long term the University needs to assess the number of students it can viably serve and then determine whether or not the existing enrollment targets are attainable. The President also said that the CSU system is supportive of Deferred Action for Childhood Arrivals (DACA) students and that the University is finding ways to provide guidance and advice for these students to be successful, which has become critical in the current political environment.

President Rossbacher shared information about the University's budget issues. Over the past eight years a structural deficit has grown to several million dollars and is not sustainable. Humboldt State University's cost per student is among the highest in the CSU and the challenge for the University is to resolve the budget deficit while moving ahead with student-centered strategic initiatives.

5. Executive Directors Report

Craig Wruck reported the resignation of Board Member Heather Bernikoff and student Board members Elizabeth Morgan and Carlrey Delcastillo. He indicated that the schedule of the fall meeting has been challenging for the timing of the Associated Students'

nomination process and that he would work with the Associated Students to see if their nomination can be accelerated.

Wruck shared the CSU Philanthropy Report for FY 2015-16. The comparative data is useful to review. HSU raised \$6.1 million in charitable donations. Of that only 4% is unrestricted which is better than the 3.3% CSU system-wide, however it illustrates that the culture of giving is changing. The Finance Committee will be discussing the challenge of dwindling unrestricted resources. President Rossbacher noted that nationally there is a decline in unrestricted contributions.

6. Finance and Investment Committee Report

Kyle Plitt, Financial Consultant from R V Kuhns, reported on the investment portfolio which had a 0.0% net investment return as of June 30, 2016. Plitt pointed out that, as disappointing as the figure seemed, the Foundation's return was better than national peers which averaged negative 2%. He reported that as of December 31, 2016 the portfolio had recovered and posted nearly \$800,000 in net unrealized gains year-to-date versus \$1.2 million loss for FYE2016.

Finance Committee Chair Jason Ramos reported on highlights of the February 6, 2017 Committee meeting. Net contributions include \$800,000 in new endowment additions. Current assets decreased about \$500,000 over prior year to date due largely due to increased charitable distributions. Long Term Assets increased \$1.6 million over the prior year mainly due to positive changes in the market and additions to endowment accounts. Total Net Position increased about \$1.2 million over prior year mainly due to positive changes in the market and additions to the Endowment. Contribution highlights included \$2,110,222 total year-to-date contributions received compared to \$2,036,570 from the previous year. \$1,272,923 in contributions to Temporarily Restricted funds year-to-date and \$837,299 in contributions to Permanently Restricted (Endowments) year-to-date.

The Committee also reviewed the Foundation's operating agreement with the CSU Foundation to issue charitable gift annuity agreements on behalf of the Advancement Foundation. Charitable gift annuities are gift agreements that provide a fixed payment to the donor or others in exchange for a contribution. Gift annuities are subject to State regulations and the agreement with the CSU Foundation allows the Advancement Foundation to participate in gift annuities without having to maintain a State registered gift annuity program.

The Finance Committee continues to refine the quarterly reports and seeks Board members' input. The Committee is also examining the budget impact of declining unrestricted contributions.

7. Philanthropy & Advocacy Committee Report

Philanthropy & Advocacy Committee Chair, Laura Fisher, thanked the Board and HSU Administration for their leadership and generosity for the Board's Go Green Fund

Campaign. The campaign is three quarters of the way to the \$100,000 goal. The quiet phase is closing and the next steps are outward facing public phases. The Committee will be working with HSU Philanthropy Advisor Maria Forrest to contact prospective mid-level donors. Maria will partner with HSUAF Philanthropy & Advocacy Committee members to make one-on-one calls to prospective donors. The final stage may be utilizing a crowdfunding platform on the HSU Giving website. The Committee would like to reach out to Facilities Management to discuss the possibility of a summer internship using the funds raised for the Go Green Fund.

The Committee will continue to gather information, ask other Board Members to reach out to personal contacts and cultivate other outside relationships such as the TomKat Foundation. The Board will also be participating in the semi-annual Thank You Letter/Call Project in which selected donors will be contacted by HSUAF Board Members for the sole purpose of thanking them for their support and contributions.

9. Board Committee Restructure

Discussion continued about the committee structure which was begun at the previous Board Meeting and seek approval to proceed with restructuring of the committees to fulfill the purposes of the Foundation. The HSUAF supports and advances the mission of Humboldt State University such as steward, deploy and raise new assets, strategic alignment to provide commentary and feedback to the University and advocacy.

Each Committee is working on reviewing and editing their Roles and Responsibilities. Staff will compile the edits of each committee and present a revised, comprehensive document to the full Board at the June 16, 2017 Meeting.

The Board of Directors usually appoints Committees at its annual meeting. The Donor Accountability Committee has been created and new members to existing committees are necessary.

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

RESOLVED, that the following individuals are appointed to the Humboldt State University Advancement Foundation Committees as set forth below:

Donor Accountability Committee

Gary Blatnick, Chair
Mark Hemphill-Haley

Finance & Investment Committee

Scott Hunt
Dan Johnson

Philanthropy & Advocacy Committee

Jennifer Harris

8. Real Estate Matters

Executive Director Wruck reported that the Humboldt State University Real Estate Holdings (HSUREH) has received its' Internal Revenue Service tax-exempt status under Section 501(c) (3) of the Internal Revenue Code. HSUREH is a subsidiary of the HSUAF and holds real estate for the HSUAF and Humboldt State University. The HSUAF appoints HSUREH Board Members. Its' distributions and/or surplus must be made solely back to the HSUAF.

Wruck reported the purchase of property at 570 Granite Drive, Arcata for the purchase price of \$300,000. HSU Facilities Management will manage the property as a student rental at this time. This property is considered into the long-term vision of the University and is in line with the University's Strategic Plan. Board members requested notification of property purchases via email in the future rather than waiting for board meeting to be convened. It was discussed that a process of communication needs to be in place and the HSUREH will be a regular item on future HSUAF Board Meeting agendas.

The Annex property plans are moving forward. HSU wishes to retain the property. HSUREH will purchase the property with a 4% Promissory Note. HSU will eventually purchase the property from HSUREH. There are plans to remediate the building and neighbors of the property will be updated.

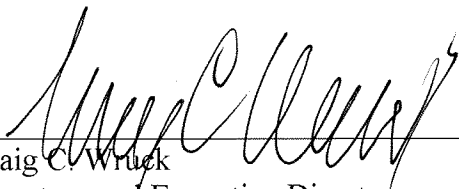
The Samoa Boulevard property has a Lease-to-Buy agreement between the HSUREH and HSU. HSU has the opportunity to develop, sublet or sell the property in the future.

10. Other Business

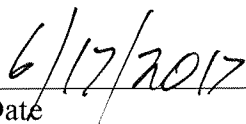
Future board meetings, with exception of the October meetings, will be scheduled for 3 hours (9 AM to 12 Noon) and utilize ZOOM technology for those off campus. The next Board Meeting will be June 16, 2017. The October 6, 2017 meeting will be a full day face-to face meeting on campus.

11. Adjournment

The meeting was adjourned at 12:48 PM



Craig C. Wruck
Secretary and Executive Director
HSU Advancement Foundation



Date