



# CAL POLY Foundation

## BOARD OF DIRECTORS MEETING

November 6, 2021  
Zoom Teleconference

### MINUTES

#### Members Present:

Mike Applegate	Trevor Harding	John Ronca
Michael Abbott	Chuck Harrington	Zachary Smith
Jeff Armstrong	Mark Harris	Ken Stone
Phil Bailey	Rich Jacobsen	William H. Swanson
Marc Benadiba	Jerry Lohr	Bob Taylor
Lloyd Dean	Jim Marderosian	Bob Wacker
Scott Gaudineer	Laura Pickering	Kenny Wu

#### Members Absent:

Steve Barnard	Basia Gillespie	Cindy Villa
Paul Bonderson	John Salmonson	Stan Van Vleck
Hilary DeCesare		

#### Staff:

Stacy Cannon	Adam Jarman	Adriana Popescu
Jessica Darin	Mary Kelting	Lisa Rockwell-Harpster
Mark Cabrinha	Angie Kraetsch	Meaghan Smeehuyzen
Amy Fleisher	Grant Kirkpatrick	Amy Spikes
Damon Fleming	Morgen Marshall	Andy Thulin
Erica Gulseth	Erica Nordby	Melissa Trento
Jenny Heckendorf	Tim Northrop	Dean Wendt
Keith Humphrey	Don Oberhelman	Philip Williams
Cynthia Jackson-Elmoore		

#### Guests:

Abby Mason	Damon Whelchel	Steven Marx
Ryan Manseau	Reese Netro	Jonathan Reich
Heath Hooper	Chris Raynes	Assata Golash

## **Call to Order and Attendance**

Chair William H. 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.

## **Approval of August 7, 2021, Minutes**

Mr. Swanson asked members for corrections to the August 7, 2021, Board of Directors meeting minutes. None were identified; accordingly, a motion was made, seconded and approved to adopt the minutes.

## **Committee Reports**

### ***Governance***

#### ***Draft Slate of Director***

In the absence of the Governance Committee Chair Stan Van Vleck, Interim Governance Committee Chair Laura Pickering reported that the Governance Committee met on October 14, 2021. Ms. Pickering noted Mr. Mike Abbott was present at the meeting. Mr. Abbott has confirmed with Chair Swanson and President Armstrong his willingness to serve on the board. Ms. Pickering noted the next step in the process is to formally vote on his membership to an initial term of two years. The Governance Committee has already approved the draft slate of director. Darin asked members for further discussion prior to moving to approve the draft slate of directors. Accordingly, a motion was made, seconded, and approved.

#### ***Draft Policy 122 Public Comment***

Ms. Pickering referred to the summary memo regarding the proposed Public Comment Policy to provide an overview of the policy on page 10 of 35. This policy will formalize Public Comment procedures, providing transparency and consistency in administration. The Cal Poly Foundation Board welcomes the opportunity for public comment at Foundation Board meetings or the committees of the board by those who wish to bring up items within the purview of the Foundation. Ms. Pickering noted this policy will replace the previously adopted previous Public Committee Protocols, which have been included in the meeting materials for reference only. Additionally, the CSU "Addressing the Board of Trustees" guidelines were included for reference. Pickering asked members for further discussion prior to moving to approve Policy 122. Accordingly, a motion was made, seconded, and approved.

### ***Audit***

Committee Chair Applegate reported the Audit Committee met on September 16, 2021. Glenn Burdette issued a clean audit report. The financials were approved and submitted to the CSU. The auditor noted there are no recommendations as a result of the audit and the work on pledges mid-year helped the end of year reporting.

#### ***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 were \$414.4 million as of September 30, 2021. This is a decrease of \$10.0 million from June 30, 2021, and was primarily due to market value losses and endowment payouts. Endowment investments decreased to \$278.8 million at September 30, 2021, a decrease of \$5.6 million (2.0%) compared to the June 30, 2021 balance of \$284.4 million. The decrease was primarily due to market value losses of \$4.0 million, income of \$1.1 million, and additional gifts and transfers to the endowment of \$1.9 million. Payouts were \$4.1 million and fees \$1.2 million. As of September 30, 2021, the Foundation managed 986 endowments, which are managed in a unitized investment pool. There were 981 endowments at June 30, 2021. Of the \$278.8 million endowment investment assets, \$278.8 million actively invested in the endowment pool.

### *Investment*

Mr. Wacker noted that the Investment Committee met on the morning of November 6, 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 September 30, 2021, at \$278.8 million down from \$284.6 million at June 30, 2021. During the quarter, the endowment experienced additions of \$1.6 million and withdrawals of \$4.1 million (excluding fees). For the quarter, the endowment returned -1.1% (net of fees) ahead of the Growth multi-asset benchmark, -0.6%. Since inception (6/30/93), the Cal Poly endowment has earned 8.4% per year net of fees. The total market value of Planned Gift Assets Under Management was \$16.2 million in 25 portfolios as of September 30, 2021. As of September 30, 2021, Campus Programs Funds totaled \$41.0 million in cash, bonds, brokered CDs and a money market account. For the same time period, the Facilities Investment Fund Assets totaled \$42.4 million in bonds, brokered CDs and money market accounts.

Mr. Wacker reported on the CSU investment policy changes, and called on Treasurer Marc Benadiba to read them to the committee. Benadiba reported that the CSU has taken four actions in their investment policies: liquidate fossil fuel related bonds, transition out of fossil fuel related funds and reallocate, appoint investment managers to work as appropriate to reduce fossil fuel exposures, and allow for discretion in investment in business models that are focused on sustainability. The CSU concluded they will prioritize the CSU objective within its investments. Mr. Wacker noted the first two actions are not an issue to Cal Poly. Mr. Wacker then reported that the CSU portfolio is invested in diversified mutual funds.

### *Update on Endowment Payout Rate Review*

Mr. Wacker noted that the Investment Committee approved to maintain the endowment payout rate at 4.0%.

## *Development*

### *Development Productivity & Forecasting Report*

Committee Chair John Ronca called on Jessica Darin to provide the productivity update. President Armstrong provided an overview of the fundraising Productivity Report on page 28 of 35. As of September 30, 2021, total productivity for the fiscal year was approximately \$3.8 million, which is 5.49% of the \$70 million annual goal. There has been strong production of the Cal Poly athletics teams, with a 50% of million-dollar increase.

### **CEO Report & University Update**

President Armstrong welcomed Zach Smith to the role of Vice President. President Armstrong then reported that Cal Poly is working on a few large gifts of over \$10 million. He announced the Justin and J. Lohr Viticulture Center, in which there are 11 donors of 1 million and above. President Armstrong thanked Board Members Jerry Lohr, Bob Taylor, Basia Gillespie, Chair Bill Swanson for contributing to 25% of the project.

President Armstrong noted he is pleased with the campus update. Cal Poly student and staff have reported a high vaccination rate, and COVID-19 infection levels are extremely low. Additionally, a large number of students are safely living on campus. President Armstrong reported that Cal Poly has the seventh highest starting salaries of alumni to any university in the state, whilst being the second highest paid public university. President Armstrong congratulated the Cal Poly Women's soccer team, who were playing in their finals. Cal Poly will be transitioning to semester system by the 2025/2026 school year, and the school will allow faculty to have flexibility in this transition

President Armstrong noted issues with financial aid & scholarships. With full financial aid applied, Cal Poly is the most expensive CSU. Additionally, faculty & staff ideally would be paid more based on their high performance and rising cost of living. President Armstrong would like to better serve the students Cal Poly has by prioritizing financial sustainability and eventually increasing financial aid. This has been a successful goal in the past. President Armstrong concluded by emphasizing to enhance the learn by doing and teacher scholar model. Board Member Trevor Harding asked about the semester transition and if the school would receive any funding for creating the time to make the transition. President Armstrong would like to get the most support possible from the CSU, noting that there is plentiful time to make this transition.

### **Strategic Initiatives**

Strategic Initiatives presentations were given by both College of Liberal Arts Dean Philip Williams and College of Agriculture and Environmental Studies Dean Andy Thulin.

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

To keep the Board members updated on Development fundraising efforts in their respective areas, Campaign Priorities, Goals, and Progress update reports were given by: College of Engineering Dean Amy Fleischer; College of Agriculture, Food & Environmental Sciences Dean Andy Thulin; Orfalea College of Business Dean Damon

Fleming; College of Science & Mathematics Dean Dean Wendt; Mark Cabrinha presented on behalf of College of Architecture & Environmental Design Dean Christine Theodoropoulos; College of Liberal Arts Dean Philip Williams and President Armstrong presented on behalf of the 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 12:38 p.m.

Respectfully submitted,

*William H Swanson*  
William H Swanson (Feb 14, 2022 10:59 PST)

William H. Swanson  
Chair, Cal Poly Foundation Board






# BOD (11.6.21) & Executive (10.26.21) Meeting Minutes

Final Audit Report

2022-02-14

Created:	2022-02-14
By:	Cal Poly Foundation (calpolyfoundation@calpoly.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAu0Ar6httmHuolosG8-GEIX4E6BkKFLy

## "BOD (11.6.21) & Executive (10.26.21) Meeting Minutes" History

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2022-02-14 - 6:54:02 PM GMT- IP address: 129.65.40.26
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2022-02-14 - 6:55:15 PM GMT
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2022-02-14 - 6:57:39 PM GMT- IP address: 199.88.191.207
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Signature Date: 2022-02-14 - 6:59:46 PM GMT - Time Source: server- IP address: 199.88.191.207
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