

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
EXECUTIVE COMMITTEE MEETING
San Francisco City Club, 12th FL (Deco 3 Meeting Room)
155 Sansome Street, San Francisco, CA
Friday, June 1, 2018**

Vice Chair Safford started the Executive Committee meeting at 11:37 AM.

Committee Members Present

Taylor Safford, Vice Chair
Robert Nava, President (via phone)
Kimberly Brandon, Investment Committee Chair (via phone)
Mary Huss, Committee on Directors Chair (via phone)
Don Nasser, Audit Committee Chair
Wade Rose, Advocacy Committee Co-Chair
Camilla Smith, Development Committee Chair

Committee Members Absent and Excused

David Serrano-Sewell, Chair
Dennis O'Donnell, Committee on Athletics Co-Chair
Ted Griggs, Committee on Athletics Co-Chair (via phone)
John Gumas, Immediate Past Chair and Chair, BOLD. Thinking. Campaign

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer
Caroline Johansson, Director of Advancement Services, SF State University

- I. **Review of Agenda:** The committee reviewed the agenda.
- II. **Approval of Meeting Minutes:** The committee reviewed the minutes from the May 8, 2018 meeting. The minutes were approved, without objection.
- III. **Operating Business:**

Provisional Operating Budget for FY 18-19: Thompson-Ramsay presented the proposed operating budget for FY 2018-2019. She started out by reviewing the current fiscal year and mentioned that the Foundation would have about 10% more in revenue and 4% more in expenses than originally projected, ending the year with projected net income of \$114,330. Thompson-Ramsay mentioned that for the upcoming fiscal year, the Foundation would have revenue of \$1,809,894. She highlighted a number of key budget items for FY 2018- 2019, including funding for additional staff support, strategic planning for the Foundation, the public phase of the campaign, faculty awards and an honorific endowment. With operating and non-operating expenses estimated at \$1,749,634, she stated that the Foundation would end the fiscal year with net income of \$60,260. She said the net income would bring the Foundation's unrestricted net

assets to about \$926,981 by the end of the fiscal year June 30, 2019. Finally, she mentioned that the Foundation had sufficient funds to meet the CSU-required six months of operating reserve policy. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the provisional operating budget for FY 2018-2019.

Motion by: Wade Rose Seconded by: Camilla Smith Motion: Passed

Endowment Distribution for FY 2018- 2019: Thompson-Ramsay presented the endowment balances and proposed payouts for FY 2018-2019. She reminded the committee that the payout amounts were based on a policy the Board approved back in 2011, which allowed a 4% payout for endowments with balances more than 4% above contributions; 2% payout for endowments with balances above water but less than 4% above contribution; and no payout for endowments with balances below water. She mentioned that the Foundation planned to make a distribution of \$2,703,006 for FY 2018-2019. She reported that about five (5) endowments were underwater and, as such, would not have a distribution in FY2018- 2019, per the Foundation policy. She said, instead, the Foundation would cover those distributions from its operating budget. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the proposed endowment distribution for FY 2018-2019.

Motion by: Don Nasser Seconded by: Camilla Smith Motion: Passed

Operating Agreement between SF State and Foundation: Thompson-Ramsay mentioned that the Foundation's five-year operating agreement with the San Francisco State University would expire on June 30, 2018. She said this agreement laid out the terms and conditions of the Foundation's relationship with the University and how the Foundation would reimburse the University for use of its resources. Thompson-Ramsay said the agreement provided details on the University employees and percentages to be reimbursed by the Foundation. She said the agreement would be ratified by the full board, if approved by the Executive Committee. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee renews the 5-year operating agreement between SF State and the Foundation.

Motion by: Camilla Smith Seconded by: Don Nasser Motion: Passed

Board Matching Gift – Hatami Endowment: Nava mentioned that The Ariana Mae Hatami Foundation had partnered with San Francisco State University Foundation to establish the Ariana Mae Hatami Scholarship on campus for victims of domestic violence. Nava said Ariana Mae Hatami was an SF State student who died tragically. Nava said her parents had established the Ariana Mae Hatami Foundation in her memory and were putting up \$12,500 toward the scholarship. Nava said he was requesting a \$12,500 match from the SF State Foundation to establish the permanent endowment. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Foundation provides a matching gift of \$12,500 toward the creation of a permanent endowment in honor of former student Ariana Mae Hatami.

Motion by: Taylor Safford Seconded by: Wade Rose Motion: Passed

Estate of Krishnan Bequest: Thompson-Ramsay shared with the Committee that the Foundation recently received \$150,000 from V.V. Krishnan’s Separate Property Trust. She mentioned that Mr. Krishnan’s widow had previously established the Krishnan Scholarship in Engineering Fund (#60225) with \$150,000 of her own money to honor Mr. Krishnan. Thompson-Ramsay mentioned that Mr. Krishnan’s estate did not specify whether the funds were to be endowed so, per the Foundation’s policy that funds of \$25,000 or more should be quasi-endowed unless otherwise specified, she was requesting that the Committee make an exception to the policy and direct the \$150,000 from V.V. Krishnan’s Separate Property Trust to the existing Krishnan Scholarship in Engineering Fund. Thompson-Ramsay stated that the purpose of the bequest aligned with the existing fund and would allow the funds to be managed more efficiently. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee makes an exception to the policy where bequests of \$25,000 or more are quasi-endowed and allows the \$150,000 from the V.V. Krishnan Separate Property Trust to be added to an existing endowment, #60225

Motion by: Don Nasser Seconded by: Camilla Smith Motion: Passed

Executive Committee Meeting Dates for FY 2018- 2019: The Committee reviewed the dates for the 2018- 2019 executive committee meetings: August 30, 2018, November 8, 2018, February 21, 2019, March 29, 2019 and May 31, 2019. On motion duly made, seconded, and carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee approves the meeting schedule for FY 2018- 2019.

Motion by: Wade Rose Seconded by: Don Nasser Motion: Passed

June 21st Board Meeting Agenda: The Committee reviewed the agendas for the Annual and Board meetings in June.

IV. Committee on Directors Report: Huss reported that the committee last met on May 11 and reviewed the proposed slate of directors whose terms were expiring on June 30, 2018 and up for re-election, as follows:

3-Year Term – Re-elected to a Second Term (July 1, 2018 – June 30, 2021)

Neda Nobari	2015 – 2021
Brent Stranathan	2015 – 2021

3-Year Term – Re-elected to a Third Term (July 1, 2018 – June 30, 2021)

Greg Cosko	2013 – 2021
Val Dolcini	2012 – 2021
Ted Griggs	2012 – 2021
Dennis O’Donnell	2012 – 2021
Marsha Rosenbaum	2012 – 2021

Huss said the board members confirmed their willingness to continue on the board. Additionally, she informed the Executive Committee that Phil King was stepping down after nearly 10 years of service to the Foundation. She said that President Wong was appointing Sheldon Gen, Associate Professor of Public Administration in the School of Public Affairs and Civic Engagement, as the faculty representative to the Board. Huss said that Gen was nominated by Academic Senate.

Huss further mentioned that the Committee on Directors also reviewed the slate of officers and committee chairs for FY 2018-2019, as follows:

Officers: Taylor Safford, Chair; David Serrano-Sewell, Immediate Past Chair; Kimberly Brandon, Vice Chair; Robert Nava, President; and Venesia Thompson-Ramsay, Secretary and Treasurer.

Chairs: Wade Rose (Advocacy Committee); Don Nasser (Audit Committee); Ted Griggs and Dennis O'Donnell (Committee on Athletics); Mary Huss (Committee on Directors); John Gumas (Campaign Cabinet), Camilla Smith (Development Committee); Neda Nobari (Investment Committee).

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Executive Committee recommends board approval of the proposed slate of appointed and re-elected directors, officers and chairs for FY 2018-2019.

Motion by: Wade Rose Seconded by: Don Nasser Motion: Passed

V. Investment Committee Report: Brandon mentioned that the Investment Committee last met on May 15, 2018. She said the Investment Committee was continuing to build out the portfolio to align with the policy targets and was nearing the end of the process of implementing the investment decisions made last fall. Brandon said the remaining actions would be implemented after the hiring of a custodian (to manage the separate accounts) and receiving funds from the redemption of terminated investments. Brandon said that Cambridge Associates (CA) had been actively reaching out to internal and external sources for custodian recommendations and, through these referrals, had requested proposals from US Bank, Northern Trust, Comerica and Charles Schwab. Brandon said CA was reviewing the responses received, and planned to narrow the list down to two finalists for more detailed discussions. Brandon said we should have a recommendation by the next committee meeting. Brandon also reported that our investments continued to perform well in the current market. She said for the trailing year ending March 31, 2018, our investments saw a return on our main portfolio of 9.4% and 13.2% on our Green Fund. Finally, Brandon mentioned that as part of restructuring our portfolio, CA had been meeting with managers we obtained prior to engaging the firm. She said they recently met with ViaWest Properties and March Capital, both real estate funds. She said that March Capital was starting a third fund but the Investment Committee decided not to participate.

VI. Audit Committee Report: Nasser reported that since the last Executive Committee meeting, our auditing firm Grant Thornton had completed the Foundation's 2016 governmental return (also known as the IRS Form 990). He said the 990 was circulated to the Executive Committee for review and was submitted electronically to the IRS by the May 15th deadline. Nasser said the Committee was getting ready to kick off the audit for fiscal year 17-18 and held its pre-audit meeting on May 23rd where the auditors outlined the audit plan and timeline for completion. Nasser said the auditors discussed their recommendations from the prior year audit, including the challenge they had with one alternative investment, March Capital. Nasser shared that it was difficult for the auditors to determine fair value of the investment because March Capital did not have audited financial statements prepared. He said the auditors believed that the problem would only get worse in future years. Nasser said the Audit Committee felt the Foundation should not invest in any fund that was not audited and wanted the Investment Committee to consider having a policy that included audited financials as part of the selection criteria, among other things. Finally, Nasser mentioned that the audit fieldwork would run from August 20 – 31 and should be completed by mid- September.

VII. Advocacy Committee Report: There was no report.

VIII. Campaign Cabinet/Development Committee Report: In the interest of time, Smith reported that the University was in talks with prospects, three of which had the potential to provide gifts large enough for us to meet campaign goals.

IX. Committee on Athletics Report: Thompson-Ramsay said she would email directors the Committee on Athletics' report.

X. Adjournment: No further items were discussed. The meeting was adjourned at 1:07 pm, without objection.

Respectfully submitted,



Taylor Safford, Vice Chair

6-20-19

Date