

CSUSB FOUNDATION

Building a Culture of Philanthropy

Investment Committee Meeting

Friday, May 16, 2025

9:00 a.m.

Zoom

MINUTES

Members Present: Gary McBride (Chair), Robert J. Nava, Samuel Sudhakar, Monica Alejandre, Thomas Pierce, Ellen Weisser, William Stevenson, Ed Teyber, Kevin Morningstar

Members Absent: Carson Fajardo, Debbie Brown

Guests Present: Mike Breller (Beacon Pointe), Michelle Bulaon (Associate Controller), Antonio Guijarro-Ledezma (Advancement Analyst), Ray Watts (AVP, Philanthropic Giving)

I. Welcome

Chair Gary McBride called the meeting to order at 9:00 a.m. He welcomed attendees and acknowledged several updates:

- Robert Nava announced Commencement weekend with 3,000 graduates and 20 doctoral candidates, the highest to date.
- Antonio Guijarro-Ledezma was recognized for his service as he transitions to a new role at the Jack H. Brown College of Business and Public Administration.
- Robert Nava announced a \$6 million gift from Randall Lewis to name the School and Center for Entrepreneurship, to be affirmed by the CSU Board of Trustees.
- Updates were shared on federal research grant suspensions related to DEI provisions, while Governor Newsom's May Revise reduced CSU system-wide cuts from 7.95% to 3%.
- Introduction of Michelle Bulaon, Associate Controller, attending on behalf of Maria Badulis.

II. Approval of February 14, 2025 Minutes

Motion: The minutes for February 14, 2025, investment meeting were approved as distributed. (Weisser/Pierce/Unanimous)

III. 1st Quarter Portfolio Performance and Discussion

Mike Breller of Beacon Pointe reviewed the portfolio:

- U.S. GDP contracted by -0.3% in Q1 due to tariff disruptions.
- Inflation pressures remain; unemployment rose slightly above 4% but remains near full

employment.

- Federal Reserve unlikely to cut rates before September.
- Markets experienced volatility: near-bear decline, followed by a sharp rebound.
- Endowment portfolio total value: \$66M across all accounts, with \$26M in contributions and \$32M in investment gains since inception.
- Five-year returns now in line with benchmarks; alternatives expected to strengthen portfolio over the long term.

Committee members discussed long-term stability, risk management, and peer benchmarking. Breller expressed gratitude for the committee's partnership as Beacon Pointe concludes its engagement with the CSUSB Philanthropic Foundation. Effective July 1, Graystone will assume OCIO management over the Foundation's assets.

IV. Financial Statement Review

Michelle Bulaon presented the March 31, 2025 financials:

- Total assets: \$82M, up from \$79M prior year.
- Cash: \$850K (down from \$2.2M due to timing).
- Short-term investments: \$18.5M, up \$3M from prior year.
- Pledges receivable: \$2.6M, down due to payments.
- Long-term investments: \$58.7M, up \$1.6M.
- Investment income: \$1.9M (net dividends and interest).
- Scholarships: \$1.7M awarded by March, expected to exceed \$2M by year end.

Discussion: The committee recommended clarifying "short-term investments" terminology (potentially as "non-endowment investments") and requested future reports include an appendix with definitions for financial statement line items.

V. Foundation Budget FY 25–26 Review

Monica Alejandre presented:

- FY 24–25 projected revenue: \$1.3M; expenses: \$595K; operating income: \$693K; total reserves: \$1.5M.
 - FY 25–26 proposed budget includes \$1M in revenues, conservative investment assumptions, and increased costs in contracted services (finance, IT, HR) due to CSU cost allocations.
 - Legal expenses higher due to complex gift agreements.
 - Board Development increased to support board advance and trustee engagement.
- Members affirmed the value of the board advance and recommended continuing with same format for the following year.
- \$40K placeholder for Advocacy Bond Support removed (to be revisited in September if needed).

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- New category: University Advancement Support for donor and alumni engagement. Alejandre indicated increased need for support for University Advancement with reduced state funding in operations.

***Motion: Approve proposed FY 25–26 budget with noted revisions.
(Stevenson/Weisser/Unanimous)***

VI. Open Discussion

- Committee would like to see enhanced reporting from Graystone including CSU peer benchmarking.

- Discussion on aligning short-term investments with departmental spending plans and potential yield opportunities.

- Consensus that reserve policy should be updated, with designations for scholarships, software conversion, and other priorities.

VII. Adjourn

The meeting adjourned at 11:00 a.m.

**Approval of Minutes
Investment Committee Meeting
Friday, May 16, 2025
Zoom**

Signature: Monica Alejandre

Date: 9/5/2025

Print Name: Monica Alejandre

Board Position: Secretary