

CAL STATE EAST BAY EDUCATIONAL FOUNDATION

Executive Committee Meeting Minutes

Thursday, May 14, 2020

12:00pm-1:30pm

Via Zoom Online Meeting

IN ATTENDANCE

Patrick Devine	Chair
Bette Felton	Vice Chair
Debbie Chaw	Treasurer
Jim Klescewski	Secretary
Bill Johnson	Foundation President
Marvin Remmich	Immediate Past Chair
Leroy Morishita	Director
Richard Sherratt	Director
Evelyn Dilsaver	Director
Jack Acosta	Director
James Songey	Director
Johan Klehs	Director

EXCUSED

STAFF PRESENT

May Hernandez

Educational Foundation Analyst

I. Welcome Remarks:

Chair Patrick Devine called the meeting to order at 12:03 p.m. with a quorum present.

II. Approval of Meeting Minutes:

February 14, 2020 Meeting Minutes: The committee reviewed the minutes from the February 14, 2020 meeting. On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: The committee approves the minutes for the February 14, 2020 meeting.

Motion by: Jack Acosta

Seconded by: Evelyn Dilsaver

Motion: Passed

III. President's Report:

President Leroy Morishita gave a high-level overview of some of the ways the university is responding to the global pandemic and how it is affecting campus operations. He stated that there will be some state budget reductions coming, and relayed some historical information of how the university has responded to economic slowdowns in the past. He stated that commencement is coming up, and lieu of in person ceremonies, the university will be sending virtual thank you cards to graduates until we have more insight into how we can celebrate our graduating seniors appropriately in the future. On a positive note, the

President reported that fewer students withdrew last semester, and through the recently established President's Emergency Fund, we have been able to provide additional assistance to students during the uncertainty.

IV. Campaign Steering Committee Report:

Chair Johan Klehs reviewed the fundraising year to date reports with the committee, stating FY 19/20 will be one of the top fundraising years for the university. As of 5/7/20, there was a total of \$11,700,742 and there are still some gifts expected through the end of the fiscal year. The committee discussed possible impacts to the last quarter due to the global pandemic.

V. Finance & Investment Committee Report:

Chair Evelyn Dilsaver reviewed the investment performance report as of March 31, 2020, explaining that the global pandemic is affecting return rates wildly. She reported that a lot has happened since March 31 in the market, but our investment banker has recommended we remain where we are currently positioned with some small adjustments. The markets are fluctuating, returns are impacted, and the Finance & Investment Committee will be watching the portfolio closely.

Vice President & Treasurer Debbie Chaw reviewed the proposed FY 20/21 operating budget as well as the final operating budget results for FY 19/20. She stated that once the year closes for FY 19/20, this will be updated, but the estimated presented should be a reflection of the final results, and they are as expected.

Vice President Chaw explained the challenges encountered creating the proposed FY 20/21 budget. The market is performing poorly, leading to a reduction in endowment administration fees, equating to less operating revenue to the Foundation. The expenses are minimal so there is difficulty reducing them. The committee discussed either approving a draft budget to be amended later, approving a budget showing an operating loss, or approving a balanced budget with the understanding that it may have to be adjusted. The committee agreed to approve a balanced budget knowing that adjustments could be made throughout the year. The budget was balanced by increasing endowment administration revenue.

MINUTE ACTION: The committee approves the proposed FY 20/21 balanced operating budget with the understanding adjustments can be made throughout the year.

Motion by: Jack Acosta Seconded by: Richard Sherratt Motion: Passed

Vice President Chaw finished her report by presenting the endowment distribution for FY 20/21. She explained that the Finance & Investment Committee reviewed all available materials during their last meeting and even though the market is performing poorly, decided to approve the 4% endowment distribution. As of the last investment performance report, the portfolio is significantly down, and if the situation remains the same, at the time of distribution in July, it is possible some funds will be underwater.

MINUTE ACTION: The Executive Committee approves 4% endowment distribution for FY 20/21.

Motion by: Patrick Devine Seconded by: Jack Acosta Motion: Passed

VI. Nominating Committee Report:

Chair Richard Sherratt reviewed the FY 20/21 Nominations Slate and Committee Slate. He pointed out changes for the coming year. We have a new incoming Secretary of the Board, Ruth Bley; our Chair Patrick Devine and Vice Chair Bette Felton will be continuing their second terms of service to the board. We will also welcome a new student representative, while our Alumni Trustee will remain Allan Kwan, and our Faculty Trustee Dr. Derek Jackson-Kimball will continue another term. We are also thankful to Howard Hyman, James Klescewski and Kent Kelley for their service to the board, and they will become emeritus trustees.

MINUTE ACTION: The Executive Committee approves the FY 20/21 Nominations Slate.
Motion by: Patrick Devine Seconded by: Jack Acosta Motion: Passed

MINUTE ACTION: The Executive Committee approves the FY 20/21 Committee Slate.
Motion by: Jack Acosta Seconded by: Johan Klehs Motion: Passed

VII. University Advancement Update:

Vice President for Advancement, Bill Johnson gave an update on the President's Emergency Fund, explaining further the types of assistance it can provide to students and the awarding methodology associated with the fund. He also gave an update on CORE and the Applied Sciences Center, how we are fundraising for these projects, and the fundraising outlook for the coming year.

VIII. New Business:

President Morishita stated that there will not be fall season sports at the university this year due to the global pandemic.

ADJOURNMENT

There being no further business to discuss, Chair Patrick Devine adjourned the meeting at 1:22 p.m.

Dated: May 14, 2020



James Klescewski, Secretary

Recorded by May Hernandez
Educational Foundation Analyst, University Advancement