



SONOMA STATE UNIVERSITY FOUNDATION

INVESTMENT COMMITTEE MINUTES

SSU Foundation Investment Committee Agenda

Friday January 25, 2019

Salazar Hall – Conference Room A, Administration & Finance

2:00 - 4:00 p.m.

Members Present: Ian Hannah (Co-Chair), Michael Sullivan (Co-Chair),
Amanda Visser, Tom Gillespie (*tele.*), Brent Thomas

Committee Staff Present: Kyle Bishop-Gabriel, Gordon McDougall

Guests Present: Christian Eicher, Tony Johnson – RVK

Members Absent: Joyce Lopes, Robert Eyler, Michael Troy

I. OPENING COMMENTS

Meeting opened at 2:05pm.

Hannah informed Committee that Mike Marovich had recently stepped down from the Board as well as his position on the Investment Committee. Currently the Committee still meets the requirements of a minimum of 5 Board members with Marovich's resignation.

Sullivan announced that the meeting's focus will be primarily on the work RVK has done to help the Committee decide if going to an OCIO model with the investment managers would be more ideal than the current non-discretionary investment consulting model.

II. APPROVAL OF THE MINUTES

(see 1.25.19 meeting agenda packet)

Motion: To approve 11.1.18 meeting minutes.

Action: Approved unanimously.

III. RVK – OCIO MODEL DISCUSSION

(see 1.25.19 meeting agenda packet)

Eiker and Johnson both engaged the Committee in discussion regarding the Committee's questionnaire results. Questions on the survey focused upon three main areas: Governance, Investment Policy, & Investment Advisor/OCIO Relationship. Eiker and Johnson provided a summary of the results to the Committee.

Discussion pursued between the Committee and Eiker and Johnson with focus on level of decisions and discretion to give the Foundation's chosen investment advisor/consultant.

After discussion the Committee came to consensus on moving to an OCIO investment consulting model and changing the level of discretion provided to the advisor/consultant vs. the Committee.

Motion: Approve and recommend to Board for final vote and approval on the following:

- Investment advisor/consultant is given full discretion on fund management selection on liquid funds but NOT illiquid funds within investment policy asset allocation guidelines; with caveat that investment consultant abides by CA McKee Act requirements which has implications on contracts with fund managers.
- For tactical decisions on portfolio rebalancing in asset allocation investment consultants are allowed to make tactical decisions within constraints set by Investment Committee.
- For investments in active vs. passive funds, investment consultants must possess investment philosophy and willingness to use both active and passive strategies.
- Appropriate changes are to be made to Foundation's Investment Policy and to Investment Advisor contract.

Action: Committee unanimously approves recommendation to Board.

With these recommended changes and after final vote from Board, the Foundation's contract with current investment management consultant (Graystone) will need to be updated as well as the Foundation's Investment Policy. Moving to an OCIO model will change the nature of work of the Committee in such it will allow for more focus on policy decisions, investment strategy, asset allocation and investment performance review and less focus on individual investment fund/manager review and approval.

IV. TOWNHOMES

(see 1.25.19 meeting agenda packet)

Hannah informed committee that a decision needs to be made on whether or not to approve renovations of the Foundation owned townhomes as the current construction bid will increase if it's not locked in by the end of the month.

Committee discussed what the investment benefit of doing the renovations would be and generally feel that the cost of the renovations would exceed what the investment return would be. Committee requested more information on the timeline of the University possibly taking ownership of the townhomes as well as how the Foundation sale of the units would be determined.

V. OPEN ITEMS

Meeting adjourned at 3:58pm.


Minutes Approved by:

Ian Hannah

*Chief Operating Officer &
Secretary, SSUF*


Minutes Prepared by:

Kyle Bishop-Gabriel

Advancement/Foundation Analyst, SSU