

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

September 1, 2011

Members Present:

Luanne Bas, David Bennett, Dan Calac, Bennett Cherry, Maryann Edwards, Linda Hawk, President Karen Haynes, Neal Hoss, Marco Lemus, Michael McDonald, John Pettitt, Chris Tresse

Members Absent:

Helen Adams, Linda Bailey, Jack Charney, Les Cross, John Fortune, Ken Markstein, Josh Pack, Jack Raymond

Staff Present:

Vic Calise, Bruce Genung, Donna Lutkus, Greg Svatora

Guest Presenters:

Jan Jackson, Vice President of Community Engagement
Scott Gross, Associate Vice President of Community Engagement

Proceedings:

On September 1, 2011, 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 Mr. John Pettitt, Chair of the Board.

I. Welcome, Updates & Announcements:

Mr. Pettitt welcomed everyone to the meeting and provided the following update:

- Jeff Robin has resigned from the Board due to his work schedule.
- Ben Cherry has taken the position of Interim Associate Dean of the College of Business. In this new position he will no longer serve the Board as a faculty member but will remain on the Finance and Investment Committee.
- Communications have been very positive with references to CSUSM almost every day including the article this morning announcing the campus reaching 10,000 student threshold this semester.
- Development staff will be contacting each Board member to discuss how they plan to give to the university, suggesting contributions to the President's Circle as a possibility.
- Mr. Pettitt reminded the Board of the upcoming President's Circle event on September 18th, noting that it is a great event for the University where the campus will be introducing the new Deans.

- In closing, Mr. Pettitt thanked President Haynes for hosting the Board at her home for dinner.

II. President's Remarks:

President Karen Haynes provided the following update:

- After receiving over 16,000 applications for 2,500 openings, we are welcoming in our largest class, bringing our total student body to over 10,000.
- In addition to the successful recruitment of four new deans, Dr. Regina Eisenbach has been appointed interim dean of the College of Business Administration.
- We have also hired 25 new faculty, who mirror the demography and diversity of our region; and we opened the SBSB allowing for more faculty offices, labs, and classrooms.
- With the budget close to finalized, the CSU Board of Trustees approved an increase in student tuition in late June; one third of student tuition collected is set aside towards financial aid.
- With continued budget uncertainty, CSUSM is planning for a budget reduction of approximately \$2.5 million. If it is a onetime reduction, we have funds set aside to help alleviate the impact.
- While no institution builds their budget based on philanthropic support, we look to those funds to help enhance existing programs and take advantage of emerging opportunities.
- Providing further clarification on the CSUSM endowment, President Haynes explained that CSUSM's endowment is approximately \$15 million, placing us near the top for comparable CSU's. While comparable in size, our sister universities are at least 30 years older, and neither comparable in mission nor student population. While not the principal focus of our fundraising efforts, we would like to grow the endowment to \$25 million as we reach the milestone of our 25th year.
- President Haynes expressed her desire to see each Board member at the President's Circle event, September 18th and to serve as our ambassadors in making connections to others in the community.

III. Business:

A. Approval of June 2, 2011 Foundation Board Meeting Minutes

Mr. Pettitt requested a motion to approve the previous meeting minutes, it was moved by Ms. Bas and seconded by Dr. Calac. It was so noted that the June 2, 2011 minutes were approved.

B. Committee Reports

i. Audit Committee

Mr. Hoss reported that during the July 26th meeting, the Joint Audit Committee reviewed guidelines for the auditors, McGladery & Pullen. This will be the first audit for the new CSUSM Foundation.

ii. Membership Committee

Dr. Calac reported that the Membership Committee met via teleconference on August 25th. He referenced a need to fill positions on the Board, with a goal of 25 members. With the loss of Mr. Robin and Dr. Cherry, there are currently 19 members on the Board. Dr. Calac requested that Board members bring forth names of qualified constituents that might be interested in filling vacant positions.

ACTION: Board members to bring forth names of qualified constituents that might be interested in filling vacant positions.

Reference was made to a candidate pool with names in a queue as potential prospects currently being vetted.

iii. Finance and Investment Committee

Council Member Edwards reported that the Finance and Investment Committee met on August 18th.

1. Investment performance – Mr. Svatora provided a review of the investment performance for the quarter ending June 30, 2011, indicating that the last four quarters have all had positive returns.
2. Financial Statements – Mr. Svatora reviewed the quarterly financial statements for the period ending June 30, 2011. Included in the statements was a proposed operating 2011/12 budget.

Mr. Pettitt requested a motion to approve the financial statements and proposed 2011/12 budget. It was moved by Mr. McDonald and seconded by Mr. Tresse, and unanimously carried that both the financial statements and budget were approved.

iv. Fundraising Committee

Mr. McDonald reported that the Fundraising Committee met on August 23rd. During the meeting, the Committee reviewed the following topics:

Mr. Hoss discussed the staffing in University Advancement and the addition of new deans on the campus to help drive fundraising efforts. With 90% of gifts coming from 10% of the donors, building prospect pools of major gift donors is critically important as is the assistance of Board members in making those connections.

The Committee reviewed a Friend/Fundraising list to assist with making connections between prospects, Board members, and development staff.

Ms. Adams is assisting with the development of matching gift programs in professional corporations, working to identify existing programs and potential champions within each organization.

Mr. Lemus will be coordinating various approaches to reach out to his fellow students during an annual appeal. His personal goal is to create a culture of philanthropy at the student level.

Mr. Raymond hosted an event in his home to introduce members of the community to CSUSM President Karen Haynes.

Mr. McDonald encouraged other Board members to participate in the Committee by attending meetings or by hosting events for the University.

C. Development Update

Mr. Hoss invited Lori Brockett, Director of Alumni Relations and Annual Giving to present to the Board on Development activities in her area. Ms. Brockett provided an overview on Alumni, indicating that while we now have over 26,000 alumni, the first graduating class of 1991 consisted solely of students receiving teacher credentials. With a new Associate Director of Annual Giving, they plan to target students two years prior to graduating and three years after to encourage a spirit of giving.

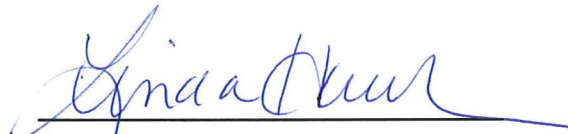
Programmatically, they are planning for CSUSM's third annual homecoming event, Saturday, October 1st, a Temecula event to be held in January 2012, a Senior Class giving initiative with student Board member Marco Lemus, as well as strategies involving phone-a-thons.

- IV. **Guest Presentation:** Jan Jackson, Vice President of Community Engagement, and Scott Gross, Associate Vice President for Community Engagement provided a presentation on this new division, the only one of its kind in the CSU that was established by President Haynes in January 2011. They illustrated how their team makes connections to constituents outside of the University. While University Advancement and Community Engagement work together, the former focuses on philanthropic support while the latter focuses on building community relationships.

Adjournment:

There being no further business, Mr. Pettitt adjourned the meeting at 9:32 am.

Dated: September 1, 2011


Secretary