

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

A California Nonprofit Public Benefit Corporation

June 14, 2010

Members Present:

Linda Bailey, David Bennett, Dan Calac, Jack Charney, Bennett Cherry, Linda Hawk, President
Karen Haynes, Neal Hoss, Ruth Mangrum, Michael McDonald, John Pettitt, Jeff Robin

Members Absent:

Les Cross, Maryann Edwards, Mark King, Ken Markstein

Staff Present:

Vic Calise, Donna Lutkus, Melinda Newsome, Greg Svatora

Proceedings:

On June 9, 2010, 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 7:30 am by Mr. John Pettitt, Chair of the Board.

I. Welcome, Updates & Announcements

Mr. Pettitt welcomed everyone to the meeting and introduced four new members to the Board of Directors: Linda Bailey, Jack Charney, Les Cross and Jeff Robin.

Mr. Pettitt suggested that the members read the latest addition of CSUSM's Steps magazine. He also referenced the op-ed article that he, the President and Julie Wright, chair of the President's University Advisory Council shared the byline. The article appeared in the North County Times and encouraged the public to contact their state legislatures to request support for the University and higher education.

Mr. Pettitt noted that the march to NCAA achievement is on with the addition of the men's and women's basket ball coaches. The volleyball coach is yet to be confirmed.

He then invited the President to share some remarks.

II. President's Remarks

President Karen Haynes greeted and welcomed the Board members. She gave a brief update on the following:

- 1,800 students walked across the Del Mar Fairgrounds stage at Commencement on May 15, 2010. CSUSM now has over 23,000 alumni. Next year Commencement will be brought back to campus.

- The new Parking Structure has been complete and as of yesterday is officially open for parking.
- Along with the new hires in athletics, we also have a new Vice President for Student Affairs: Dr. Eloise Stiglitz from San Jose State. She will begin on July 1st.
- The Platinum Ball has over 300 seats sold. It will be the first time to hold this event outside on campus.
- In closing, President Haynes referenced our future fundraising campaign, noting that CSUSM is still new in terms of our sister universities. We are on target with campaign planning goals and preparations to garner significant external support during our 25th Anniversary.

President Haynes invited Mr. Hoss to discuss the campaign and University Advancement's next steps.

Mr. Hoss noted that Tere Mendoza from the CSU Chancellor's Office, met one-on-one with University Advancement staff, campus leadership, deans, directors, and several community volunteers. Her focus was on pre-campaign planning. She observed that in spite of the current economic conditions, there is a sense of confidence in the campus and tremendous fundraising potential. Ms. Mendoza recommended refining the University's fundraising priorities to a discreet set of goals and making an investment in several areas: prospect research, corporate and foundation relations, alumni relations and annual giving, donor stewardship, and communications.

III. Business

A. Approval of March 12, 2010 Foundation Board Meeting Minutes

Mr. Pettitt requested a motion to approve the previous meetings minutes, it was moved by Ben Cherry and seconded by David Bennett, and unanimously carried that the March 12, 2010 minutes were approved.

Mr. Pettitt requested reports from representatives of each Committee.

B. Committee Reports

i. Audit Committee

Mr. Hoss noted that all CSUSM auxiliaries have formed a Joint Audit Committee. He provided the draft revised committee charge and requested a motion to approve the addition of the Associated Students, Inc. to the Joint Audit Committee. It was moved by Mike McDonald and seconded by Ben Cherry, and the Board unanimously approved the revised Joint Audit Committee charge.

Mr. Hoss noted that the Committee has been in the process of selecting an auditor, reviewing RFPs, interviewing, evaluating and negotiating contracts. The Committee selected McGladrey & Pullen, LLP for a three year period.

Fees to the Foundation Board will be \$28,000 beginning with the June 30, 2011 audited financial statements.

Mr. Hoss also noted that CSUSM is undergoing a compliance audit from the California State University Auditor. Audits of the CSU system take place every three years.

ii. Membership Committee

Dr. Dan Calac reported that the Committee held one meeting. There have been four new Board members added: Linda Bailey, Jack Charney, Les Cross, and Jeff Robin. Mr. Robin offered to join the Membership Committee during the Board meeting. There have been three new Finance & Investment Committee members added: Chris Weil, Julia Lundstrom and Chris Tresse.

The Committee asked staff to prepare some basic recruitment information for prospective Board members. The staff will bring this information to the next meeting to review including the CSUSM "elevator speech," meeting requirements, and fiduciary responsibilities.

With four new Board members and three new Finance and Investment Committee members, Dr. Calac noted that the Committee had met its six month goal of acquiring six new members.

iii. Finance and Investment Committee

Mr. Hoss reported in Chair Edwards' absence that the Committee held one meeting on May 4th. New members included Julia Lundstrom of SilverBack Managed Futures PA LLC and Chris Tresse of Bernstein Global Wealth Management (both are non-Board members).

Mr. Debashis Chowdhury of Canterbury Consulting reviewed the Foundation's portfolio and results of performance for the period ending March 31, 2010. During the presentation, Mr. Chowdhury proposed that the Committee consider rebalancing the portfolio by moving funds from INTECH Large Growth fund. At the next Committee meeting the new Committee members will review his suggestion for any movement.

Also discussed was an option to ratify the endowment spending rate approved by the University Auxiliary Research Services Corporation with scholarships at a rate of two percent for 2010/11 and program endowments at a spending rate of zero percent. The Committee decided to review the spending rates again at its August meeting based on endowment performance for the period ending June 30, 2010 to determine whether an adjustment is prudent at that time.

Greg Svatora noted that the Committee will review a draft gift fee policy at the next meeting.

It was agreed that the number of members supporting the Committee was sufficient at this time.

iv. Fundraising Committee

Mr. Michael McDonald reported that the Committee met twice. New members included Jack Charney of Henderson, Caverly, Pum & Charney LLP. Linda Bailey of Community Strategies Group, Inc. joined the Committee during the Board meeting. Mr. McDonald noted the Committee felt there should be no limit to the amount of members that are accepted to join the Committee.

During both meetings the members have received information regarding fundraising and fundraising priorities at the University. The first meeting included Fundraising Committee chairs from the CoAS and Athletics' advisory council. All agreed that there is a need to coordinate efforts in fundraising among all advisory councils.

Staff is in the process of articulating fundraising priorities and case statements that will be vetted among campus leadership and brought back to the Fundraising Committee and the Foundation Board for discussion.

C. 2010/11 CSUSM Foundation Budget

Mr. Svatora noted that a draft 2010/11 budget will be presented at the September 16 Board meeting.

D. Stanislaus Update

Mr. Hoss explained that the Foundation is a separate 501 (c) (3) entity and technically not subject to public records act requests;; it is generally campus practice to share unprotected information other than donor information whenever possible.

E. Actions

- i. Adopt Resolution of Amended CSUSM Foundation Bylaws Draft No. BOD 05-10-01

Mr. Hoss noted that the Bylaws have been revised to prohibit loans to Board members.

Mr. Pettitt requested a motion to approve the Resolution of Amended CSUSM Foundation Bylaws Draft (No. BOD 05-10-01). It was moved by

Linda Bailey and seconded by Mike McDonald, and unanimously carried that resolution No. BOD 05-10-01 was approved.

IV. Guest Presentation – Dr. Judy Papenhausen, Director, School of Nursing, CSUSM

Dr. Judy Papenhausen provided a 15 minute presentation updating the Board on the School of Nursing and its efforts in program development and securing external support.

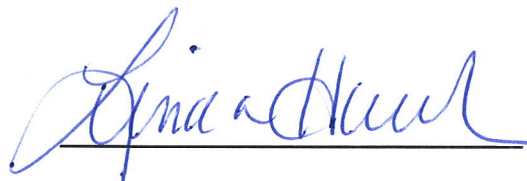
V. Future Agenda Items

- A. Temecula Programs and Development
- B. 2010/11 Budget - for review and recommendation by the Finance and Investment Committee

VI. Adjournment

- Neal Hoss reminded the Board Members about the Platinum Ball on June 26.
- There being no further business, Mr. Pettitt adjourned the meeting at 9:14 am.

Dated: June 9, 2010



Secretary