A meeting of the Board of Directors of The Campanile Foundation was held at San Diego State University in the Council Chambers of the Conrad Prebys Aztec Student Union, San Diego, California, on June 12, 2014, pursuant to the notice duly posted for public information.

The following Directors were present:

Terry Atkinson  Andrew Esparza  Patti Roscoe
Ed Blessing  Greg Fowler  Susan Salka
Mary Ruth Carleton  Elliot Hirshman  Jerry Sanders
Nikki Clay  Evelyn Lamden  Christopher Sickels
Dorothy Codling  Rod Lanthorne  Karin Winner
Mary Curran  Ken McCain
Diane Denkler  Jack McGrory
Julie Dillon  Mark McMillin
Bill Earley  Michael Pack

The following Directors were excused:

Steve Davis  Christy Hilton  Jim Sinegal
Marshall Faulk  Rich Kerr  Kenneth Walsh
Bill Geppert  Ken McCain
Alan Gold  Kris Michell
Dan Gross  Joshua Morse

The following Officers were present:
Joanne Ferchland-Parella, Secretary, The Campanile Foundation
Sarah Slaughter, Chief Financial Officer, The Campanile Foundation

The following University administrators and staff members were present:
Greg Block, Chief Communications Officer
Megan Collins, Director of Government and Community Relations
Jim Herrick, Assistant Vice President, Alumni Engagement
Pauline Hill, Senior Assistant to the Vice President, University Relations and Development
Chris Lindmark, Assistant Vice President of Campaign and Presidential Events
Tom McCarron, Vice President of Business and Financial Affairs
Lizette Najera, Assistant to the Vice President, University Relations and Development
Catherine Snapp, Presidential Communications Director
Catherine Terrones, Senior Director of Donor Relations
Amy Walling, Assistant Vice President, Planned Giving
The following guests were present:
National Campaign Council Members
Regional Council Members
SDSU Deans
SDSU Vice Presidents
TCF Past Board Members
Anne Westreich, Investment Consultant, Wurts & Associates

I. Call to Order

Chairman Kit Sickels called the meeting to order at 2:30 p.m. by welcoming the Board and guests. Mr. Sickels introduced TCF Board nominee Bob Scarano and recently elected Associated Students’ president, Jonathan Cole.

II. Approval of Consent Agenda / June 12, 2014

Chairman Sickels requested a motion to accept the Consent Agenda.

Motion: A motion was made, seconded, and unanimously carried to accept the Consent Agenda for The Campanile Foundation Board of Directors meeting of June 12, 2014 thereby approving the minutes of the:

- Campanile Foundation Board Meeting - Minutes of March 6, 2014
- Nominating and Organizing Committee - Minutes of April 15, 2014
- Finance & Investment Committee Conference Call - Minutes of April 16, 2014
- Audit Committee - Minutes of April 21, 2014
- Government & Community Relations Committee - Minutes of May 29, 2014
- Finance and Investment Committee - Minutes of June 11, 2014
- Alumni Engagement Committee - Minutes of June 12, 2014

III. The Campaign for SDSU

Chairman Sickels stated that we are near our goal and introduced TCF President and CEO Mary Ruth Carleton and President Elliot Hirshman.

Ms. Carleton announced that seven years ago the board voted unanimously to go forward with a quest to raise $500 million. She presented a video that highlights all that the board and university have accomplished since then.

President Hirshman thanked everyone for their work with The Campaign; it has transformed the university. We have received gifts from nearly 47,000 alumni and friends. We’ve received 122, 200 gifts to the Campaign. As of today, 91 people have made gifts of $1 million or more...
including Conrad Preby’s $20 million gift. We have momentum with our regional councils. Several of our regional councils are represented today from Los Angeles, Seattle, San Francisco and Texas.

President Hirshman announced that the Campaign total as of June 12 is $502,269,539. Chairman Sickels presented Ms. Carleton with roses for her leadership of the Campaign.

Mary Ruth announced that one of our junior development officers, with the help of Amy Walling, just closed a $1.1 million gift to College of Health and Human Services.

President Hirshman reviewed the priorities of the extension. The priorities are focused on: engineering/interdisciplinary sciences building, endowed scholarships and professorships and growing the endowment to $300 million.

Chairman Sickels noted that at the March board meeting, the board discussed and agreed to go forward with a campaign extension of $250 million. The new goal would be $750 million for The Campaign for SDSU and the extension for three years. Mr. Sickels called for any comments or discussion.

Patti Roscoe called for a motion. A motion was made, seconded, and unanimously carried to accept Resolution 14-01.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
EXTENDING THE CAMPAIGN
FOR SAN DIEGO STATE UNIVERSITY
TO $750 MILLION FOR AN ADDITIONAL THREE YEARS

Chairman Sickels announced that over the next several months, we are going to build a National Leadership Council with the National Campaign Council and Regional Councils coming together. Chairman Sickels invited a few of the regional leaders to share a brief report on what the councils are doing in their area.

Ms. Carleton introduced Andy Esparza from Austin, Texas. Andy announced that there are about 700 alums in the greater Austin area. Three weeks ago, URAD Director of Development Dan Montoya and Andy met with the founding members of the Austin Regional Council and they all committed to mentor one student, create a scholarship to help recruit high achieving students from Texas, and also create an internship for students interested in working in Austin. The ARC has events planned in the fall to reconnect the alumni with SDSU.

Ms. Carleton introduced Jessica Hickey from Seattle. Jessica reported that the Seattle Regional Council is brand new. They are trying to gain momentum by finding lost Aztecs. The first regional council event is the freshman student send-off in August. Dr. Hirshman, Mary Ruth Carleton and Jim Sinegal will attend the event in Bellevue, WA.
Thom McElroy from Orange County was introduced. Thom announced that there are 23 council members and about 3,000 alums. They have an event coming up on the 24th with Jim Sterk and Coach Rocky Long. The OCRC looks forward to connecting alumni with students, assisting with scholarships, mentoring and job search.

Ms. Carleton introduced Janet Everson from San Francisco. Janet is new to the Bay Area Regional Council and is honored to be part of it. They have a large group of alumni that is not connected. They are planning events to get Aztecs together and connect. There is significant momentum in the Bay area, thanks to Terry Atkinson.

Joe and Keri King from Los Angeles were introduced. Keri mentioned that what got her involved was President Hirshman’s presentation in Los Angeles. They have 47 members in their council and have established a scholarship for future Aztecs.

Ms. Carleton introduced Diane Denkler from the Desert Area. Diane stated that their first council meeting was a success with 55 guests in attendance. However, the participants were not inclined to support philanthropically so the council is taking a different approach. Plans have been made to bring alums on a bus trip to San Diego State from the Desert area in November.

Ms. Carleton thanked all the Regional Council members for their hard work.

Mary Curran asked how she can connect colleagues and/or friends with the leaders of the Regional Councils. Joanne Ferchland-Parella is a good point of contact to get that information.

IV. President’s Report

President Hirshman thanked the members of the Regional Councils. He stated that the growth of our regional councils is just one reason why this is a great time to be an Aztec. We recently held commencement and awarded nearly 9,300 degrees. One of our graduates is here, Dr. Patti Roscoe. She received an honorary doctorate along with Robert Price.

President Hirshman mentioned that one of our students from Chula Vista, Linda Honaker came to San Diego State planning to be a pastry chef. Honaker took the mandatory introductory chemistry course with Professor Huxford and that is where she discovered her true passion. This fall, Honaker will enroll in the chemical and structural biology track of the molecules, cells and organisms Ph.D. program at Harvard University. She is joining former students, Erin Fletcher and Ellese Carmona at Harvard.

President Hirshman reported that our freshman class is equally impressive. This year we will have our highest-achieving class ever. The average GPA is 3.73 which is up from last year’s record 3.65. The average SAT score is 1118, up from 1108.
SDSU is bringing in high achievers while maintaining our diversity and commitment to local students. A majority of the freshmen are students of color and 27% are Hispanic. Local students account for 38% of the incoming class.

The Aztec Scholars program is helping recruit and support students from under-represented groups. We’ve established our new commuter resource center which provides a home and services to our commuter students. We’ve established an Honor’s College, a writing center and Pride Center. 444 alumni have signed up as mentors in our new Aztec Mentor Program.

We are welcoming new faculty and staff. We have hired over 100 new faculty and staff with a focus on tenure-track faculty.

Dr. Hirshman noted that it’s a time of significant change for our leadership. Provost Nancy Marlin is stepping down after sixteen years of distinguished service; she has done an extraordinary job and made extraordinary contributions. On July 1, Dr. Chukuka Enwemeka will be joining us as our new provost and senior vice president for academic affairs.

This spring, we welcomed Joe Johnson as our dean of the College of Education and Dr. Monte Mehrabadi is our new dean of the College of Engineering. On July 1st, Dr. Dennis Cradit – currently the business dean at Southern Illinois University – will join us as the dean of the College of Business Administration.

Dr. Hirshman spoke about how this has been a golden era for San Diego State Athletics. It has brought so many people and so much interest to the university. The football team has gone to a bowl game for four consecutive years. Men’s basketball has five NCAA tournament appearances and has gone to the Sweet Sixteen for the second time in history. Overall, we’ve had seven conference championships this year and we only compete in sixteen sports.

Dr. Hirshman gave a brief summary about the budget: The state of California is planning to provide an additional $142 million more for the CSU this year. Our allocation from the CSU, coupled with funding from our campus revenue initiatives would fund mandatory costs and approximately $5 million of additional base budget allocations to our operating fund.

One important change this year is the addition of revenue from the student success fee. It will allow us to recruit 35 tenure-track faculty and to support one-time funding for 50 new course sections. When we fully implement the fee, it will generate $12 million a year which will allow us to hire over 100 additional faculty.

President Hirshman briefed the group on plans to enhance our campus facilities. We completed construction on the Conrad Prebys Aztec Student Union and the newly renovated Storm-Nasatir-Hostler Hall complex and we’ve begun a renovation of Zura residence hall. We are breaking ground on the new Basketball Performance Center and renovating the College of Business with the addition of the Page Pavilion.
Most recently, the CSU Board has approved the design for our new mixed-use development on College Avenue. We are calling it South Campus Plaza. It will house over 600 students, provide retail space and most importantly it will provide short-term parking for campus visitors.

Looking forward, we are very excited about building a new engineering and interdisciplinary sciences building and science quadrangle. The quadrangle will bring together the science buildings and the new building.

All of these good outcomes of student success and financial stability, the athletics and campus constructions, are tied to the Campaign success and to everything the board has done.

In closing, President Hirshman thanked everyone for their support and for all the effort that helped us get to $500 million and to all of the things that are ahead of us.

V. Nominating and Organizing Committee Report

Patti Roscoe

Patti Roscoe reminded everyone to review the Board Member Responsibilities form in the packet. Ms. Roscoe also reviewed the nomination process that the Committee follows.

The Committee is also working hard to improve the diversity of the Board. Ms. Roscoe expressed how important it is for us to reflect the demographic of our students.

At the next board meeting, the Committee is submitting Ed Blessing, Greg Fowler, Rich Kerr and Jack McGrory for re-nomination. We are also submitting Jack McGrory's nomination forward to assume the position of Chairman of the Board.

Ms. Roscoe then asked for a motion to approve Resolution 14-02, electing and installing Bob Scarano to the Board.

Motion: A motion was made, seconded, and unanimously carried to accept Resolution 14-02.

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
ELECTING AND INSTALLING
BOB SCARANO
AS A DIRECTOR OF
THE CAMPANILE FOUNDATION BOARD

Ms. Roscoe informed the Board that they must annually approve the quarterly meeting dates for 2015. She then made a motion to adopt Resolution 14-03.
Motion: A motion was made, seconded, and unanimously carried to adopt Resolution 14-03, approving the 2015 meeting dates for the Campanile Foundation as March 5, June 4, September 3, and December 3.

Ms. Roscoe then asked for a motion to approve Resolution 14-04,

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
ESTABLISHING A ONE YEAR TERM
FOR THE ASSOCIATED STUDENTS REPRESENTATIVE
OF THE CAMPANILE FOUNDATION

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 14-04, establishing a one year term for the Associated Students representative.

Ms. Roscoe asked for a motion to approve Resolution 14-05,

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
ESTABLISHING A ONE YEAR TERM WITH A TWO-TERM LIMIT
FOR THE FACULTY REPRESENTATIVE
OF THE CAMPANILE FOUNDATION

Motion: A motion was made, seconded, and unanimously carried to adopt Resolution 14-05

Ms. Roscoe asked for a motion to approve Resolution 14-06,

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
ESTABLISHING A TWO YEAR TERM
FOR THE PAST CHAIR OF THE CAMPANILE FOUNDATION

Motion: A motion was made, seconded, and unanimously carried to adopt Resolution 14-06

VI. Break

VII. SDSU Branding and Marketing Report/Commencement Video Greg Block
Greg Block presented a new commencement video that was shot this past May by Marketing & Communication’s new videographer.

Mr. Block gave an update on the national marketing and branding efforts. The campaign was launched in the middle of October. It is an education and awareness campaign about the quality and excellence of academic opportunities and achievement at SDSU. The campaign is intended to support and complement ongoing marketing efforts of several university initiatives including: The Campaign for SDSU, national and international recruiting, significant rankings and the Strategic Plan.

Mr. Block shared various slides showing the overall plan and highlights. The program is 75:25 digital media to traditional media. It’s focused on Facebook, YouTube, Twitter and Google AdWords. It’s cost effective and flexible to use and it’s easy to target specific demographics and areas. Other platforms include Cox Media, Alaska Airlines Magazine, Performances Magazine, airports and billboards.

The target audiences are prospective students and parents, alumni, students, faculty and staff.

VIII. KPBS Report

Karin Winner reported that KPBS audiences on all platforms are up; philanthropy has exceeded last year’s number by $1 million. In the major gifts area, Darlene Shiley has pledged $3 million over the next four years, Conrad Prebys has renewed his Masterpiece gift of $500,000 for Masterpiece; KPBS will receive $250,000 of that. Irwin and Joan Jacobs have renewed their annual gift of $600,000. KPBS planned gifts for the year are up; $723,000 total and the goal was $400,000.

IX. Finance and Investment Committee Report

Terry Atkinson

A. Chair’s Report

The Committee reviewed four major topics:

Investment Performance: The Foundation’s portfolio had a positive 1.8% return for the quarter and is up 13.4% for the fiscal year-to-date. The longer term returns are 8.1%, 15.8% and 7.4% for the 3-year, 5-year and 10-year periods respectively. The portfolio ranked in the 44th percentile for the quarter and the 26th percentile for the fiscal year-to-date. For the 3-year period the portfolio is ranked around the median and in is the 18th percentile and 33rd percentile for the 5-year and 10-year periods respectively. The portfolio is inline or has outperformed the policy index in all of the time periods shown.
Small Cap Growth Index Fund Search: Anne Westreich reviewed the options with the Committee. After some discussion, the committee selected the Vanguard Small Cap Index Fund (VSGAX, .09%) which tracks the CRSP U.S. Small Cap Index due to the slightly larger market cap than the Russell 2000 Growth Index. The larger market cap bias will complement DFA’s smaller market cap bias within the value space.

TCF Operations Budget:
Ms. Slaughter reviewed the April 30, 2014 Campanile Foundation Operations budget to actual financial report and answered all questions. Sarah then discussed the TCF Operations FY2014-2015 Proposed Budget and accompanying University Relations and Development (URAD) Division funding source Board report. She also reviewed the Operating Cash Reserve which is made up of three components: 1) Six months of Working Capital ($358,500); 2) six months of Current Operations ($358,500); and Other Contingencies ($100,000) for a total of $817,000. The committee is recommending approval of Resolution 14-07, approving fiscal year 2014-2015 operating budget of $717,000.

Mr. Atkinson asked for a motion to approve Resolution 14-07,

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
APPROVING FISCAL YEAR 2014-2015
OPERATING BUDGET

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 14-07

Galliard Capital Investing Current Program Cash:
To date, approximately $28 million has been transferred to the Campanile Foundation and another $2 million will be transferred prior to June 30, 2014 when the final bonds mature this month. Approximately $3 million will be maintained at the Research Foundation for cash flow needs.

The committee voted to hire Galliard Capital Management during their April 16th conference call. Sarah and Anne Westreich have worked with Galliard Capital to set up the account and begin investing the transferred cash. Due to the sensitivity of realized losses within the portfolio, Galliard has been instructed to employ a loss sensitive strategy as illustrated on page 12 of the meeting packet.

Mr. Atkinson asked for a motion to approve Resolution 14-08,

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMPANILE FOUNDATION
APPROVING A PROGRAM CASH INVESTMENT POLICY STATEMENT
Motion: A motion was made, seconded, and unanimously carried to approve Resolution 14-08

X. Audit Committee Report

Sarah Slaughter

A. Chair’s Report

Sarah Slaughter announced that the 990 tax return has been finalized and can be found on the website at: http://tcf.sdsu.edu/tcf/files/03086-TCF_Final_990_Public_Disclosure_Copy.pdf

Every three years, the CSU Chancellor’s office performs an internal audit of each campus’ auxiliary. Our campus audit is now complete. The three recommendations are: 1) When approving the budget, we need to inform the Board of the cash reserve policy and how it’s broken into three categories: working capital, current operations and other contingencies. 2) Obtain annual Conflict of Interest statements from all board members. These will now be collected annually in September. 3) Move funds from the reserve to a separate fund.

XI. Government and Community Relations Committee Report

Jack McGrory

Mr. McGrory announced that for the first time in a while, the Speaker of the Assembly is from San Diego. This is a great opportunity for us to get legislation and support for the CSU System and San Diego State. Jack McGrory and Nikki Clay met with Speaker Atkins’ staff to discuss the budget. Mr. McGrory also highlighted some options for engagement with the legislature, including an affordable housing proposal and a matching fund proposal for the engineering complex. We also want to propose that the CSU allocate funds to campuses differently. Both Speaker Atkins and Senator Ben Hueso seem supportive of these proposals.

President Hirshman gave a status on AB 2153, the Extended Studies bill. This bill envisions the possibility of price control on Extended Studies courses. The discussions continue and are ongoing.

XII. Alumni Engagement Committee Report

Andy Esparza

A. Chair’s Report

Prior to the Chair’s report, Andy Esparza was presented with the 2014 Aztec Achievement Outstanding Alumni Award. The annual Aztec Achievement Awards recognize excellence in the numerous contributions that students, faculty, staff, and community partners make to the San Diego State University community.

Mr. Esparza reported that the Committee met Thursday morning. The Committee’s goal is to build the base of alumni donors. Historically we have trended between 2.5 – 4.5% which is in the bottom 10% of universities nationwide. UC Berkeley is at the top at about 12%.
Alumni Engagement is revamping the technology and structure of communicating including utilizing video, mobile giving and text giving. There was a group discussion to brainstorm “big” ideas to drive up our numbers. One of the suggestions was to designate a national giving day.

XIII. One Last Word on The Campaign

Coach Fisher and Jim Sterk

J. Cole was invited to speak to the board. Mr. Cole expressed his team’s excitement to make this year a year of growth and expansion. Associated Students is looking at creating a strategic plan which will be a 3-5 year plan with focus on facilities and programs.

J. Cole commented on how he had the opportunity to travel to the Bay Area and attend the Bay Area Regional Council meeting. Students are excited about the Aztec Mentoring Program and making connections with Aztecs in the Bay area.

Patti Roscoe suggested that J. Cole give an executive summary at the next board meeting on what Associated Students is. Mark McMillin asked if he can include in his presentation the cost of facility use, etc.

Mary Ruth Carleton announced the next guests; Athletic director, Jim Sterk and Coach Steve Fisher. Ms. Carleton also announced that our newest board member, Bob Scarano brought a check to the meeting to go toward the Basketball Performance Center.

Jim Sterk thanked the board for all they’ve done. Mr. Sterk summarized the success athletics has had this year:

- SDSU is one of five schools to win a bowl game and have the men’s basketball team make the NCAA’s Sweet 16
- The men’s basketball and football records over the past three years are third in the country
- Academically, athletes are improving with a record number of scholar-athletes
- Graduating rate is 5% above general student body
- The annual fund has grown from $2 million to about $4.5 million
- The Basketball Practice Center should be completed by next August $11 million has been raised in cash donations, another $2 million in internal support
- ESPN named Coach Fisher the 18th best college basketball coach

Coach Fisher thanked everyone for all they have done and continue to do for San Diego State. Coach Fisher acknowledged Dr. Hirshman for playing a big role in securing private funding for the Basketball Performance Center. He then offered to help in any way he can to continue to grow every part of the university.

XIV. Adjournment

Chairman Sickels adjourned the meeting at 4:55 p.m.
The Campanile Foundation
San Diego State University, Parma Payne Goodall Alumni Center
June 12, 2014

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Christopher Sickels, Chairman

Attest:

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Joanne Ferchland-Parella, Secretary