

Thursday, March 28, 2019
3:00 PM to 5:00 PM
Executive Conference Room, Welch Hall D-444

Board of Directors Meeting Minutes

Members Present: Dr. Thomas Parham, David Donell, Dr. William Franklin, Dr. Leena Furtado, Naomi Goodwin, Jerome Groomes, Del Huff, Gilbert Ivey, Christian Jackson, Dana Ward, and Roger von Ting

Members Absent: Dr. Cornelia Brentano, Alan Caldwell, David Gamboa, Christian Jackson, Dr. Michael Spagna, and Carrie Stewart

Guests: Richard Chester (Associate Executive Director Foundation), Amanda Dodd (Director Human Resources & Payroll) Ed Fimbres (Manager Campus Dining) Howard Grobstein (Grobstein Teeple), Chris Manriquez (Vice President, Information Technology), Tony Little (EA to President) Jinna Matzen (Manager Business Process Improvement), Wayne Nishioka (Interim AVP Admin & Finance)

I. Call to Order

Meeting called to order by von Ting at 3:03 P.M.

II. Approval of Meeting Agenda

Huff moved and Goodwin seconded. Motion carried.

III. Approval of December 06, 2018 Meeting Minutes

Furtado moved and Huff seconded. Motion carried.

IV. Public Comment

No one was present to represent the public.

V. Reports

University President

President Parham opened his report by giving an update on his health stating that he felt it was important for the Board to see him and for him to see the Board. President Parham went on to acknowledge that he was in the “battle of his life” but was “doing fine” and was “hanging in there”, he assured the attendees that he was surrounded by excellent medical care and was receiving support from his loving family, strong faith, friends, and colleagues.

President Parham transitioned his report by discussing the Investiture, noting that it was very successful, and assisted in elevating the CSUDH community. The President expanded his discussion by detailing his trip to Asia, the President communicated his feelings that “it is hard to relate to a global world with a local identity”. President Parham defined the goals of the trip to Asia noting the importance of spreading CSUDH values, engaging others on the other side of the world, meeting with educational leaders to create opportunities for students of CSUDH to study abroad, and the need to engage Alumni. The President further informed the Board that approximately ten presidents from other Cal State Universities also attended the trip stopping in Taipei first, Hong Kong second, and Tokyo third, noting that Tokyo had the largest alumni population. The President summarized the trip as successful. The President continued to discuss off-campus CSUDH efforts briefing the Board on staff trips to Capitol Hill to advocate for education, highlighting the importance and need for federal level advocacy, and noting that Carrie Stewart and David Gamboa were now in New York. The President continued his report speaking about the state budget and the state budget revision process, pointing out that he felt encouraged and was hopeful that the budget would restore priorities. The President concluded his report with the introduction of his new Executive Assistant, Anthony “Tony” Little. The Board welcomed and introduced themselves to Tony Little.

VI. Officer’s Reports

Chair of the Board

von Ting opened his report discussing Foundation challenges, briefing the Board on good news first, von Ting introduced that Amanda Dodd had returned to her previous held position as Director of Human Resources and Payroll. The Board welcomed Dodd back. von Ting then went on to notify the Board of the loss of Foundation’s Controller, Fay Ji, pointing out that with Ji’s resignation all finance positions within Foundation were now vacant: Controller, Account Manager, and Accountant. Chair von Ting informed the Board that instead of filling the position with another Controller, the Executive Committee decided that they were going to go back to having a CFO and would be initiating search efforts. Chair von Ting further reported that Groomes was in the midst of efforts to recruit an I.T Manager. von Ting concluded his report by introducing Chris Manriquez, Chair of the Executive Director Search Committee.

Manriquez presented the Board with information on the “Executive Director Search” process disclosing that Spellman and Johnson were hired for recruitment efforts.

Manriquez informed the Board that Jennifer Hyatt of Spellman and Johnson had “casted out a net” of about five thousand one hundred people nationwide, and had made contact with approximately eight hundred eighty-six of those people, declaring that twenty-seven of those individuals were qualified. Manriquez went on to inform the committee of interview timelines and concerns regarding compressed timelines. The Board held discussions on search pool, filtration, active university senior position searches, and local applicants. Manriquez concluded discussion on the Executive Director Search stating that Spellman and Johnson’s search yielded twenty to twenty-two solid candidates.

Interim Executive Director

Groomes opened his report by informing the Board that Foundation had engaged the services of Grobstein Teeple, a full service financial consulting firm. Groomes then turned the floor over to Howard Grobstein of Grobstein and Teeple.

Howard Grobstein introduced himself as a partner at Grobstein Teeple informing the Board that his company’s focus was on turn-around and had done extensive work with universities and non-profit organizations in the past. Grobstein further stated that his company started working with Foundation approximately three weeks ago and had engaged in several conversation with Ji (former Controller), Groomes (Interim Executive Director) and von Ting (Foundation Board Chair), to understand the turn-over and continuity issues facing Foundation. Grobstein went on to detail his company’s work and the primary categories they focus on (1) Forensic Accounting and (2) Fundamental Accounting. Grobstein described their primary focuses, the relationship between the Philanthropic Foundation and Foundation, as well as reviewing processes. Grobstein cited his hope to get Foundation’s accounting and accounting services cleaned-up and processes documented by the time a permanent Executive Director and CFO were hired. Grobstein further mentioned that he was assisting Foundation in drafting the CFO Job description. Grobstein concluded by stating that Grobstein Teeple has dedicated a staff of four to five people to work with Foundation, sometimes on-site, and sometimes off-site, and that his company endeavors to get as much done as fast as they can to create continuity in the accounting department.

At the conclusion of Grobstein’s communication, von Ting informed the Board that Grobstein Teeple was first brought on for a “special project” with the Philanthropic Foundation but after review it became apparent that there was a need to bring Grobstein Teeple on for a through clean-up of the accounting department. President Parham thanked Grobstein and requested that as part of Grobstein Teeple’s feedback they provide information in regards to why things are in the condition they are in. Grobstein agreed and outlined his team’s plan in identifying attributions.

Groomes continued his report detailing the collaboration between Grobstein and Teeple in the CFO Job description expressing that he was hopeful that Grobstein’s assistance in creating this document would result in identifying the type of CFO Foundation needs. Groomes went on to inform the Board that the I.T manager position announcement closed last week and follow-up discussions would be held with

the Executive Committee. Groomes concluded his report by notifying the Board that he was in the middle of setting up a short term investment account with Wells Fargo. The Board accepted Groomes' report with no discussion.

VII. Committee Reports

Executive Committee

von Ting informed the Board that financials were not included in the Board packet due to concerns of accuracy, explaining that after Grobstein Teeple conducts a thorough review of the financials they would be supplied at the next meeting. von Ting went on to review items that the Executive Committee's been working on including: exploring different consultants to review the overall operations of the Foundation (possibly people from the AOA group), and identifying similar consultants to assess the Board. von Ting also reported that the Executive Committee was continuing discussions on the Starbucks issue noting that at the last Executive Committee meeting the committee requested revisions from the staff in order to understand alternatives. von Ting expressed his hopefulness that a resolution would be reached within the next couple of months and that at the next Board meeting, the Executive Committee should be ready with a recommendation. von Ting expanded his report, notifying the Board that the Executive Committee was looking into auditing the revenue from the StubHub Center lease agreement, specifying that the audit was not due to any concern of shortage but was being reviewed since it had never been audited before. von Ting further announced that a RFP for new investment advisors was under creation, and that a decision would need to be made in regards to the Boards focus for investing and if the Board desired to integrate socially responsible investing into the portfolio. von Ting concluded his Executive Committee report by introducing Wayne Nishioka, the Audit Committee Chair.

Audit Committee

Nishioka informed the Board that a decision was made to search for a new audit firm through a RFP process shortly after the approval of the financial documents in September. Nishioka went on to describe the RFP process as collaborative with the other campus auxiliaries which included: Philanthropic Foundation, Associated Students Inc., and Loker Student Union. Nishioka explained that all the auxiliaries worked together and identified the top five candidate firms and invited them to campus interviews with representatives from all auxiliaries in attendance. Nishioka further noted that the interview process was weighted more towards Foundation as Foundation led the initiative. Nishioka concluded the Audit Committee report detailing that after the top three firms were identified a request for a "Best and Final Offer" was sent out, Clifton Larson Allen also known as CLA was unanimously voted as the auxiliaries new audit firm. von Ting thanked Wayne Nishioka for the tremendous effort to manage this process, noting that it was great to see the involvement of Audit Committee members and the collaboration between the other auxiliaries.

Land Development Committee

Goodwin opened her report on behalf of the Land Development Committee reminding the Board about the RFP that was issued several months ago, Mixed Use and Business Park. Goodwin further elaborated that although the committee and Chancellor's Office personnel felt that the proposals were satisfactory it was determined that the proposals did not align with the mission of CSUDH. Goodwin further informed the Board that the committee thought it was important to respond to the companies who submitted proposals to alert them that the process was being placed on hold. Goodwin stated that upon recommendation from the Chancellor's Office the Land Development Committee engaged a real-estate land development firm, BAE to assist in evaluating CSUDH efforts in understanding why the response to the RFQ was not what was desired. Goodwin explained the process, BAE first focused on the RFQ itself and then reached out to firms who responded to the RFQ and firms that did not respond. BAE then met with the Land Development Committee to report their findings and to work on updating the Pro Formas. Goodwin concluded her report stating that significant adjustments needed to be made after the initial review of the Pro Formas and that the Land Development Committee would continue to work with BAE on accuracy. The Board accepted this report with no questions.

VIII. Financial Reports

Investment Review as of February 28, 2019

Groomes briefly reviewed the Investment Review documents that were provided to the Board for review. The Board accepted this information with discussion on alternative investments and the investment advisor RFP process.

IX. Informational Items

Foundation Move

Goodwin informed the Board that her PowerPoint presentation would not just cover the "Foundation Move" but instead would cover the campus space transformation. Goodwin's presentation included information on: shared vision, modern campus, student success, new buildings and major renovations, student housing phase III, the Science and Innovation Center, and the Innovation and Instruction Center. Goodwin went on to note some of the major renovations underway including: LaCorte Recital Hall, Journalism Computer Lab, Welch Hall Climate Control & LED, LaCorte Hall HVAC, University Pool, University Theatre, Athletics Locker Rooms, Library Seismic Phase II, NSM Seismic and Renovation, and SBS Renovation. Goodwin's presentation further covered additional new buildings and construction projects which included: Student Housing Phase IV, Parking Garage, Recreation and Wellness Center and the expansion of LSU. Goodwin discussed the timeline and overview with the Board detailing long-term space planning and relocation efforts noting that relocation and the demolition of the Small College Complex was currently underway. Goodwin's presentation also detailed scheduling balances, enrollment growth, and the creation of a "Student Success Hub", uniting student-centered groups and creating new collaborations. Goodwin explained to the Board that multiple moves would be

happening simultaneously detailing move logistics, the removal of temporary buildings and the engagement of a professional moving firm to help coordinate. Goodwin concluded her presentation noting that the move is currently going well and asked Groomes and Matzen to discuss Foundation's new office space. Groomes stated that the move was an upgrade noting that Foundation had more space and was relocated to the third floor of James Welch Hall. Matzen briefly reviewed the space configuration and discussed Foundation's Live Scan business with the Board. The Board held discussions on staff morale, hours of operation for LiveScan, town halls and forums, parking, and seismic upgrades.

Fund Disbursement Policy

This informational item was deferred for a future date.

Foundation Investments

Groomes presented the Board with a presentation on Foundation Investments reminding the Board that Foundation would soon be going out with a RFP. Groomes' presentation included information on: Investment Policy objectives, the responsibility of the Board of Directors, the responsibility of the Executive Committee, Foundation's current investment consultants, investment RFP considerations, and Environmental, Social, and Corporate Governance (ESG). The Board held discussions on aligning policy with RFP language to ensure that Foundation's investment advisors understand Foundation's philosophy, values, and mission. The Board agreed that exploring ESGs was warranted.

Every Table

Chester presented a PowerPoint presentation to the Board noting that the previous conversation on sustainability was a perfect segue for his presentation on Every Table. Chester went on to detail the business model of Every Table affirming that it meets the "Basic Needs Initiative" of the CSU and CSUDH's "Sustainability Initiative", it contains wholesome ingredients in sustainable packaging, provides nutritious meals at affordable prices, is currently at CSULA, utilizes local farms and would fit very well into the space formerly known as Jamba Juice. Chester continued his presentation providing information on a "Pay It Forward" wall for students in need. Chester concluded his presentation providing a depiction on how Every Table would look in the Food Court space formerly known as Jamba Juice.

X. Action Items

Resolution FY201819-12: Ratifying Executive Action for Amendment of Resolution: FY201819-9

Quorum lost, due to Board members needing to leave early. Vote deferred until next scheduled meeting on June 20, 2019.

Resolution FY201819-13: Ratifying Executive Action for the Appointment of Audit Firm, Clifton Larson Allen (CLA)

Quorum lost, due to Board members needing to leave early. Vote deferred until next

scheduled meeting on June 20, 2019.

XI. Adjournment

Goodwin moved to adjourn, von Ting seconded. Meeting adjourned at 5:29 P.M.