

Thursday May 14, 2020

12:00 PM – 1:00 PM

Zoom: <https://csudh.zoom.us/j/98563343435>

Dial: +1 312 626 6799 (US Toll) or +1 646 876 9923 (US Toll)

Meeting ID: 985 6334 3435

BOARD OF DIRECTORS AD HOC MEETING MINUTES

Members Present: President Parham, Alan Caldwell, David Donell, Dr. Cornelia Brentano, Dr. Leena Furtado, Dr. William Franklin, David Gamboa, Jerome Groomes, Gilbert Ivey, Christian Jackson, Dr. Michael Spagna, Roger von Ting, Deborah Wallace, and Dana Ward

Members Absent: Dr. Leena Furtado

Guests: Richard Chester (Associate Executive Director Foundation), Amanda Dodd (HR Director), Jinna Matzen (Manager Business Process Improvement), Cecilia Ortiz (Executive Director LSU), Marci Payne (AVP Information Technology), Deborah Roberson (University Chief of Staff), Bob Sesnon (CFO Consultant), Roshni Thomas (Director Facilities Planning & Design) and Cherisse Ross (Interim Controller)

I. Call to Order

Von Ting moved, Huff Seconded. Motion Carried.

Meeting called to order by von Ting at 12:03 P.M.

II. Approval of Meeting Agenda

Huff moved, and Ward seconded. Motion carried.

III. Public Comment

Millie Vasquez introduced herself as a 2016 alumni appearing on behalf of the public, explicitly citing that she was commenting on behalf of friends that are faculty, staff, and employees. Vasquez explained to the Board that several of her friends have been laid off and questioned why a construction project for the expansion of LSU was being pushed forward during the pandemic. Vasquez further expressed her concerns regarding remote teaching and no foreseeable income on a space that will not be used for the rest of the year. President Parham responded to public comment and thanked Vasquez for appearing and for posing her question. Parham provided context to the Vasquez explaining that the current dining complex is inadequate to meet the needs on campus, further noting that before Parham's tenure a master plan was approved that included a new dormitory that contains five

hundred and six new dormitory-style living spaces, which would be added to the already existing six hundred forty-seven bed spaces in the current apartment-style housing on campus that were built for the 1984 Olympics. Parham further disclosed that the plan was approved without considering a dining hall complex noted that incoming students that will be housed in the dormitory-style living space would not have a place to eat. Parham mentioned long term goals to complete a whole separate dining hall but acknowledged that a plan had to be devised to feed incoming students in the meantime. Parham agreed that there are concerns over income loss during the pandemic but noted that the University still had to have a place for students to eat when the campus reopens. Parham continued to address the concerns of Vasquez, focusing on the need of incoming students. Von Ting suggested that since Vasquez's questions all seem to be financial in nature that the Board should move on to discuss financial reports and address any other issues Vasquez has at that time.

IV. Financial Reports

a. Financial YTD and b. Fiscal Year Projections

Groomes opened his report noting significant changes in the budget projections since the last Board of Directors ad hoc meeting. Groomes advised the Board that Foundation received funds through a PPP loan and that he was confident the funds would be turned into a grant and the loan forgiven. Groomes went on to explain that 75% of the PPP funds would be used for payroll. Groomes then discussed investments with the Board disclosing that April investments bounced back a little from the March market dive. Groomes also notified the Board of an unresolved issue regarding funds owed to the Philanthropic Foundation for the reconciliation of endowments. Groomes further explained that reserves and funds to improve the Taco Bell space were not incorporated in the projections. Groomes presented a pie chart displaying Foundation revenues, and where those revenues come from. Groomes summarized his discussion on the pie chart noting that 75% of revenue has ceased due to the COVID-19 pandemic. The Board held talks on the financial projections presented which included, the forgiveness of the PPP loan, revenue generation from online bookstore sales, gross revenue represented on the pie chart versus net income, five-year projections in scenario one- classes beginning in the Spring, Philanthropic Foundation loan and interest payments being built into the projections, projected annual year-end balances, and scenario two – no classes the entire year. Sesnon addressed the Board advising that no losses or gains on investments were incorporated for the months of June 2020 and forward in the projections. Groomes fielded questions from the Board regarding reserve amounts needed with von Ting clarifying that he believes that Foundation needs a reserve of four million to cover operating expenses for three months and eight million for a six-month operating reserve.

Groomes reviewed page seven of the meeting materials with the Board that addressed questions previously posed by members regarding the Philanthropic Foundation loan agreement terms and alternatives to a dining expansion plan. Groomes notified the committee that other options were presented in the Board packet on pages eight through page eleven. Groomes answered Board questions regarding additional adjustments that need to be made to the FY2021 budget that is not in the current projections. Groomes continued to answer questions from Board attendees, including funds due to consultants. Groomes disclosed to the Board that all outstanding payments to Grobstein Teeple were made and that Grobstein Teeple did not reduce their fees.

V. Informational Items

a. Alternatives to LSU expansion

The Board discussed the Loker Student Union Dining project and the different phases of the project. Groomes clarified that the 1.5 million portion of the total 3 million needed to fund the project was only for Phase I. Groomes explained that the renovations to the space known as the 1910 Café and Lounge are what is covered in Phase I and that improvements of the kitchen in the space formerly occupied by Taco Bell were not included. Cecilia Ortiz, Executive Director of LSU, told the Board that Phase I of the project would provide an additional one hundred fifty seats on the inside of the building with a final number to be provided after an ADA review is complete. Groomes went on to explain the benefits of the project clarifying that the three million dollars will also be used to improve the central kitchen to enhance Foundation's ability to serve more people, and will expand the west patio that is currently attached to 1910 resulting in a seating increase both inside and out. Ortiz further noted that a design schematic for the outside patio space had yet to be completed and that once done, they will know how many additional seats the outside area will provide. The Board discussed the extra cost for improvements to the space previously occupied by Taco Bell, Groomes notified the Board that Phase II would cost approximately two million dollars. The Board continued to discuss areas of concern which included placing the Café Toro project above a vacant space project, additional costs projected for Dining to update dining spaces due to COVID-19, completion of the housing complex and when students are expected to move-in, current students living in student-housing, impacted dining hours in LSU (10am – 4pm) and possible funding relief for this project from the Cares Act.

VI. Action Items

a. Loker Student Union Capital Improvement

Von Ting moved to poll each member's vote.

Six Votes, "Yes," Four Votes, "No."

Action Approved. Motion Carried.

VII. Adjournment

Meeting adjourned at 2:03 P.M.