



**California State University Stanislaus Foundation
Minutes of the February 20, 2014 Foundation Board of Directors Meeting**

Members Present: W. Ahlem, D. Bizzini, J. Brenda, S. Carroll, S. Gemperle, R. Giambelluca, M. Ireland, Jr., J. Jacinto, K. Clauss Jorritsma, G. Petrulakis, S. Pok, M. Salameh, J. Sheley, M. Stokman, M. Swanson, W. Trezza, R. Triebsch, J. Vieira, S. Wooley

Members Absent: A. Ashrafzadeh, F. Brenda, M. Elam, E. Fitzpatrick, D. Huber, N. Naraghi, R. Robbin, C. Bright Tougas, J. Vilas

Other Attendees: S. Arounsack, T. Burgess, C. Esther, B. Hutton, C. Rasmussen, J. Strong

I. WELCOME AND CALL TO ORDER

Meeting called to order at 3:02 p.m. by Board President George Petrulakis. G. Petrulakis introduced Briquel Hutton as Executive Director of the Foundation Board.

II. APPROVAL OF MINUTES

- A. Foundation Board Meeting December 12, 2013 (Attachment II-A)**
The December 12, 2013 meeting minutes were unanimously approved.
MSP (unanimous) / (Triebsch/Carroll)

III. ACTION ITEMS

A. Approval of Revised Reserve Policy (Attachment III-A)

B. Hutton presented background on the need for the change of Reserve Policy. Each CSU Auxiliary is required by the Chancellor's office to implement policies, procedures and financial standards assure the organization maintains financial viability. A new Reserve Policy has been reviewed by the Finance and Investment Committee with recommendation to the Board for approval.

MSP (unanimous) / (Stokman/Bizzini)

B. Approval of Endowment Distribution for 2014-15 (Attachment III-B)

Endowment is for the purpose of scholarships and programs. Distributions are made according to current spending policy of the Foundation and the percentage of the endowment distribution is determined by the Foundation Board annually. Endowment earnings have improved and the Board is asked to approve a 2% distribution totaling \$382,337 for the upcoming year.

MSP (unanimous) Trezza/Bizzini



C. Approval of Board Director Term Renewal

- University President Joseph F. Sheley recommends the Board renew Ms. Sheila Carroll's term as Director. **MSP** (unanimous) Trezza/Swanson

IV. COMMITTEE REPORTS

A. Finance & Investment Committee

J. Vieira presented the Finance & Investment Committee report. The Finance & Investment Committee met on February 11, 2014. Andrew Price from Graystone Consulting/Morgan Stanley Smith Barney participated via video conference. The committee reviewed and discussed the following reports as of December 31, 2013, provided in the *Information Items Section VII* of the Board of Directors packet: Morgan Stanley Smith Barney Investment Report; Financial Statements; and Endowment Report.

The results of the Endowment Investment Activity held with MSSB are as follows:

- i. The funds had a return of investment of 8.47% after expenses since inception (01/01/2010).
- ii. Positive return on investments decreased the portion of endowments previous reported as "underwater." Management believes that the underwater endowments will be fully restored by the end of this fiscal year.
- iii. Andrew Price of MSSB recommended changes to the fund managers and recommended asset allocation. After discussion the Committee approved his recommendations.
- iv. As of December 31, 2013 the total endowment and non-endowment investment with MSSB was \$12,489,612.

The Financial Statements for the quarter ended December 31, 2013 were presented and reviewed:

- i. The overall Financial Position of the Foundation was favorable.
- ii. Total Net Assets at the end of the year totaled \$17,298,116.

V. UNIVERSITY PRESIDENT'S REPORT

Chair Sheley acknowledged the good turnout at this meeting and expressed his thanks.

May Budget Revision: While another \$95M for the CSU system is hoped, no additional funding increase is likely.

Enrollment: The University's enrollment target for 2014-15 is being increased by 3% from 2013-14. Sheley explained how the target is based on the full-time equivalent number of students (FTES), not headcount. The University is seeing an increase in enrollment because there are more qualified applicants and because of changing student behavior.



Students are taking a larger class load and that increases the FTES. Access continues to be an important issue to the CSU system and the University. We educate our region's students. They are our next generation of leadership and contribute to the economic development of the region.

Progress to graduation is also important. The University is looking at big picture questions like what to do about advising and how we can support middle school and high school students and their parents so that they know what they need to do to be qualified and prepared to enter college.

Excellence Funds. The stewardship committees for the Whalen-Saxton and Rossotti excellence funds have been formed. These committees will ensure accountability and delivery.

Community Outreach. Sheley reported on outreach activities that are underway, including a new website about to be released, a new alumni director, and a downtown art gallery and lab that will be housing in the Berg Building on E Main and Broadway in Turlock. He asked for recommendations for the community member position on the ad hoc committee for external public art.

The Stockton Center has a strong nursing program and a number of state-side programs are starting there. Sheley would like to bring more Stockton business leaders to participate on the Foundation Board.

Because of gifts to the baseball program, the baseball field has lights and other improvements, and the renovated field is bringing community members back to campus for games.

Upcoming Events. Tours of the newly renovated Science I building, including the state-of-the-art nursing lab, are being planned. The San Jose Earthquakes will be playing an exhibition game on our field on March 5 with other games this summer. The Board is invited to attend Commencement.

Impact of the University. Sheley introduced Steve Arounsack, professor of anthropology. Dr. Arounsack gave presentation on the use of digital technology in our classrooms. His students are using digital technology to capture the traditions of different cultures.

VI. UNIVERSITY ADVANCEMENT REPORT

Vice President Pok has met with the deans and Provost James Strong to build connections with them and assess their needs in four areas: communications, event-planning, fundraising and alumni relations. With newly hired staff starting in December 2013, everyone is working together and meeting the needs of customers across our campus, in addition to establishing new programs.



The Communications Department has been busy publishing news releases, which have successfully generated positive media coverage over the past few months. An event-planning workshop is being planned for Summer 2014, and will be promoted for campus-wide participation from each of the colleges and departments responsible for planning events. Currently University Advancement staff is assisting with 25 events on campus.

Plans for a new annual giving campaign were introduced to the Board. Built on the "team-concept" approach to fundraising, the university will launch One Purpose, the name of the annual giving club. One Purpose will be headed-up by John and June Rogers as chairs for the campaign. The Rogers recruited Steve and Nancy Jaureguy and George and Karna Petrulakis as divisional leaders. A total of 24 team owners (see handout) are being recruited to build out teams of volunteers in preparation for the fall campaign. Approximately 350 volunteer fundraisers will set out with a goal to raise \$1,000,000 for scholarships over a six week period starting on August 28, 2014.

VII. Board President G. Petrulakis adjourned the meeting at 4:51 p.m.

Recorder *Teri Burgess*
Teri Burgess

Approved *George A. Petrulakis* Date *5/22/14*
George A. Petrulakis
President, California State University, Stanislaus Foundation Board