

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
EXECUTIVE COMMITTEE MEETING
San Francisco City Club, 12th FL (Deco 3 Meeting Room)
155 Sansome Street, San Francisco, CA
Thursday, November 17, 2016**

Chair Serrano Sewell started the Executive Committee meeting at 11:43 AM.

Committee Members Present

David Serrano-Sewell, Chair
Taylor Safford, Vice Chair
Robert Nava, President
Kimberly Brandon, Investment Committee Chair
Don Nasser, Audit Committee Chair
Dennis O'Donnell, Committee on Athletics Co-Chair
Camilla Smith, Development Committee Chair

Committee Members Absent and Excused

John Gumas, Immediate Past Chair
Ted Griggs, Committee on Athletics Co-Chair (via phone)
Mary Huss, Committee on Directors Chair
Herb Myers, Advocacy Committee Co-Chair
Wade Rose, Advocacy Committee Co-Chair

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer
Jennifer Summit, Interim Provost, SF State University

- I. **Review of Agenda:** The committee reviewed the agenda.
- II. **Approval of September 8, 2016 Meeting Minutes:** The committee reviewed the minutes from the September 8, 2016 meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the committee approves the minutes for the September 8, 2016 meeting, as prepared.

Motion by: Taylor Safford Seconded by: Kimberly Brandon Motion: Passed

- III. **Operating Business:** Nava started out by thanking board members for attending the President's Dinner & Alumni Hall of Fame event on November 4th, and, in particular, those who sponsored tables. Committee members said they were impressed with the dinner. They said the videos were great and the inductees were amazing. Nava said they were hoping to engage the most recent inductees in selecting the incoming inductees for 2017.
 - A. Transfer of Stateside Funds: Nava informed the committee that a three-year process to transfer assets from the System-wide Investment Fund Trust (Trust) to the Foundation had come to an end. He explained that the process involved a filing in Superior Court by the Chancellor's Office on behalf of the 23 campuses to ensure that endowments to the university were now residing with the appropriate auxiliary. Nava said that the nearly \$2.5 million would increase the

Foundation's net assets, bringing our endowments to nearly \$75 million. Nava said the Foundation needed to formally accept the assets and directed the committee members to a resolution authorizing the acceptance of the endowed assets from Trust. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Board adopts the resolution BOD #111716-1 (EC) to accept the assets in the Trust.

Motion by: Kimberly Brandon Seconded by: Taylor Safford Motion: Passed

- B. Board Meeting, December 15, 2016: Nava mentioned that we were getting ready for the December board meeting. He said we were planning a hard-hat tour of the Mashouf Wellness Center at 2 pm. He said this would be a private tour for board members before the long-awaited ribbon-cutting in April/May of 2017. He said the tour would be followed by the regular board meeting at 3 pm. Nava said this was Mayor Brown's first board meeting so he wanted it to be substantive. He said that we would have a presentation on the Holloway project followed by the Director's Open Forum, where board members would also learn more about the campus' Master Plan.
 - C. Board Advance: Nava mentioned that the fourth annual Board Meeting and Advance would take place March 3-4, 2017. He said we were heading back to the Meritage Resort & Spa in Napa, CA. Nava said the theme would be "Student Success" and briefly talked about the CSU's student success and graduation initiative. He said they would be discussing student success, how the Foundation could support this initiative and how to align campaign initiatives to student success. Nava said more information would be mailed out in January.
 - D. Campus Climate: Nava informed the committee that there was a possible increase in tuition, which could potentially trigger demonstrations on campus. He said we would know more by spring if the increase would go into effect. He said the increase would amount to a 5% or \$270 increase. Finally, Nava said there were some post-election demonstrations but beyond that it had been relatively quiet on campus.
 - E. Budget Review: Thompson-Ramsay reviewed the Foundation's operating budget with the committee. She said the Foundation had generated revenue of \$307,000 or 21% of its projected revenue. She said this was appropriate with just three months into the fiscal year. She said the Foundation also had expenditures of about \$194,000 or 30% of its projected expenses. She said the spending was in line with the budget and there were no unexpected expenses that the committee needed to be concerned about.
- IV. **Investment Committee Report**: Brandon reported that a couple of important meetings had taken place since the last executive committee meeting. She said that following its RFP release for investment advisory services back in June, the Foundation had received 38 responses from across the country. She said the investment committee developed a screening matrix and on September 22nd, a subgroup of the committee that included Robert Nava, Phil King, Venesia Thompson-Ramsay and herself met to narrow down the list of respondents to 11. Brandon said that some of the criteria used included Assets under Management (AUM) over \$1 Billion, years in Business (10+ years), ESG/SRI experience and fees (30 bps and under). Brandon said that on October 3rd, the full investment committee met to review the 11 firms and decide which firms to bring in for presentations. She said the committee agreed to bring in the following four (4) firms: Cambridge Associates, CommonFund, Vanguard and UBS Financial Services. Brandon said the investment committee was trying to schedule the presentations for the week of November 28th. She said they planned to bring back a

recommendation to the board at its December 15th board meeting with a possible start date of January 2017.

- V. **Committee on Directors Report:** Nava said that on behalf of the Committee on Directors, he was excited to inform the executive committee of two new additions to the board. He said the first was former San Francisco Mayor, California State Assembly member and Speaker, and SF State alumnus, Willie L. Brown, Jr. Nava said the other addition was our student appointment, Weston Adams. Nava said the two names would be presented for approval/election at the December 15, 2016 board meeting. Nava said that Mayor Brown was expected to be in attendance.
- VI. **Audit Committee Report:** Nasser mentioned since the last Executive Committee meeting, we had completed the audit for fiscal year 15-16. He said that final drafts of the financials were sent to the University's Internal Auditors for submission to the Chancellor's Office on September 15th. He said the Audit Committee met with Grant Thornton's representatives on October 14th to discuss and accept the audit. Nasser mentioned that at that meeting the auditors reviewed the audited financial statements and stated they were fairly presented in accordance with generally accepted accounting principles. In addition, he said they did not identify any deficiencies in the Foundation's internal control that they considered to be material weaknesses. Nasser reported that the auditors did share that it was challenging to get fair value on the alternative investments as most investment firms did not perform an audit so it was difficult to confirm net asset value of the investments. The auditors said this was an issue the investment committee could address in the future. Nasser stated that the audit committee did accept the audit and that a copy of the audit was on the Foundation's website and was also advertised in the papers (the Gator Xpress), per Education Code, Section 89900 and Title 5, Section 42408.
- VII. **Advocacy Committee Report:** There was no report.
- VIII. **Development Committee Report:** Smith reported that the development team was making progress toward this fiscal year's fundraising goal of \$18 million. She said that as of November 15, the development office had secured \$3.6 million in firm gifts and pledges with another \$1.8 million in verbal pledge. She said the office had over \$13 million in outstanding proposals and another \$57 million in planned proposals to be submitted by June 30, 2017. Smith also reported that the transition from Anne Harris to Mark Kelleher as the new Associate Vice President of Development went smoothly. Kelleher and Nava had already promoted Timothy Anderson to be the new operations-focused senior fundraiser (Mark's former position), while continuing to lead fundraising efforts for the College of Business. Smith also reported that two new development officers were recently hired to complete the teams for the College of Science & Engineering and for Corporate & Foundation Relations. She said the search was continuing for a new Director of Development for the College of Education and a new donor relations manager. Smith also reported that Anne Harris had organized an introductory reception in Los Angeles, attended by some of the university's highest profile alumni and parents from the entertainment and business sectors.
- Smith then reported on behalf of John Gumas, Campaign Cabinet chair.** She said to date we had raised nearly \$55 million toward our \$150 million goal. She said the plan was to raise at least 60% of our \$150 million goal (\$90 million) by the time of the public phase kickoff.
- IX. **Campaign Cabinet Report:** Report was presented by Camilla Smith as part of the Development Committee report.
- X. **Committee on Athletics Report:** O'Donnell presented the report. He said the committee last met on September 22nd and discussed a number of items, including fundraising and scholarships, facility

