



CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS

FOUNDATION

Thursday, June 29, 2017 | 3:00 PM to 5:00 PM
Executive Conference Room, Welch Hall D-444

BOARD OF DIRECTORS

Members Present: Dr. Willie Hagan, Philip D'Amato, Carrie Stewart, Dana Ward, Del Huff, Dr. Cornelia Brentano, Gilbert Ivey, Roger von Ting, Dr. Rodrick Hay, and David Donnell

Members Absent: Naomi Goodwin, David Gamboa, Alan Caldwell, Jordan Sylvestre, Dr. William Franklin, Jerry Groomes, and Dr. Leena Furtado

Guests: Dr. Russel Statham (Chief Operating Officer/Chief Financial Officer), Richard Chester (Director of Commercial Operations), and Jinna Matzen (Business and Finance Coordinator)

I. Call to Order

Meeting called to order by D'Amato at 3:07 P.M.

II. Approval of the Minutes of Previous Meeting(s)

von Ting moved and Ivey seconded. Motion carried.

III. Approval of Meeting Agenda

von Ting moved and Ivey seconded. Motion carried.

IV. Public Comment

No one was present to represent the public.

V. Reports

University President's Report

President Hagan announced that the Governor of California was going to visit the campus to sponsor important industry forums. Hagan also discussed California's travel bans and what that meant for the University and its Athletic Department. President Hagan's report further included enrollment statistics, stating demand is up and CSUDH is currently 11% over funded capacity. President Hagan is excited about all

the good things happening on campus. This excitement led into discussions about the Chargers and AEG.

Chair of the Board's Report

D'Amato continued President Hagan's sentiments that great things are happening on campus. A brief discussion was held regarding past contracts and learning from past decisions. Dining and the possibilities in that area were discussed with D'Amato referring to the many meetings being held on the topic.

Executive Director's Report

There was no Executive Director's report at this meeting.

Chief Financial Officer's Report

Statham presented to the Board the Consolidated Statement of Operations for May 31, 2017 and the Graystone Long Term Fund Monthly Report. Statham also provided a discussion on audits and budgets.

Executive Committee

D'Amato updated the board on the Executive Committee Meeting discussions from May 25, 2017 and let the Board know that the Executive Committee was meeting again in July.

Finance and Human Resources Committee

Ward stated that the Finance and Human Resources Committee met on June 20, 2017 and turned the discussion over to Statham to give information on what was discussed. Statham reviewed. Everyone on the Board expressed gratitude to Statham for the new exemplary detailed budget. Statham expressed that it was a collaborative effort with Chester and Goodwin. Statham went on to discuss the approved General Salary Increase for core Foundation staff.

VI. Consent Agenda

I. Statement of Operations as of May 31, 2017

The Board accepted the Statement of Operations as submitted with little discussion.

2. Investment Report as of May 31, 2017

The Board accepted the Investment Report as submitted with no discussion.

VII. Informational Items

I. Update on Dining Services Concept Evaluations

Chester shared a presentation on Dining Services with a review of self-operations, objectives, and key deal terms for all options and challenges presented. A lively conversation regarding different dining options including food trucks, healthy options, and pop-up restaurants ensued.

VIII. Action Items

RESOLUTION: FY1617-16

**RESOLUTION OF THE BOARD OF DIRECTORS
APPROVING THE OPERATING BUDGET AND RESERVE PROJECTION
FOR FY2017-18**

WHEREAS, the California State University, Dominguez Hills Foundation (the “Foundation”) is a recognized auxiliary organization of The California State University (the “University”) incorporated as a 501(c)3 non-profit public benefit corporation in April 1968; and

WHEREAS, as an auxiliary organization, the Foundation is required to review and approve an annual budget and reserves projection for submission to the campus president; and

WHEREAS, the Foundation has developed its budget and reserves projection for FY2017-18 and the Finance and Human Resources Committee and the Board of Directors has been presented with and reviewed said budget.

THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS RESOLVED AS FOLLOWS:

RESOLVED, that the Board of Directors of the Foundation recognizes the above recitals as true and correct and adopts them as findings of fact; and

RESOLVED, that the Board of Directors adopts and approves the FY2017-18 Operating Budget and Reserves Projection as presented; and

RESOLVED, that the Chief Operating Officer/Chief Financial Officer is directed to submit the FY2017-18 Operating Budget and Reserves Projection to the University President in accordance with campus policy, and to take any and all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Ivey moved, Hagan seconded. Motion carried.

RESOLUTION: FY1617-17

**FY 2017-18 GENERAL SALARY INCREASE
AND SALARY EQUITY INCREASE PROGRAM FOR ELIGIBLE STAFF**

WHEREAS, the California State University, Dominguez Hills Foundation (the “Foundation”) is a recognized auxiliary organization of The California State University (the “University”); and

WHEREAS, as an auxiliary organization, California Education Code 89900(c) requires that the Foundation “provide salaries, working conditions, and benefits for the full-time employees of each auxiliary organization that are comparable to those provided California State University employees performing similar services”; and

WHEREAS, labor negotiations with the various collectively-bargained employee groups of the University has resulted in salary increases for each of the affected employee groups of the University; and

WHEREAS, the Foundation wishes to maintain its compensation program in a manner competitive with the University and in compliance with Education Code 89900(c).

**THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS
RESOLVED AS FOLLOWS:**

RESOLVED, that the Board of Directors of the Foundation recognizes the above recitals as true and correct and adopts them as findings of fact; and

RESOLVED, that the Board of Directors authorizes the creation of a FY2017-18 General Salary Increase (GSI) program which shall be equivalent to 2% of each employee’s current salary as of June 30, 2017; and

RESOLVED, that the Board of Directors authorizes an additional 1% of each employee’s current salary as of June 30, 2017 to begin to address compensation equity for those employees with appointment dates into their current position on or before July 1, 2014 who have not previously received a salary increase to address compensation equity within the last three years; and

RESOLVED, that in authorizing the FY2017-18 GSI and salary equity program, the Board restricts eligibility for the program to career employees of the Foundation (specifically, those full-time benefitted employees in areas represented by the Operating Budget of the Foundation, excluding grants and contracts and trust/agency accounts); and

RESOLVED, that employees in the group(s) specified above shall be eligible for the increases as long as their initial hire date into their current position was on or before April 1, 2017; and

RESOLVED, that employees eligible under the GSI and salary equity program shall receive their respective increases effective July 1, 2017; and

RESOLVED, that full and complete analysis of all Foundation career employee salaries shall be conducted and a report on Foundation career employee salaries, salary equity comparisons, and market factors shall be presented by January 31, 2018 to the Board of Directors for review and consideration; and

RESOLVED, that the Director of Human Resources and Payroll is directed to develop and present to the Board of Directors by January 31, 2018, recommendations for a merit salary program for Foundation career employees to be implemented effective July 1, 2018.

RESOLVED, that, while employees of the Foundation under grants and contracts and trust/agency accounts are not eligible for this FY2017-18 GSI and salary equity program, nothing in this resolution shall prohibit or restrict appropriate management employees of the Foundation from requesting, and Human Resources approving, increases for such employees up to the percentage amounts authorized under this program, subject to availability of funds and approval of agency authorities as required; and

RESOLVED, that the Chief Operating Officer/Chief Financial Officer and the Director of Human Resources and Payroll shall be directed to undertake all efforts required to implement the FY2017-18 GSI and salary equity program and to develop the administrative regulations and policy provisions applicable to its operation, as well as to take all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Ward moved, Ivey seconded. Motion carried.

The Board reviewed the recommendation from the Interim Vice President for Administration and Finance to appoint Mr. Robert Lovitt as Interim Executive Director of the Foundation. The Board reviewed the Executive Compensation Analysis and approved the appointment with an annual salary of \$180,000 and a mobile communications stipend of \$130 per month. Hay moved to approve the resolution and Hagan seconded. The resolution, which is in full text below, passed unanimously.

RESOLUTION: FY1617-18

APPOINTMENT OF MR. ROBERT LOVITT AS INTERIM EXECUTIVE DIRECTOR OF THE FOUNDATION

WHEREAS, the California State University, Dominguez Hills Foundation (the "Foundation") is a recognized auxiliary organization of The California State

University (the “University”) incorporated as a 501(c)3 non-profit public benefit corporation in April 1968; and

WHEREAS, auxiliary organizations exist to perform essential functions associated with CSU campuses, which under California law are difficult, cumbersome, and/or legally restricted for the university and not supported by state funding; and

WHEREAS, as an auxiliary organization, the Foundation exists as a separate legal entity that operates pursuant to an Operating Agreement with the CSU Board of Trustees governed by Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 et seq.) of the Education Code and Subchapter 6, Article 1, Part V (Sections 42400 et seq.) of Title 5 of the California Code of Regulations (CCR) and is governed by a Board of Directors that is responsible for the administration of the organization; and

WHEREAS, under Article III Section 8 of the bylaws of the Foundation, the Board of Directors has the power to “appoint and remove officers, agents, and employees of the Foundation”; and

WHEREAS, under Article IV Section 5 of the bylaws of the Foundation, the Executive Director of the Foundation is an officer of the Foundation and serves as “the Corporation’s general manager and chief executive officer and shall supervise, direct, and carry out the programs of the Corporation in accordance with, and subject to, the direction and control of the Board of Directors”; and

WHEREAS, the position of Executive Director of the Foundation is currently held, in an interim capacity, by the Interim Vice President for Administration and Finance of the University, Ms. Naomi Goodwin; and

WHEREAS, a recent national search for an Executive Director of the Foundation did not yield a successful candidate within the established salary range authorized by the Board of Directors; and

WHEREAS, based upon a recommendation by the Interim Vice President for Administration and Finance of the University, the Board of Directors finds it desirous and in the best interest of the Foundation to exercise its authority under Article III Section 8 of the bylaws to appoint a new Interim Executive Director of the Foundation.

**THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS
RESOLVED AS FOLLOWS:**

RESOLVED, that the Board of Directors of the Foundation recognizes the above recitals as true and correct and adopts them as findings of fact; and

RESOLVED, that the Board of Directors of the Foundation has considered the recommendation of the Interim Vice President for Administration and Finance of the University to appoint Mr. Robert Lovitt as Interim Executive Director effective June 26, 2017; and

RESOLVED, that the Board of Directors of the Foundation has determined the salary of \$180,000 annually, with no health, dental, vision, AD&D, or retirement benefits for Mr. Lovitt as Interim Executive Director is reasonable and in compliance with Internal Revenue Code 4958 as set forth under 26 CFR 53.4958-1T, et seq.; and

RESOLVED, that this appointment of Mr. Lovitt as Interim Executive Director is subject to the continued pleasure of the Board of Directors and the University President and may be terminated at any time, with or without cause or advanced notice, by the Board of Directors; and

RESOLVED, that a new search for an Executive Director of the Foundation shall be initiated and upon either Mr. Lovitt's resignation or termination from the position of Interim Executive Director by the Board of Directors, the Board reserves the authority to appoint an Executive Director of the Foundation as prescribed by its bylaws and the California Corporations Code; and

RESOLVED, that the Chief Operating Officer/Chief Financial Officer is directed to take all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

RESOLUTION: FY1617-19

**APPROVING THE SCHEDULE OF BOARD OF DIRECTORS AND
COMMITTEE MEETINGS FOR FY 2017-18**

RESOLVED, that the Board of Directors of the Foundation adopts the following schedule of meetings:

Board of Directors:

- August 31, 2017 from 3-5 pm
- October 26, 2017 from 3-5pm
- December 14, 2017 from 3-5pm
- February 22, 2018 from 3-5 pm
- April 26, 2018 from 3-5 pm
- June 28, 2018 from 3-5 pm

All meetings of the Board of Directors are held in the President's Conference Room in Welch Hall D444.

Executive Committee:

- July 27, 2017 from 3-5pm
- September 28, 2017 from 3-5pm
- November 16, 2017 from 3-5pm
- January 25, 2018 from 3-5pm
- March 22, 2018 from 3-5pm
- May 31, 2018 from 3-5pm

All meetings of the Executive Committee are held in the Division of Administration and Finance's Conference Room in Welch Hall B470K.

Finance and Human Resources Committee:

- August 22, 2017 from 3-5 pm
- October 17, 2017 from 3-5pm
- December 5, 2017 from 3-5pm
- February 13, 2018 from 3-5 pm
- April 17, 2018 from 3-5 pm
- June 19, 2018 from 3-5 pm

All meetings of the Executive Committee are held in the Division of Administration and Finance's Conference Room in Welch Hall B470K.

RESOLVED, that the Chief Operating Officer/Chief Financial Officer shall work with the Chair of the Audit Committee and the Foundation's external audit firm to schedule the annual required Audit Committee meeting to the review and accept the Foundation's fiscal and Uniform Guidance audits based on the deadlines associated with submission of audit reports and schedules to the Chancellor's Office, and that the Chair of the Audit Committee shall schedule other such meetings as may be necessary and appropriate throughout the fiscal year.

D'Amato moved to approve with stipulation, subject to move. Ivey approves, Stewart seconds, no objections. Motion carried

IX. Other Items

No other items were presented.

X. Adjournment

Meeting adjourned at 5:09 P.M.