

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

March 17, 2016

Members Present:

Dan Calac, Alex Caratti, Maryann Edwards, John Fortune, Jon Fredricks, Linda Hawk, President Karen Haynes, Neal Hoss, Anthony Jackson, Josh Pack, Tony Pack, Jack Raymond and Steve Wagner

Members Absent:

Helen Adams, Luanne Bas, Ed Fuller, Ron Gerevas, Tom McGurn, Sue Moineau, Toni Ritchey, Esther Stearns and Chris Tresse

Staff Present:

Cathy Baur, Tina Bell, Kyle Button, Donna Day, Clint Roberts

Proceedings:

On March 17, 2016, 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 7:36 am by Mr. Jack Raymond, Chair of the Board.

I. Call to Order:

Chair Raymond welcomed everyone to the meeting and reminded all of the Sports Center tour scheduled for directly after the meeting.

Chair Raymond asked the question of the quarter:

Who was your best coach/mentor, and how did they inspire/motivate you?

II. President Haynes provided the following update:

- **Fall 2016 Applications:** The campus received the highest first-time freshman applications demand with a 12.5 percent increase since 2015 and a 35 percent increase since 2013.
- **Enrollment Targets:** The campus received 1.8 percent growth target from the Chancellor's Office, although a 5 percent increase was previously expected.
- **Newly Appointed CSU Trustees and Presidents:** On July 1, the President will be the most senior President in all 23 campuses, and the first female to do so. Also as of July 1, there will be 10 female presidents in the CSU, up from four only three years ago. A handout provided the names of those presidents along with the four new appointments to the CSU Board of Trustees.
- **Honorary Degree Recipients:** Two honorary degrees will be awarded:
 - **Roberta Achtenberg:** serving the public in numerous capacities, including in the administrations of two United States presidents, and 16 years on the CSU Board of Trustees, Achtenberg was the visionary who championed the Institute for Palliative Care at CSUSM and brought it to this campus. She continues to serve on the Institute's National Advisory Board. Due to a schedule conflict, the award will be presented at the 2017 ceremony.

- Greg Evans: a nationally syndicated cartoonist well-known for his strip, Luann, has been a strong advocate of arts education and a loyal supporter of CSUSM, serving on the Center ARTES Advisory Board.
- **CFA (California Faculty Association)**: In mid-April faculty across all 23 CSU campuses are planning a five day strike in the efforts to increase salaries by 5% versus 2% approved. Due to a "me too" clause within bargaining unit contracts, the increase requested would raise to 6.2% or \$143 million. The university will remain open during the strike.
- **Diversity**: A search for an AVP for Diversity is underway. A Diversity and Inclusion Strategic Plan is being finalized and will be vetted with faculty and students this spring and with staff and management in the summer.
- **NCAA (National Collegiate Athletic Association)**: An annual team visit was conducted earlier this week including the chair of the NCAA. During the exit interview the overall feel was of success. A report will be provided within several weeks and the final decision in mid-June.
- **WASC (Western Association of Schools and Colleges)**: The WASC team visit to campus is currently underway. The final report will be provided in June.

III. Story of the Quarter:

Coach Greg Hutton is in his sixth season as Head Golf Coach. He guided the men's team to a pair of Association of Independent Institutions (A.I.I.) Conference Championships (2013, 2015) and mentored the first-ever individual conference medalists at CSUSM, Dylan Healey and Vanessa Chap. Student athlete, Joan Park, joined Coach Hutton and described their experience at Cal State San Marcos and what transitioning to the NCAA means to them.

IV. Consent Agenda:

Chair Raymond requested a motion to approve the consent agenda which included the previous meeting minutes, Committee Reports, Financial Statements and Investment Performance; it was moved by Mayor Pro Tem Edwards and seconded by MajGen Jackson and approved.

V. Endowment Earnings Distribution Rate 2016/17:

The board reviewed the current endowment spending rates, noting that scholarships and program endowments are currently at a rate of 4% for the 2015/16 academic year. After some discussion about the Executive Committee and Finance & Investment Committees' suggestion to grow the endowment, and to allow for keeping up with inflation, a motion was requested to approve a fiscal year 2016/17 endowment spending rate of 4%, and to plan on a 3.75% spending rate for 2017/18 and to plan on a 3.5% spending rate for 2018/19 and subsequent years while being reviewed on an annual basis. The motion was moved by Dr. Calac and seconded by MajGen Jackson and unanimously approved. The board agreed that staff must educate the campus community on the need to focus on the long term growth of the endowment.

The board also reviewed the 2015 NACUBO-Commonfund Study of Endowments (NCSE) which is a philanthropic appendix detailing the endowments of the 23 CSU campuses and Chancellor's Office since 2012/13. It was noted that CSUSM Foundation had the highest three year performance of all 23 campuses. Further noted that we also had the highest average performance over the last five years.

VI. Gift Acceptance Policy:

The board reviewed the Gift Acceptance Policy. After some discussion Chair Raymond requested a motion to approve the Gift Acceptance Policy; it was moved by LtCol Pack and seconded by Mr. Fortune and unanimously carried. The Gift Acceptance Policy has been approved.

VII. Thank You Cards and Signature Items:

Board Members were asked to handwrite thank you notes to recent donors. Cards were collected at the end of the meeting and mailed on the Board Members' behalf.

VIII. Advancement Update:

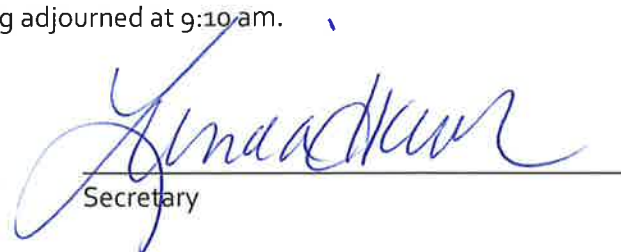
- **Management of Endowment and Similar Funds Policy:** The board reviewed an addendum added to the policy. After some discussion Chair Raymond requested a motion to approve the addendum; it was moved by Mr. Wagner and seconded by Mr. Fortune and unanimously carried. The Management of Endowment and Similar Funds Policy has been approved.
- **Student Philanthropy Council:** Mr. Caratti reported that the Student Philanthropy Council is participating in Grad Fest and using an elevator speech when discussing the 2016 Class Champions package which includes the Alumni Association's New Grad Membership and a gift to the Student Philanthropy Fund Endowed Scholarship. 61 gifts were made totaling \$2,400 which brings the grand total with the matching gift to \$7,500. Mr. Caratti provided the form which is also available online at:
<http://www.csusm.edu/giving/pdf/StudentPhilanthropyFundForm.pdf>
- **Campaign Update:** Mr. Button shared the Board and Advisory Council Giving Report which now includes overall progress towards the campaign goal as well as progress by theme.
- **Loan from CSUSM Foundation to CSUSM Athletics:** Mr. Hoss thanked the board for their support of the loan from the Foundation to CSUSM Athletics to purchase the video walls for the new Sports Center.
- **CSU Compliance Audit:** Each 501 (c) (3) of the California State University system receives a compliance audit every three years conducted by the Chancellor's Office. The Foundation's compliance audit is currently underway with field work substantially complete.
- **Staffing:** University Advancement has filled the following positions:
 - Institute for Palliative Care Grant Writer – Lorene Morris
 - Director of Corporate and Foundation Relations – Lauren Tucker
 - Director of Operations, Events and Conference Services – Joel Agg

Prior to concluding the meeting Chair Raymond congratulated Mayor Pro Tem Edwards as being named the 75th Assembly District Woman of Year.

Adjournment:

There being no further business, the meeting adjourned at 9:10 am.

Minutes submitted by: Donna Day
Dated: March 17, 2016


Secretary