



BOARD OF DIRECTORS MEETING

August 7, 2021

Zoom Teleconference

MINUTES

Members Present:

Mike Applegate	Trevor Harding	Bill Swanson
Jeff Armstrong	Rich Jacobsen	Bob Taylor
Steve Barnard	Jim Marderosian	Cindy Villa
Marc Benadiba	John Ronca	Bob Wacker
Scott Gaudineer	Ken Stone	Kenny Wu

Members Absent:

Phil Bailey	Basia Gillespie	Laura Pickering
Paul Bonderson	Mark Harris	John Salmonson
Hilary DeCesare	Chuck Harrington	Stan Van Vleck

Staff:

Ashley Aquino	Ericka Horn	Ashley Offerman
Audrey Bigelow		Adriana Popescu
	Cynthia Jackson-Elmoore	
Andy Thulin	Adam Jarman	Lisa Rockwell-Harpster
Stacy Cannon	Russ Kabaker	
Aaron Curti	Mary Kelting	Tim Seawell
Jessica Darin	Grant Kirkpatrick	Amy Spikes
Allyson Dela Cruz		Christine Theodoropoulos
	Al Liddicoat	
Amy Fleischer	Tess Loarie	Dean Wendt
Damon Fleming	Tim Northrop	Philip Williams
	Don Oberhelman	Morgen Marshall

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. President Armstrong called on Provost Cynthia Jackson-Elmore to introduce Dean Damon Fleming, the dean of the Orfalea College of Business.

Approval of May 1, 2021, Minutes

Chair Swanson asked members for corrections to the May 1, 2021, Board of Directors meeting minutes, beginning on page 11 of 79 in the provided consolidated meeting book, as well as corrections to the May 1, 2021 Annual Meeting minutes, beginning on page 6 of 79. None were identified; accordingly, a motion was made, seconded and approved to adopt both recorded minutes.

Committee Reports

Governance

In the absence of Governance Committee Chair Stan Van Vleck, Chair Swanson reported that he presided over the Governance Committee on July 8, 2021. Chair Swanson noted the meeting 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, an Acknowledgment Form, a Statement of Understanding agreement, and a Confidentiality Agreement, outlining expectations of participation as a director. Chair Swanson informed the board that the documents will be sent and signed electronically, and asked for any comment on these documents.

Chair Swanson and President Armstrong presented the Cal Poly Bylaw Revisions. Chair Swanson noted the proposed bylaw revisions to Article V, Sections 4.2. and 4.3 as outline in the memo and the redline copy of proposed updates. Upon approval of the revisions, a staggering of terms will be enacted to ensure progressive transition of expiration of terms limits. Chair Swanson asked for any comments. None were identified, a motion was made, seconded and approved to adopt the Bylaw Revisions.

Chair Swanson called on Marc Benadiba to discuss the CSU Master Operating Agreement Compliance Confirmation. This standard review, as outlined in the MOU, is completed every five years. The Foundation is in compliance with the MOU. Mr. Benadiba noted the review and reporting to the CSU is under the purview of the University and the next review will be in 2026.

Chair Swanson noted Open Meeting Protocols will be reviewed and developed into a policy of the Board for review at the November Board meeting. The Governance Committee will develop the policy. Chair Swanson called on President Armstrong, who noted the protocols that were adopted in 2018 have been reviewed and modified by Governance and Executive Committees. The Governance Committee proposed, and the Executive Committee supports the request to develop a

formal policy of the Foundation. The draft will be developed for review at the November meeting.

Chair Swanson asked staff to review and update Board member bios on the website. The form provided for the Board's review and feedback will provide a consistent format for directors to review and update individual bio and contact information. Mr. Swanson noted each director will receive an individual email with their current information pre-loaded into the form.

Audit

Audit Committee Chair Mike Applegate reported audit partners Glenn Burdette are in the process of auditing the university's financial statements. The Audit Committee is scheduled to meet on September 16, 2021 to review the results of the audit. This is the second year Glenn Burdette has conducted an audit on Cal Poly, and the audit committee is confident in this year's results. Treasurer Marc Benadiba noted the process should be complete by September 27, 2021.

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 \$424.4 million at June 30, 2021. This is an increase of \$57.5 million from June 30, 2020, and was primarily due to market value gains. Endowment investments increased to \$284.4 million at June 30, 2021, an increase of \$60.6 million (27.1%) compared to the June 30, 2020 balance of \$223.8 million. The increase was primarily due to market value gains of \$60.8 million, income of \$6.1 million, and additional gifts and transfers to the endowment of \$7.3 million. Payouts were \$9.1 million and fees \$4.2 million. As of June 30, 2021, the Foundation managed 981 endowments, which are managed in a unitized investment pool. There were 947 endowments at June 30, 2020. Of the \$284.4 million endowment investment assets, \$284.4 million was actively invested in the endowment investment pool. At June 30, 2021, the Foundation had cash deposits of \$72.8 million held at Wells Fargo Bank, compared to \$65.5 million at June 30, 2020. The increase in cash is due to cash requirements for building projects in progress. As of June 30, 2021, Campus Programs Funds University Direct Spend totaled \$34.0 million in cash, bonds, brokered CDs and a money market account. For the same time period, the Facilities Fund Assets totaled \$46.4 million in bonds, brokered CDs and money market accounts.

Investment

Investment Committee Chair Bob Wacker provided the Investment committee report. Mr. Benadiba noted that the Investment Committee met on the morning of August 7, 2021, 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 June 30, 2021 at \$284.4 million, up from \$270.4 million at March 31, 2021. For the quarter, the endowment returned 6.0% (net of fees) ahead of the Growth multi-asset benchmark 5.5%. The total market value of Planned Gift Assets Under Management was \$15.91 million in 26 portfolios as of June 30, 2021.

Development

Development Committee Chair John Ronca reported on total productivity values on June 30, 2021. Detailed reports can be found beginning on page 73 of 79 of the consolidated meeting book. Development Committee Chair John Ronca reported on the development committee. As of June 30, 2021, total productivity for the fiscal year was \$49.9 million, down from \$157.1 million as of June 30, 2020. Total productivity of \$49.9 million is 71.25% of the \$70 million annual goal. John Ronca called on Jessica Darin to review total productivity. While the \$70 million goal was not met, there were a few areas that performed well this fiscal year, including College of Science and Mathematics, Student Affairs, and the College of Engineering. This year followed Cal Poly's strongest fiscal year to date, where in fiscal year 2020 secured more than \$157 million. Fiscal Year 2021 is a year of resetting after the Power of Doing Campaign and an opportunity to rebuild the pipeline.

CEO Report & University Update

President Armstrong noted the search for a new Vice President is underway, and that this process is confidential. Fall classes will begin in a few weeks, and SLO Days is currently underway. The plan for fall quarter is to have nearly everyone back in person. The University will require masks for everyone indoors, and require vaccinations with exemption options. Student Athletes must be vaccinated without exemptions. President Armstrong highlighted the university's goals, and emphasized the desire to be in person.

Strategic Initiatives

Strategic Initiatives presentations were given by both College of Architecture and Environmental Design Dean Christine Theodoropoulos and Athletic Director Don Oberhelman.

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 Andy Thulin; Athletics representative Ashley Offerman, College of Science & Mathematics 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 President Armstrong on behalf 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.

Public Comment

Public Comment Protocols were reviewed with committee members. Chair Swanson facilitated. Lisa Schwartz was invited into the meeting room. Her speech urged the Cal Poly Foundation to divest from investment in fossil fuels.

Adjournment

With no further business to discuss, the meeting adjourned at 12:16 p.m.

Respectfully submitted,

William H Swanson
William H Swanson (Nov 9, 2021 11:10 PST)

William H. Swanson
Chair, Cal Poly Foundation Board


BOD Meeting Minutes (8.7.2021), Executive Committee Meeting Minutes (7.27.2021), & Governance Committee Meeting Minutes (7.8.2021)


Final Audit Report


2021-11-09


Created:	2021-11-09
By:	Cal Poly Foundation (calpolyfoundation@calpoly.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAtfTOMqo5CpfAAgXOA6wFNH8VhwJVlqQ0


"BOD Meeting Minutes (8.7.2021), Executive Committee Meeting Minutes (7.27.2021), & Governance Committee Meeting Minutes (7.8.2021)" History

 Document created by Cal Poly Foundation (calpolyfoundation@calpoly.edu)
2021-11-09 - 4:54:24 PM GMT- IP address: 129.65.40.26

 Document emailed to William H Swanson (bill@whscks.com) for signature
2021-11-09 - 4:59:19 PM GMT

 Email viewed by William H Swanson (bill@whscks.com)
2021-11-09 - 5:27:02 PM GMT- IP address: 199.88.191.207

 Document e-signed by William H Swanson (bill@whscks.com)
Signature Date: 2021-11-09 - 7:10:35 PM GMT - Time Source: server- IP address: 199.88.191.207

 Agreement completed.
2021-11-09 - 7:10:35 PM GMT