



**BOARD OF DIRECTORS MEETING**

August 29, 2020

Zoom Teleconference

**MINUTES**

Members Present:

Mike Applegate	Scott Gaudineer	John Salmonson
Jeff Armstrong	Chuck Harrington	Ken Stone
Phil Bailey	Rich Jacobsen	Bill Swanson
Marc Benadiba	Laura Pickering	Stan Van Vleck
Paul Bonderson	Jim Marderosian	Cindy Villa
Hilary DeCesare	John Ronca	Jerry Lohr

Members Absent:

Steve Barnard	Mark Harris	Bob Taylor
Gary Dillabough	Josh Machamer	Bob Wacker
Basia Gillespie	Rob Moore	

Staff:

Ashley Aquino	Ericka Horn	Ashley Offerman
Audrey Bigelow	Keith Humphrey	Adriana Popescu
Allie Burnett	Cynthia Jackson-Elmoore	Renee Reijo Pera
Kevin Burns	Adam Jarman	Lisa Rockwell-Harpster
Stacy Cannon	Russ Kabaker	Matthew Ryan
Aaron Curti	Mary Kelting	Tim Seawell
Jessica Darin	Grant Kirkpatrick	Amy Spikes
Allyson Dela Cruz	Angie Kraetsch	Christine Theodoropoulos
Kathryn Dilworth	Al Liddicoat	Melissa Trento
Amy Fleischer	Noelle Menigoz	Dean Wendt
Erica Gulseth	John Neylan	Philip Williams
Jenny Heckendorf	Don Oberhelman	

Invited Guests:

Tina Hadaway-Mellis	Anthony Knight	Aydin Nazmi
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### **Call to Order and Attendance**

Chair Bill Swanson called the meeting to order and took attendance. Mr. Swanson announced a quorum of directors was present, and that the meeting, having been duly convened, was ready to proceed with its business.

Mr. Swanson also informed board members that Jon Monett has resigned from the board. He then welcomed new board member Scott Gaudineer to his first meeting as a director, and welcomed Provost Cynthia Jackson-Elmoore to her first meeting as Provost. Mr. Swanson acknowledged Hunt Turner as the new President of Cal Poly Alumni Association, though he could not be present during the meeting.

Mr. Swanson asked directors and staff members to observe a moment of silence in honor of Tina Bailey, late wife to director Phil Bailey and beloved by all board members and Cal Poly Foundation staff members.

### **Approval of June 20, 2020, Minutes**

Mr. Swanson asked members for corrections to the June 20, 2020, Board of Directors meeting minutes, beginning on page 7 of 50 in the provided consolidated meeting book, as well as corrections to the June 20, 2020 Annual Meeting minutes, beginning on page 4 of 50. None were identified; accordingly, a motion was made, seconded and approved to adopt both recorded minutes.

### **Election of Director**

Referring to the Slate of Directors on page 12 of 50, Mr. Van Vleck called attention to the director listed for initial appointment as outlined on the slate: Mr. Jim Marderosian. A motion was made to approve the Slate of Directors. Mr. Swanson provided to the board a brief summary of Mr. Marderosian's achievements. Accordingly, a motion to vote was moved and seconded, and Mr. Marderosian was unanimously elected to the Cal Poly Foundation Board of Directors. Mr. Marderosian joined the call, where Mr. Swanson and Mr. Van Vleck warmly welcomed him before continuing.

### **Committee Reports**

#### ***Governance***

Governance Committee Chair Stan Van Vleck reported that the Governance Committee met on July 28, 2020. Mr. Van Vleck noted the meeting primarily addressed the revision of and distribution of annual compliance documents to be submitted by each board member on an annual basis. The documents consist of a Conflict of Interest form and a Statement of Understanding agreement, outlining expectations of participation as a director. Mr. Van Vleck informed the board that the documents will be sent and signed electronically this year.

#### ***Audit***

Audit Committee Chair Mike Applegate reported audit partners Glenn Burdette finished the external field work on August 28, 2020 and are compiling recommendations. The

Audit Committee is scheduled to meet on September 15, 2020 to review and approve the results of the audit before submitting to the CSU.

### ***Review of Quarterly Financial Statements***

Treasurer Marc Benadiba reviewed highlights from the Quarterly Financial Report for the period. The Foundation's deferred inflows and net position was \$365.1 million at June 30, 2020. This is a decrease of \$5.1 million from June 30, 2019 and was primarily due to market value losses.

Endowment investments decreased to \$223.8 million at June 30, 2020, a decrease of \$1.7 million (0.8%) compared to the June 30, 2019 balance of \$225.5 million. The increase was primarily due to market value losses of \$3.6 million, income of \$6.4 million, and additional gifts and transfers to the endowment of \$7.5 million. Payouts were \$8.6 million and fees \$3.8 million.

As of June 30, 2020, the Foundation managed 947 endowments, which are managed in a unitized investment pool. There were 920 endowments at June 30, 2019. Of the \$223.8 million endowment investment assets, \$223.7 million was actively invested in the endowment investment pool.

At June 30, 2020, the Foundation had cash deposits of \$65.5 million held at Wells Fargo Bank, compared to \$38.1 million at June 30, 2019. The increase in cash is due to cash requirements for building projects getting under way. As of June 30, 2020, Campus Programs Funds University Direct Spend totaled \$26.7 million in cash, bonds, brokered CDs and a money market account. For the same time period, the Facilities Fund Assets totaled \$47.4 million in bonds, brokered CDs and money market accounts.

### ***Investment***

In the absence of Investment Committee Chair Bob Wacker, Treasurer Benadiba provided the Investment committee report. Mr. Benadiba noted that the Investment Committee met on the morning of August 29, 2020, just prior to the Board of Directors meeting. He provided a brief overview of market performance over the past fiscal quarter. The Cal Poly Foundation endowment ended July 2020 at \$232.1 million down from \$237.7 million at December 31, 2019 and \$225.5 million at the start of the fiscal year. For the fiscal year to date, the endowment returned -2.1% (net of fees) just behind the Growth multi-asset benchmark, -2.0%. In the first seven months of the 2020 calendar year, the endowment experienced additions of \$3.6 million and withdrawals of \$3.8 million (excluding fees). The total market value of Planned Gift Assets Under Management was \$11.3 million in 27 portfolios as of June 30, 2020.

### ***Development***

Development Committee Chair John Ronca reported on total productivity values at the upon the conclusion of the Power of Doing campaign on June 30, 2020. Detailed reports can be found beginning on page 32 of 50 of the consolidated meeting book. Mr. Ronca reported the 2020 fiscal year was Cal Poly's largest fundraising year in history, totaling over \$157 million in total productivity. Mr. Ronca announced the final total for the Power

of Doing campaign amounted to \$832,844,380, making it the largest fundraising campaign in the CSU system.

### **CEO Report**

University President and Foundation CEO Jeffrey Armstrong provided an overview update of the interim organizational structure of University Development & Alumni Engagement, noting the leadership of Jessica Darin and division leadership team, among others, through these unprecedented times. President Armstrong reported the division is focused on reducing costs by not filling vacancies, pausing the search for a Vice President, reducing travel budgets, and encouraging the UDAE team to continue to work remotely.

President Armstrong announced the productivity goal for the 2021 fiscal year will total \$70 million, in consideration for having an understaffed fundraising team while all working remotely during unprecedented times. President Armstrong reported that all deans and unit leaders met with Development leadership to discuss goals, pipelines, and fundraising run rates, noting 2021 will likely be a rebuilding year for many colleges and units as pipelines are nurtured and rebuilt.

### **University Update**

President Armstrong reported on the property damage at Swanton Pacific Ranch due to the CZU Lightning Complex fire, and provided some pictures of the devastation to the board.

President Armstrong noted the University experienced a record number of students enrolled in summer classes, but that University Housing budget has been significantly reduced by 12% from state funding. He reported the additional cuts the University is facing, from travel to staffing to impacts on the Cal Poly pedagogy of Learn by Doing. By the numbers, President Armstrong detailed there are 4,433 students and 120 RA's living on campus, just over 3,000 of which are first year freshmen. Anticipating concerns and questions from the board, the President invited guest speakers to report on University safety guidelines, testing procedures, and risk mitigation strategies. The panel consisted of Dr. Anthony Knight, Dr. Aydin Nazmi, and Dr. Tina Hadaway-Mellis who facilitated a robust discussion with board members regarding students' return to campus and the greater San Luis Obispo area.

### **Campaign Priorities, Goals, and Progress Updates**

To keep the Board members updated on Development fundraising efforts in their respective areas, Campaign Priorities, Goals, and Progress video update reports were distributed for review prior to the meeting. Fundraising goals for 2021 and pipeline updates were given during the meeting by: College of Engineering Dean Amy Fleischer; College of Agriculture, Food & Environmental Sciences representative Russ Kabaker; Athletics representative Ashley Offerman, College of Science & Mathematics Dean Dean Wendt, College of Architecture & Environmental Design Dean Christine Theodoropoulos; Orfalea College of Business Interim Dean Al Liddicoat; College of Liberal Arts Dean Philip Williams, and Vice President for Student Affairs Keith Humphrey.

### **Round Table Updates**

Chair Swanson reminded the Board that video updates from the Alumni Association and ASI were provided prior to the meeting.

### **Adjournment**

With no further business to discuss, the meeting adjourned at 12:58 p.m.

Respectfully submitted,

*William H Swanson*  
William H Swanson (Nov 19, 2020 11:17 PST)

Bill Swanson  
Chair, Cal Poly Foundation Board






# Board of Directors August 29, 2020 Meeting Minutes

Final Audit Report

2020-11-19

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