

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 ANNUAL MEETING OF THE
BOARD OF DIRECTORS**

**October 9, 2015
UC Banquet Room
Arcata, CA**

Present:

Guy Aronoff
Heather Bernikoff-Raboy
Peg Blake
Steve Brown
Ken Davlin
Judy Dvorak
Laura Fisher
Nick Frank
Alisa Judge
David Kalb

Joyce Lopes
Alistair McCrone
Heidi Moore-Guynup
Chuck Petrusha
Jason Ramos
Duncan Robins
Lisa Rossbacher
Gary Rynearson
George Schmidbauer
Craig Wruck

Not present:

Gary Blatnick
Dan Johnson
Lisa Klyce

Guests:

Lisa Castellino
Mary Kay Hartman
Nancy Jones, CLA
Theo Kalikow
Chuck Mayfield
Emily McBride

Brian Mitchell
Kimberley Pittman-Schulz
Kyle Plitt, RVK
Frank Whitlatch
Travis Williams
Luis Vasquez

The Humboldt State University Advancement Foundation Board of Directors annual meeting was held on Friday, October 9, 2015, in the UC Banquet 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 Heather Bernikoff-Raboy at 9:03 a.m.

2. Public comments

There were no visitor comments.

3. Approval of Minutes from March 27, 2015 meeting

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

RESOLVED, that the Minutes of the March 27, 2015 meeting are approved.

4. Annual financial audit

Audit Committee member Steve Brown introduced Nancy Jones, Principal with CliftonLarsonAllen, the Foundation's audit firm. Jones reviewed the audit for fiscal year ending June 30, 2015, and reported that the auditors did not identify any material weaknesses or significant deficiencies nor any compliance issues.

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

RESOLVED, that the annual financial audit for fiscal year ending June 30, 2015 is accepted.

5. Acknowledge Board Member appointments

Members of the Board of Directors are appointed by the President of Humboldt State University with the appointment acknowledged by the Board of Directors.

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

RESOLVED, that the appointment of the following individuals to the Advancement Foundation Board of Directors by the President of Humboldt State University is acknowledged by the Board of Directors:

For a three-year term:

Heather Bernikoff-Raboy
Steve Brown
David Kalb
Chuck Petrusha
Jason Ramos
Duncan Robins

For a one-year term:

Guy Aronoff (faculty)

Emily McBride (student)

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

RESOLVED, that the Board of Directors acknowledges the retirement of the following Directors, effective as of the end of this meeting:

Gary Blatnick
Ken Davlin
Judy Dvorak
Nick Frank
Dan Johnson
Lisa Klyce
Alistair McCrone
George Schmidbauer

6. Election of officers

Officers of the Foundation are elected annually by the Board of Directors at its annual meeting. Officers hold office for a term of one year or until a successor is elected.

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

RESOLVED, that the following individuals are elected as Officers of the Humboldt State University Advancement Foundation to serve for a term of one year:

Chair: Heather Bernikoff-Raboy
Vice Chair: Alisa Judge
Secretary: Craig Wruck
Treasurer: Jason Ramos

7. Appoint and authorize Executive Committee

The Board of Directors appoints an Executive Committee at its annual meeting. The Bylaws delegate to the Executive Committee certain powers to act on behalf of the Board of Directors.

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

RESOLVED, that the following individuals are appointed to the Executive Committee of the Humboldt State University Advancement Foundation:

Heather Bernikoff-Raboy, Chair
Alisa Judge, Vice Chair

Jason Ramos, Treasurer
David Kalb, Immediate Past Chair and Governance Committee Chair
Laura Fisher, Philanthropy Committee Chair
Duncan Robins, Finance Committee Chair
Craig Wruck, Secretary and Executive Director

FURTHER RESOLVED, that in accordance with the Bylaws, the Executive Committee is delegated authority to act on behalf of Humboldt State University Advancement Foundation, except with respect to:

- (a) The filling of vacancies on the Board of Directors or on any committee;
- (b) The fixing of compensation of the Directors for serving on the Board or on any committee, should Article V, Section 7, be amended to allow such compensation;
- (c) The amendment or repeal of Bylaws or the adoption of any new Bylaws;
- (d) The amendment or repeal of any resolution of the Board, which by its express terms is not so amendable or repealable;
- (e) The appointment of other committees of the Board or the members thereof; or
- (f) The approval of any self-dealing transaction, as such transaction is defined in Section 5233(a) of the California Nonprofit Public Benefit Corporation Law.

8. Appoint Committees

The Board of Directors appoints one or more Committees at its annual meeting.

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:

Audit Committee

Patrick Cleary, Chair
Steven Brown
Jeff Leighton

Philanthropy Committee:

Laura Fisher, Chair
David Kalb
Emily McBride
Gary Rynearson

Finance Committee

Duncan Robins, Chair
Guy Aronoff
Heidi Moore-Guynup
Chuck Petrusa
Jason Ramos

Governance Committee

David Kalb, Chair
Heather Bernikoff-Raboy
Alisa Judge

9. Authorize signatures

At its annual meeting, the Board of Directors grants to its officers the authority to sign legal and other documents on behalf of the Foundation. This action authorizes these individuals' signatures on behalf of the Foundation for actions which the Foundation has approved.

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

RESOLVED, That 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 Advancement 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, shall be signed by any of the persons listed below:

Heather Bernikoff-Raboy, Board Chair
Alisa Judge, Board Vice Chair
Craig Wruck, Secretary and Executive Director
Jason Ramos, Treasurer

FURTHER RESOLVED, that this signing authority shall remain in effect until revoked or amended by the Board of Directors.

10. Investment report and Green Challenge update

Finance Committee Chair Duncan Robins, introduced Kyle Plitt of RVK, the Foundation's investment consultant, who reviewed the Foundation's investment portfolio. For fiscal year ending 2015, the portfolio produced a net total return of 1.72% after management fees, in line with the target allocation benchmark.

Robins noted that RVK had been extremely helpful in developing the Foundation's green investment portfolio and continues to work with the Finance Committee to identify green alternatives that meet the Foundation's requirements.

11. Endowment distribution rate for Fiscal Year 2016-17

Finance Committee Chair Duncan Robins explained that the objectives of endowment are to provide a consistent distribution for charitable purposes while keeping pace with inflation, with the intention that the amount of charitable work supported by the endowment should not become diminished over time. He noted the mandate to the Finance Committee issued by the Board of Directors: 1) manage the investment portfolio prudently to provide the highest risk-adjusted net return possible, 2) propose the highest reasonable distribution rate, given past returns and future expectations, and 3) implement the Board's Humboldt Investment Pledge while remaining true to the first two mandates.

The Finance Committee recommended a distribution rate of 4.4% for fiscal year ending 2017, along with continuing implementation of the Humboldt Investment Pledge and no other major changes in the investment strategy. Robins reminded the Board that the distribution rate is reviewed annually and may be adjusted in the future.

After discussion and upon motion duly made, seconded, and carried with one abstention, it was:

RESOLVED, that the Board of Directors adopt the recommendation of the Finance Committee to set the endowment distribution rate at 4.4% for fiscal year ending June 30, 2017.

12. Asking the Right Questions

Lisa Castellino, Ph.D., Humboldt State University Director of Institutional Research and Planning, presented information about the challenges the University faces with retention and graduation rates.

13. Go Green Fund

Chair of the Philanthropy Committee Laura Fisher discussed planning and preparations for the Go Green fund raising initiative recalling the presentation to the Board at its last meeting. The Philanthropy Committee is considering a mini-campaign with an initial goal of \$100,000. A gift table indicating the need for a lead gift of at least \$10,000 was presented and it was noted that at least 60% of the total would need to be raised via personal solicitations prior to any broad scale solicitations. While the Philanthropy staff will support the effort, the Philanthropy Committee expects Board members to engage in the identification, cultivation, and solicitation of prospective donors.

It was reported that previous donors have agreed to re-purpose some of their contributions to the Green & Gold Room Centennial Campaign to the Go Green Fund, providing approximately \$9,000 in pre-campaign funds for Go Green. Discussion ensued about the Go Green Fund initiative. The consensus was that it is a worthwhile project and will be a useful engagement tool.

14. President's Report

President Rossbacher expressed appreciation for the leadership of the Board in raising, managing, and stewarding charitable resources for the University and indicated that in her first year she has appreciated the advice and counsel of the Board. She looks forward to working with the Board as spokespersons and ambassadors for the University.

The President reported on the Strategic Plan, noting that while the mission, vision and values of the University have not changed. The Strategic Plan sets four primary goals for the coming years: 1) prepare students to be socially and environmentally responsible leaders in a diverse and globalized world, 2) foster meaningful relationships across differences, including diverse cultural communities, identities, and competencies, 3) strengthen partnerships with local communities, and 4) serve as effective stewards of the natural and built environment and the University's financial resources with a focus on sustainability. The University is now moving forward with the plans to achieve these goals.

She reported that other CSU campuses and other universities are observing the work that Humboldt State has been doing with green investing and that a clear message is being sent that the University is attentive to its students who want to see positive change on the campus and in the world.

The President spoke of the importance of remaining focused on the quality of the Board, not necessarily the quantity of Board members. She expressed appreciation for the inspiring commitment of Board members and thanked them for the skills and energy they bring to help the Foundation make a difference in supporting students.

15. Executive Director's report

Executive Director Craig Wruck reported on the Humboldt Investment Pledge. He participated in a panel discussion at the International Endowment Forum along with student leaders from Harvard and other universities across the country who praised Humboldt State for its leadership on this issue.

Wruck reviewed the Voluntary Support of Education (VSE) Report for fiscal year ending June 30, 2015 noting that, while the number of donors has decreased slightly, the dollar totals remain level resulting in a higher average gift size.

He reported that President Rossbacher has asked the Foundation and all Humboldt State auxiliary and self-support organizations to create five-year business plan by January.

He reviewed the new Contribution Administration Fee which was adopted as a part of the Fiscal Year 2015-16 budget. The Contribution Administration Fee is a 5% charge on new contributions as they are received. It replaced the old administrative service fee which was a 4% charge on funds as they were expended. The back-end nature of the administrative service fee made it difficult to forecast revenue because it was based upon expenditures not contribution revenue. The front-end Contribution Administration Fee is more transparent to donors, who are advised of the fee before contributions are made.

The Contribution Administration Fee is projected to produce about \$165,000 for Fiscal Year 2015-16, compared to about \$30,000 in revenue from the administrative service fee. The primary reason for the increase is the fact that several types of expenditures, most notably scholarships, had been exempt from the administrative service fee. It was noted that the Contribution Administration Fee applies only to new contributions, including contributions to permanent endowments, but does not apply to existing endowment balances, which continue to be subject to the 1.5% annual administrative charge.

16. Committee Reports

Philanthropy Committee Report

Chair Laura Fisher reported that the name of the Committee has been changed from Development to Philanthropy and noted that Judy Dvorak and Lisa Klyce have retired from the Committee and Emily McBride has been added. She expressed appreciation to the staff for the redesign of the website.

Governance Committee Report

Chair David Kalb reported that the Committee has not had a formal meeting since the last Board of Directors meeting. He noted that as the Board gets smaller Committee sizes are reduced as well but that this is a part of a multi-year resolution to deal with Board member term limits which had been loosely enforced in the past.

Several prospective new board members were recruited over the summer but, although all were flattered to be asked, timing was not right and they declined. He advocated for engaging volunteers in committee work as a "farm team" system to cultivate and recruit new board members but noted that the current Bylaws prohibit the appointment of non-Board members to Committees.

He reported that during the coming year the Committee plans to undertake a review of the Bylaws which are outdated, in some cases contradictory, and in need to a revamp. He hopes that the Committee will have a preliminary report for Board at the next meeting.

Finance Committee

Chair Duncan Robins recognized Nick Frank and Ken Davlin for their work in the initial organization of the Foundation and for all of their years of service.

17. Other business

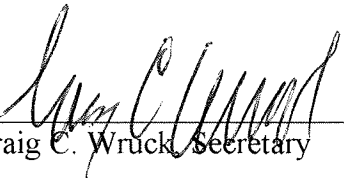
Travis Williams, Director of Annual Giving and Philanthropic Services, presented a brief preview of the new philanthropy website, which is linked to the Humboldt Forever site. The new site focuses on the three philanthropic priority areas and specific giving and project-funding opportunities and showcases donor stories.

Kimberley Pittman-Schulz, Executive Director of Philanthropy, discussed HSU Cares, the University's new employee campaign which recognizes the philanthropy of staff, faculty, and retired employees who make a difference on campus, in the community, and around the world.

The next Board meeting is scheduled for Friday, June 3, 2016 in Berkeley, California. The fall Board meeting is typically held on campus in September or October, but the date has not yet been determined.

18. Adjournment

The meeting was adjourned at 3:35 p.m.



Craig C. Wruck, Secretary

07/11/16

Date

