

Tuesday, August 16, 2016  
3:00 p.m. to 5:00 p.m.  
Welch Hall B-470K

## **FINANCE AND HUMAN RESOURCES COMMITTEE MINUTES**

Members Present: Naomi Goodwin, Phil D'Amato, Roger von Ting, and Dr. Russel Statham

Members Absent: Carrie Stewart

Guests: Sarah Vagts (Director of Administrative Operations), Richard Chester (Director of Commercial Operations), and Brandon Martinez (Executive Assistant to the COO/CFO)

### I. Call to Order

Meeting called to order by D'Amato at 3:00 p.m.

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

von Ting moved and Goodwin seconded. Motion carried.

### III. Approval of Meeting Agenda

Goodwin moved and von Ting seconded. Motion carried.

### IV. Public Comment

No one was present to represent public.

### V. Officer's Reports

- a. Chief Financial Officer's Report – Statham presented to the Committee the Consolidated Statement of Operations for June 30, 2016 and the Graystone Long Term Fund Monthly Report. Statham also shared that the Foundation is near the end of remediation for the Auxiliary Audit. He also stated that the Foundation is in the process of its ERP system upgrade and is nearly 90% completed with testing.

### VI. Consent Items

- a. Statement of Operations as of June 31, 2016

The committee asked Statham to include Board designated allocation in a supplemental report. The committee accepted the Statement of Operations as submitted with no discussion.

b. Investment Report as of June 31, 2016

The committee accepted the investment report as submitted with no discussion.

VII. Informational Items

a. FY 2015-16 Draft Financial Statements (Unaudited) & Progress Report on Annual Fiscal/Uniform Guidance (A-133) Audit

Statham shared the Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2016.

VIII. Action Items

a. Resolution FY1617-1: Approval of Health Insurance Benefits Program Contract - Wells Fargo Insurance Services (AOA Benefits Program)

**RESOLUTION: FY1617-1**

**APPROVAL OF HEALTH INSURANCE BENEFIT PROGRAM  
CONTRACT –  
WELLS FARGO INSURANCE SERVICES (AOA BENEFITS  
PROGRAM)**

**WHEREAS**, the California State University (CSU), Dominguez Hills Foundation (“Foundation”) offers health benefits to employees in the “Full-time, Regular Benefited,” “Management Services Program,” “Full-time, Partially Benefited” employee classifications, as well as some “Variable Hour” employees who are classified as “Part-Time” at the time of hire; and

**WHEREAS**, the California State University, Dominguez Hills Foundation offers health benefits to retirees who qualify for post-retirement health benefits based on the Foundation Policy on Post-Retirement Health Benefits; and

**WHEREAS**, the Foundation Board of Directors terminated the organization’s contract with the California Public Employee Pension System (CalPERS) for health benefits with an effective date of December 31, 2016 and authorized management to negotiate with independent brokers to implement a new health benefits program for employees and qualified retirees; and

**WHEREAS**, Foundation management received proposals for employee health benefits from three independent brokers; and

**WHEREAS,** Foundation management has reviewed all proposals and identified the proposal from Wells Fargo Insurance Services as the best fit for the organization, its employees, and its retirees based on considerations such as plan design/coverage, organizational and employee cost, and administrative considerations; and

**WHEREAS,** Wells Fargo Insurance Services has been broker for the Auxiliary Organizations Association (AOA) since 2008 after a vetting process through AOA and the CSU Chancellor's Office and has served as a benefits consultant to the CSU system since 2012; and

**WHEREAS,** as of June 2016, 11 CSU auxiliaries (with over 700 total enrolled employees) participate in the AOA Benefits group through Wells Fargo Insurance Services for health insurance, including CSU Long Beach 49er Shops, CSU Fullerton Auxiliary Services Corporation, the Chico Research Foundation and San Diego State Aztec Shops; and

**WHEREAS,** the Wells Fargo Insurance Services program offered through the AOA group offers HMO and PPO plans that are similar (not identical) to some of the most popular plans offered by the CalPERS system for contracting agencies and meet the Affordable Care Act requirements for minimum essential coverage; and

**WHEREAS,** the Wells Fargo Insurance Services program offered through the AOA group offers HMO and PPO plans that are comparable in cost to the various plans offered by the CalPERS system for contracting agencies.

**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 authorizes Foundation management to enter into an agreement with Wells Fargo Insurance Services for employee and retiree health benefits; and

**RESOLVED,** that the Chief Operating Officer/Chief Financial Officer is hereby authorized to take any and all other action(s) necessary and appropriate for the effectuation of this resolution.

Goodwin moved and von Ting seconded. Motion carried.

- b. Resolution FY1617-2: Approval of Employer Contribution Rates for Health Insurance Benefits Program for Calendar Year 2017

**RESOLUTION: FY1617-2**

**APPROVAL OF EMPLOYER CONTRIBUTION RATES FOR  
HEALTH INSURANCE BENEFITS PROGRAM FOR CALENDAR  
YEAR 2017**

**WHEREAS**, the California State University (CSU), Dominguez Hills Foundation (“Foundation”) offers health benefits to employees in the “Full-time, Regular Benefited,” “Management Services Program,” “Full-time, Partially Benefited” employee classifications, as well as some “Variable Hour” employees who are classified as “Part-Time” at the time of hire; and

**WHEREAS**, the California State University (CSU), Dominguez Hills Foundation offers health benefits to retirees who qualify for post-retirement health benefits based on the Foundation Policy on Post-Retirement Health Benefits; and

**WHEREAS**, Foundation management has formulated an employer contribution strategy for current employees and retirees as referenced in the attachment to this resolution

**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 approves employer contribution rates, as well as early retirees and Medicare eligible retirees contributions, as referenced in the attached page; and

**RESOLVED**, that the Chief Operating Officer/Chief Financial Officer is hereby authorized to take any and all

von Ting moved and Goodwin seconded. Motion carried.

- c. Resolution FY1617-3: Appointment of Naomi Goodwin as Interim Executive Director of the Foundation

**RESOLUTION: FY1617-3**

### **APPOINTMENT OF NAOMI GOODWIN 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 I, 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 vacant due to the retirement of Interim Executive Director Robert Fenning; and

**WHEREAS**, the Board of Directors finds it desirable and in the best interest of the Foundation to exercise its authority under Article III Section 8 of the bylaws to appoint an 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 finds it administratively and fiscally prudent to appoint Ms. Naomi Goodwin as Interim Executive Director of the Foundation with all of the duties and powers as prescribed by the bylaws of the Foundation, in accordance with, and subject to, the direction and control of the Board of Directors; and

**RESOLVED**, that the Mr. Naomi Goodwin shall serve as Interim Executive Director without compensation in consideration of the salary and benefits afforded to her under her employment with the University as the Interim Vice President for Administration and Finance; and

**RESOLVED**, that the two principal administrators of the Foundation (the Director of Commercial Operations and the Chief Operating Officer/Chief Financial Officer) shall report to the Interim Executive Director as appointed under this Resolution; and

**RESOLVED**, that this appointment of Ms. Naomi Goodwin as Interim Executive Director is subject to the continued pleasure of the Board of Directors and her concurrent employment as the Interim Vice President for

Administration and Finance of the University and shall automatically terminate upon the incumbent's separation with the University if not terminated by the Board of Directors sooner; and

**RESOLVED**, that upon either a) the incumbent's separation with the University and her concurrent termination as Interim Executive Director, b) the incumbent's termination from the position of Interim Executive Director by the Board of Directors, or c) upon determination by the Board of Directors that the position should be filled on a full-time permanent basis, the Board of Directors shall meet, consider, and take action on the appointment of the subsequent Executive Director of the organization, thereupon reserving unto itself the power and sole authority to appoint the 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.

von Ting moved and Statham seconded. Motion carried.

IX. Other Items

None

X. Adjournment

- a. Meeting adjourned at 4:11 p.m.