



CalPolyPomona

Philanthropic
Foundation

Board Meeting Minutes

Wednesday, February 5th, 2020

10:45 AM – 12:45 PM

Student Services Building 121, Rm 1967

MEETING MINUTES

Members Present: Larry Gates (Chair), Walt Allen, Dr. Sylvia Alva, Wen Chang, Dr. Soraya Coley, Kristin Crellin, Dr. Winny Dong, Earl Gales, , Michele Gendreau, Ron Gregoire, Susan Kellogg, Danielle Manning, Diane Miller, Dan Montplaisir, Dr. Majed Muhtaseb, Doug Nelson, Ganpat Patel, John Resich, Miguel Santana, Pasindu Senaratne, Dr. Eileen Sullivan, Sean Yu

Members Absent: Joan Robinson-Berry, David Singelyn, Juliana Terian, Kent Valley

CPP Staff: Natalie Graff, Gina Johnson

Guests: Dr. Ben Bahr, Dr. Ravi Vilupanur, Cheryl Wyrick, Lisa Xue, Carrie Geurts, John Huynh,

Staff Recorders: Diane Rivera, Diana Saldana

Meeting Called to Order at: 10:54 am

Meeting Adjourned at: 11:51 am

I. Call to Order Larry Gates

II. Consent Agenda – **Item A** Larry Gates

1. Approval of (February 5, 2020) Meeting Minutes Action Item

Larry Gates <Call for Vote> - All in favor - Yes - those opposed - No

Second: Diane Miller

Larry Gates <Announce Result> Meeting minutes approved

III. Memorandum of Understanding (MOU) - *Signing with Ganpat University* President Coley

Signing of the MOU with President Coley and Ganpat "Pat" Patel President of Ganpat University. In November, Dan Montplaisir traveled to Ganpat University in Gujarat, India with Dean Joe Rencis and Engineering Professor Ben Bahr to meet with the faculty, students and staff to begin discussions on how our two institutions could partner together. Dr. Coley discussed the importance of international partnerships in a global world and our pride in all that Pat Patel has achieved by founding and now leading Ganpat University. She announced that the CSU chancellor has authorized Cal Poly Pomona to award Pat Patel with and honorary doctorate in Science for his effects in Advancing educational opportunities in India and within the Cal Poly College of Engineering. Pat Patel discussed Ganpat University and its special role in bringing higher education to his former hometown region. He has great hopes that the two universities can work together to bring students from Ganpat to Cal Poly Pomona and the faculty can work together on strengthen important applied education that is crucial to leading industries. Together, they signed a memorandum of understanding between the two Universities.

IV. President's Report President Coley

1. University Update

Dr. Coley shares a brief campus update.

Rose Parade: Our annual entry was one of the first floats to make its way down Colorado Blvd. This year's entry was titled "Aquatic Aspirations." This was our 72nd joint entry with San Luis Obispo. The float won the Director Trophy for "Most Outstanding Artistic Design". This is our 60th award.

New Residence Halls: We opened two new residence halls and dining commons. The halls (known as Sycamore and Sequoya) can accommodate 980 students. Students moved in over the winter break.

Grammy Award winner: Music professor and pianist Nadia Shpachenko won a Grammy Award at the 62nd Annual Grammy Awards last month. She was honored for her album "The Poetry of Places," in the Best Classical Compendium category.

Student recognition: our plant science students and their faculty advisors made history when they won the 2020 Turf Bowl in Orlando, Florida. The Turf Bowl is a competition sponsored by Golf Course Superintendent Association of America and John Deere at their annual Golf Industry Show. Universities from across North America send teams to be tested on their knowledge of all aspects of the turfgrass industry. We have consistently finished in the top ten, but this year, for the first time, we won the entire competition. Cal Poly Pomona is the first school to place two teams in the top ten. We are the first school with a female team member to win the competition.

2. Recognition of Board Support

When we first formed the philanthropic board, we had ambitious but realistic hopes for what it could achieve. Thanks to your generosity and leadership, our most ambitious hopes for this board are being realized. In this fiscal year alone, the board has already contributed more than \$1 million in philanthropic support. Consider just a fraction of what is being achieved through your leadership.

In terms of programs, we're expanding research opportunities and supporting student clubs; we have new programs like the Future Teacher Academy and the Singelyn Center for Data Analytics; we're expanding marketing in the College of Environmental Design; and moving apace towards what will be our new Rose Float Design Lab.

One program, that is supported by philanthropy is our Veterans Resource Center.

The Center was founded eight years ago to ensure that the special needs of our student veterans and military family members were being met. We have nearly 500 student veterans and another equal amount of military family member.

Thanks to your philanthropic support we're expanding scholarship opportunities across the entire campus. We've also created the first ever freshman recruitment scholarships in The College of Engineering.

One of the projects that Ron and I are pleased to support is the Learn Through Discovery Initiative.

In this program, students from a range of majors work collaboratively to address community challenges.

These signature polytechnic experiences are central to what make a Cal Poly Pomona education unique and play a key role in our efforts to prepare students for the future of work.

V. Advancement Update – Item B

Dan Montplaisir

1. Mid-Year Fundraising Update

Donors are making more second and third gifts in the course of the year. Dan introduces Natalie Graff, Executive Director of Advancement Services whose team processes every gift and continues to build technology to make it more efficient in both online and other ways of giving. In 2017, halfway through the year we were at 3600 gifts, while today we're at 5100. That is a 33% increase over a three-year period in the number of actual donations that we received. Some of the reasons for our success was the on-line Giving Day. And our active promotion of more payroll deductions on campus.

To raise more money and as gifts get bigger it really comes down to a handful of major gifts that move the number. We received (3) gifts of \$1,000,000 or greater in the last 4 years. Our team has been successful in the \$25,000 to \$100,000 gift level. We continue to work on those higher level of contributions and we know they take time, trust and respect. In Dan refers to the pie chart (UA PowerPoint slide) shows where the gifts come from. We didn't have all the board members coded correctly, when we ran this report. The piece of data on this slide is incorrect, this data will be updated and available at the next meeting. This was a new product that we just rolled out; we're making sure that we understand all the categories.

Half of the giving is coming from alumni; about 30% from corporations, and foundation are at 40% which is typical for a public university. There's lots of room for us to grow specifically in our parents' program. We're receiving just under \$100,000 a year from parents. There's greater opportunity for us to build relationships with those families as they're part of the University. Pat Patel: Announced he plans to donate a half a million to a million dollars to Cal Poly Pomona and will work with us on the details.

2. State of California Education Bond "Prop 13"

A bond measure that will be on the March ballot called Proposition 13, Education Bond which would benefit the Cal States. We have not had a bond measure for more than 12 years; all those funds were spent many years ago. This will be a distributed across all of schools and colleges in California specifically for facility.

3. Volunteer Summit

We have scheduled a Volunteer Summit for Friday, May 8th. To bring together the members of the advisory boards from each of the colleges. The Volunteer Summit will be an interactive conversation about how we represent the university and why private support is so important to the University.

4. Other Updates

Gina and her team have developed a Planned Giving marketing piece and it is included in the meeting materials. The Will Guide is a great way to start your estate planning and will be available to all donors. We are starting a search for Chief Communications officer for the University. Also, searching of Deans for the College of Agriculture and the College of Environmental Design.

You will be receiving a digital survey, in regard to the board meetings and how they are managed, if we are providing the right amount of information, or the other things you'd like to get involved in and ways we can improve. Please respond with your feedback.

VI. Committee Reports

1. Finance and Investments– Item C

Sean Yu

i. Investments Performance

Andy Prince, Managing Director with Greystone presented an outlook on Q4 2019 during Committee Meeting. The Foundation's endowment portfolio market value was \$ 105,258,805 as of 12/31/2019. The investment return for the portfolio was 6.62% for the quarter and 6.31% for the first 6 months. The General Investment Pool had a value of \$ 28,578,571 as of 12/31/2019. The investment return was 3.56% for the quarter and 3.03% for the first 6 months.

The committee discussed the current asset allocation ranges and the investments within those ranges. The analysis of whether domestic or international equities provide the best value will continue, as domestic equities are very expensive right now. Additionally, given the fixed income markets and very low interest rates, the fixed income allocation of 25% maybe too high, and over time monies should be moved from fixed income to alternative investments that have the potential for higher returns.

Graystone Consulting provided some target asset allocations that will better ensure that we can meet our target return goal of 4% plus the rate of inflation. They provided several options that the committee will consider.

ii. Investment Policy Allocations

Sean Yu

The consensus for equities is 65% US and 35% internationally. In general Morgan Stanley's view is very similar to Wall Street view. Another option is to look at the University endowment study. We will review the endowment performance and asset allocations of other endowments included in the NACUBO report issued in March 2020.

iii. Transfer of Assets

Doug Nelson

The committee reviewed the Statement of Net Position and Statement of Revenues. Total assets for the Foundation at 12/31/2019 were \$ 145,428,127. Revenues from interest income and administrative fees on endowments are slightly ahead of budget. Expenses for foundation related activities are on track for administrative services, audit and legal, Expenses for program support to the University Advancement activities are below budget and will continue to be for at least one additional quarter.

iv. RFP Update

Doug Nelson

The committee has issued a Request for Proposal to decide if we should change investment managers. Graystone/ Morgan Stanley had been the manager since 2006, and the Philanthropic Foundation opened accounts with them to smooth the transition of assets between the two foundations. This is a good time to look at other options. The RFP was issued on 1/2/2020, with proposals due on 2/28/2020. The committee will review the proposals, interview finalists in April and bring any recommendation for change to both the committee and the full board at the May meeting.

2. Audit – **Item D**

Ron Gregoire

i. Audit Process with Aldrich

Aldrich currently works with Cal Poly Pomona's other auxiliaries: ASI and Cal Poly Foundation Inc. Aldrich also works with seven (7) other CSU campuses and 23 of their associated auxiliaries. Discussion around difference between CSU-Chancellor Office auditors vs. Aldrich: CSU-audits are targeted and narrower in scope. Aldrich's audit process reviews the organization as a whole and designs the audit to be risk-based and material to the operations of the organization. The expectation for the audit result is an "unmodified opinion." The Philanthropic Foundation outsources its accounting and bookkeeping related activity to the CPP Foundation Business Auxiliary, Aldrich stated there is already a strong team in place with good internal controls. Aldrich was onsite in December 2019 testing the transfer of assets; no issues were found. Typical on-site field time for the audit will be five (5) days. Discussion around cyber security offerings from Aldrich as related to audit: cyber review would be a separate engagement and has not been done before Cal Poly Pomona. The audit process for which Aldrich has been retained includes cyber probing in relation to user rights; how often solution is backed up. Service Timeline dates need to be fleshed out. Waiting until we have firm deadline for the delivery of the final audit report to the Chancellor's Office but is typically around September 20. After firm deadline is provided (March) the service timeline dates will be completed in consultation with management. The presentation of the audit results to the audit committee should be done no later than 1 week prior to the final deadline/delivery of audit report to the Chancellor's Office. Aldrich plans to communicate regularly (weekly) with the members of the audit committee during the audit engagement to provide updates on timeline/deliverables and any issues.

3. Development – **Item E**

Susan Kellogg-Bell

i. Committee Engagement Strategy

ii. Major Fundraising Events

Committee has a good discussion on how to engage the Board in support of our fundraising goals. Board members were asked to get involved with one of these upcoming Signature events such as Tasting and Auction, Hospitality Uncorked, Farm to Table, College of Business Gala. Instead of hosting a cocktail party for your friends, why not invite them to one of these events. You can sponsor a table and bring friends that would really like to get involved with some aspect of the University. Campus events that are not fundraising events – such as the President's Scholar event are another way to engage with people outside of this group. Keep in mind it takes 3-5 years to get a new event off the ground. The College of Business Gala event is a new event to get involved in. Another request is to help us expand

corporate sponsorships. Every corporation donates to some type of foundation, so we ask for your help in connecting us with them. If you know anybody in these senior positions share with, help us make more personal connections.

List of corporations that currently donate to Cal Poly was provided to the board in their materials. Board was asked to look over the list and identify anyone that they can elevate to the next level. Most fundraising happens in spring and we are in peak season, start thinking about who you would want to come to campus.

4. Nominating – Item F

Diane Miller

i. Board Demographic Data

Discussed how the committee reorganized how we track prospects and how to focus more on the involvement process. Individuals are categorized into three categories: A, B and C and the levels defined by how far along they are in the process. The individuals in the category (A) are near term. At the end of February, the President will be hosting two dinners for those individuals and members of the nominating committee. Those are near term Board candidates and will join us at May's meeting.

Discussed the next steps and actions the committee needs to take towards the individuals in category B and move them towards a dinner and have them ready for presenting in August. Our priority as a committee is to have high quality engaged board members as opposed to a high number, we had nine as a goal, and recently filled one those spots. We would like to have 4 more by the end of this fiscal year.

The committee asks you look at professional social networks and help us identify individuals. Send your ideas over to Gina, and her team can start the research process and building profiles.

Another request: Please make sure you list your position on the Cal Poly Philanthropic Board in your LinkedIn profile as a volunteer.

VII. Open Forum/Public Comment

Larry Gates

1. Next board meeting is scheduled on Wednesday, May 6, 2020

A lunch invitation was extended to board to dine at the new CenterPoint Commons dining area. The Commons is generating tremendous energy and enthusiasm for the new dining hall and open areas for students to gather.

VIII. Adjournment

No further business, Larry Gates adjourned the meeting at: 11:51 am

Motion: Michele Gendreau Second: Ron Gregoire

All in favor: Yes

Approval of meeting minutes, As Board Chair of the Cal Poly Pomona Philanthropic Board the meeting minutes for February 5, 2020 meeting as presented, have been approved.

Approved by:



Larry Gates
Cal Poly Pomona Philanthropic Board Chair

3/10/2020

Date

Approved by:



Winny Dong
Board Secretary

3/10/2020

Date