



**BOARD OF DIRECTORS MEETING**

February 6, 2021  
Zoom Teleconference

**MINUTES**

Members Present:

Jeff Armstrong	Rich Jacobsen	Bill Swanson
Mike Applegate	Jerry Lohr	Bob Taylor
Phil Bailey	Jim Marderosian	Cynthia Villa
Marc Benadiba	Rob Moore	Bob Wacker
Paul Bonderson	Laura Pickering	
Lloyd Dean	John Ronca	
Scott Gaudineer	John Salmonson	
Chuck Harrington	Ken Stone	

Members Absent:

Steve Barnard	Basia Gillespie	Stan Van Vleck
Hilary DeCesare	Mark Harris	

Staff:

Audrey Bigelow	Ericka Horn	Ashley Offerman
Allie Burnett	Keith Humphrey	Adriana Popescu
Kevin Burns	Adam Jarman	Lisa Rockwell-Harpster
	Cynthia Jackson-	
Stacy Cannon	Elmoore	Meaghan Smeehuyzen
Aaron Curti	Russ Kabaker	Amy Spikes
Jessica Darin	Grant Kirkpatrick	Christine Theodoropoulos
Allyson Dela Cruz	Al Liddicoat	Andy Thulin
Kathryn Dilworth	Josh Machamer	Melissa Trento
Amy Fleischer	Tim Northrop	Dean Wendt
Jenny Heckendorf	Don Oberhelman	Philip Williams

**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.

## **Approval of November 14, 2020 Minutes**

Mr. Swanson asked members for corrections to the November 14, 2020, Board of Directors meeting minutes. None were identified; accordingly, a motion was made, seconded, and approved to adopt the minutes.

## **Committee Reports**

### *Governance*

In the absence of the Governance Committee Chairman, Stan Van Vleck, Interim Vice President for Development & Alumni Engagement Jessica Darin reported on behalf of the Governance Committee. Ms. Darin noted the Governance Committee met on January 14, 2021. Ms. Darin noted Mr. Lloyd Dean, CEO of CommonSpirit Health, attended the November meeting as a guest. Mr. Dean has confirmed with Chair Swanson and President Armstrong, his willingness to serve on the board. Darin asked members for further discussion prior to moving to approve the draft slate of directors. Accordingly, a motion was made, seconded, and approved to adopt the minutes. Mr. Dean was welcomed into the meeting.

Ms. Darin noted with the addition of Jim Marderosian and Scott Gaudineer, the Board wants to be sure to get these new members engaged at the committee level. Chair Swanson has connected with each new board member to see where they would like to serve at the committee level in alignment with their areas of expertise and interest. Mr. Marderosian would like to serve on Investment and Mr. Gaudineer on Development. Committee membership can be revised throughout the year as needed. This updated roster serves to establish official voting members for purposes of quorum.

### *Student Director Update*

Ms. Darin noted that Rob Moore, the current student director is set to complete his degree Winter Quarter and will no longer be eligible to serve. She reported staff is working with ASI to schedule interviews for the new Foundation Student Director position. There are currently three eligible candidates. It is expected for the interview process to move forward in the coming weeks. After identifying the final candidate, ASI will formalize the nomination in Spring for nomination to the Board at the Annual meeting in May.

### *Faculty Director Update*

Ms. Darin noted that Josh Machamer has officially assumed his new role, Assistant Dean for Operations for the College of Liberal Arts, which precludes him from serving as Faculty Director. The President is working with Provost Cynthia Jackson-Elmoore to identify an appropriate candidate. A request for nominees has been made to each college Dean.

### *Audit*

Audit Committee Chair Mike Applegate provided the Audit Committee report noting the meeting previous scheduled for February 4, 2021 will be reschedule in March. The committee is currently waiting on the tax return from Glenn Burdette. Mr. Applegate

noted that preparation for the budget for July 1, 2021 will commence in the coming weeks, which is consistent with the process for the prior year.

#### *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 \$399.0 million on December 31, 2020. This is an increase of \$32.0 million from June 30, 2020 and was primarily due to market value gains.

Endowment investments increased to \$257.6 million on December 31, 2020, an increase of \$33.8 million (15.1%) compared to the June 30, 2020 balance of \$223.8 million. The increase was primarily due to market value gains of \$34.8 million, income of \$3.9 million, and additional gifts and transfers to the endowment of \$4.2 million. Payouts were \$5.3 million and fees \$1.9 million.

As of December 31, 2020, the Foundation managed 955 endowments, which are managed in a unitized investment pool. There were 947 endowments on June 30, 2020. Of the \$257.6 million endowment investment assets, \$257.6 million was actively invested in the endowment investment pool.

On December 31, 2020, the Foundation had cash deposits of \$79.6 million held at Wells Fargo Bank, compared to \$65.5 million on June 30, 2020. The increase in cash is due to cash requirements for building projects getting under way. University Development support payments of \$1,457,000 were \$309,000 less than the prior year. The decrease was due to open University Development positions left vacant as a result of the budget review process. John Ronca inquired about page 14, asking about the financial overview and highlights. Marc Benadiba clarified. Mr. Ronca noted an error, and Mr. Benadiba noted they will rephrase the statement. A director inquired as to the temporary funds category on page 15. Mr. Benadiba clarified. A director asked who has access to the specific funds mentioned in the operating expenses on page 6. Mr. Benadiba noted that they are allocated to the support of the Board as directed by the President.

#### *Investment*

Investment Committee Chair Bob Wacker provided the Investment committee report. Mr. Wacker noted that the Investment Committee met on the morning of February 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 December at \$257.8 million, up from \$232.0 million on September 30, 2020. During the quarter, the endowment experienced additions of \$0.6 million and withdrawals of \$1.5 million (excluding fees). For the quarter, the endowment returned 11.6% (net of fees) ahead of the Growth multi-asset benchmark, 11.1%. Since inception (6/30/93), the Cal Poly endowment has earned 8.3% per year (net of fees) compared to 8.0% for the Growth multi-asset benchmark. The total market value of Planned Gift Assets Under Management was \$15.3 million in 26 portfolios as of December 31, 2020.

Mr. Wacker noted the recent surge in the endowment increase has occurred due to the news and approval of the COVID vaccine. Mr. Wacker also discussed the potential of

increasing the allocation, noting that the committee will continue to monitor the possibility of an allocation increase in the future. Mr. Wacker mentioned the ventured fund and its whereabouts and noted the possibility for cryptocurrency gifts.

Regarding Campus Program Funds, Mr. Wacker noted that Treasurer Marc Benadiba reported benchmarking measures for incentivizing spending of funds as intended by the donors. Mr. Benadiba will continue to monitor spending and work with campus partners to reduce the balances or reinvest in the endowment.

Lloyd Dean congratulated the committee's successful yields and inquired about going to assets outside of financial assets. Mr. Wacker responded the Foundation is not large enough to access the best managers for those types of investments.

### *Development*

Development Committee Chair John Ronca provided the Development committee report. As of December 31, 2020, total productivity for the fiscal year was \$16.5 million, up from \$3.9 million on September 30, 2020. A total of \$12.6 million was raised in the second quarter, highlighted by a strong December which saw \$7.3 million raised. Total productivity of \$16.5 million is 23.61% of the \$70 million annual goal. Regarding Giving by entity, the most striking change year over year is the uptick in this year's giving from "Friends". Through the second quarter of 2021, "Friends" gave \$2.6M vs. \$0.9M last year. Corporate giving, as a percentage of giving, is up significantly this year, 30% this year vs. 14% last year. Referring to page 5 of the Productivity Report, Mr. Ronca noted Cultivation contacts have held steady at 30% year over year. Discovery contacts have fallen 7% from 38% last year to 31% this year. Stewardship contacts are up 5%. Limitations due to COVID-19 restrictions have created a virtual environment contributing to why Discovery is down and Stewardship is up. Development officers continue to face challenges with getting new visits but are having success in reaching out to existing relationships. On page 6 of the Productivity Report, a summary of Annual Giving shows a strong first half of the year. The team continues to leverage crowd funding which is seeing some of our largest growth in both dollars and donors. Telemarketing is down but the other categories have compensated for this with strong performance. Cal Poly Annual Giving is continuing the five-year growth trend with the best year yet at the midpoint of this fiscal year. A director inquired about the difference between electronic and digital on page 6 of the report. Ms. Jessica Darin first noted this is the largest campaign number for the CSU. She then called on Grant Kirkpatrick, who provided an explanation of the difference.

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

President Armstrong introduced the Board's newest members and welcomed them to the meeting. He also thanked Rob Moore and Josh Machamer for their service on the Board. President Armstrong began with a University Update, explaining the Cal Poly move in process, pre-arrival testing, winter quarter testing, wastewater regulation, and faculty and staff testing. Armstrong explained the successful implementation of these programs and noted their positive impact on the San Luis Obispo community. Armstrong then provided an overview the recent update to his Presidential Order. He then explained how this is

being enforced, and then provided an enrollment update. President Armstrong also mentioned vaccine updates, noting that a Cal Poly representative is working with SLO County Public Health. President Armstrong noted the planning for modalities for the Summer and Fall, emphasizing the priority of maintaining health and safety for the campus and the community. President Armstrong reported on the State and CSU budget allocations, the capacity study, and facilities. Lastly, President Armstrong announced the members chosen by the CSU Board of Trustees for the Wang Family Excellence Awards. Chair Swanson inquired about why Cal Poly's mandatory fees are so much greater than all other CSU's. President Armstrong gave a more detailed explanation of some of the fees but noted confirmation with the Chancellor's office is needed to confirm. A director inquired as to how alumni career progress and achievements are monitored. Mr. Kirkpatrick noted that Alumni Engagement is partnering with Career Services to gain better insights through LinkedIn, however he will follow up with Career Services regarding data mining and tracking, to report back at the next meeting.

### **Fundraising 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; Athletics Director Don Oberhelman; College of Science & Mathematics Dean Dean Wendt; College of Architecture & Environmental Design Dean Christine Theodoropoulos; Orfalea College of Business Interim Dean Al Liddicoat; and College of Liberal Arts Dean Philip Williams.

### **Executive Session**

No business needed to be discussed in Executive Session.

### **Adjournment**

With no further business to discuss, the meeting adjourned at 12:09 p.m.

Respectfully submitted,

  
William H Swanson (May 5, 2021 15:55 PDT)

William H. Swanson  
Chair, Cal Poly Foundation Board

# BOD Meeting Minutes (2/6/21) & Executive Committee Meeting Minutes (1/29/21)

Final Audit Report

2021-05-05

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## "BOD Meeting Minutes (2/6/21) & Executive Committee Meeting Minutes (1/29/21)" History

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