



EXECUTIVE COMMITTEE MEETING

July 27, 2021, 4:00 P.M.
Zoom Video Conference

MINUTES

Committee Members Present:

Mike Applegate	Chuck Harrington	John Salmonson
Jeff Armstrong	John Ronca	Bill Swanson
Marc Benadiba	Ken Stone	Bob Wacker

Committee Members Absent:

Stan Van Vleck

Staff:

Stacy Cannon	Ericka Horn	Grant Kirkpatrick
Aaron Curti	Audrey Lariz	Lisa Rockwell-Harpster
Jessica Darin		

Call to Order and Attendance

Chair Bill Swanson called the meeting to order and welcomed members. Mr. Swanson announced a quorum of directors' present, and that the meeting, having been duly convened, was ready to proceed.

Approval of Minutes

Mr. Swanson asked members for corrections to the April 26, 2021, Executive Committee meeting minutes. None were identified; accordingly, a motion was made and seconded, approving the 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 supported and has requested that a formal policy of the Foundation be adopted. 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.

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, 2020. 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 area's that performed well this fiscal year, including College of Science and Math, Student Affairs, and 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 provided a brief update on the confidential search for a new Vice President of University Development and Alumni Engagement. President Armstrong highlighted the University's goals and extensive safety protocols and plans for safe repopulation of the campus. Fall classes will begin in a few weeks, and SLO Days are currently underway.

Review Draft Agenda

Chair Swanson asked for comments or changes to the agenda for August 7, 2021, Board of Directors meeting. No comments were recorded; accordingly, a motion was made and

the Board of Directors meeting. No comments were recorded; accordingly, a motion was made and seconded to approve the agenda.

Adjournment

With no further business to discuss, the meeting adjourned at 5:11 p.m.

Respectfully submitted,


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

William H. Swanson
Executive Committee 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


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

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