

Thursday, June 18, 2020
3:00 PM to 5:00 PM
Dial: + 1 669 900 6833 (US Toll) or +1 253 215 8782 (US Toll)
Meeting ID: 916 3105 3300
Join from PC, Mac, Linux, iOS or Android: <https://csudh.zoom.us/j/91631053300>

Board of Directors Meeting Minutes

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

Members Absent: Dr. Leena Furtado

Guests: Amanda Dodd (Director Human Resources & Payroll), Jinna Matzen (Manager Business Process Improvement), Deborah Roberson (Chief of Staff, Office of the President), Cherisse Ross (Interim Controller), and Robert Sesnon (Interim CFO)

I. Call to Order

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

II. CONSENT AGENDA (CSUDH Foundation): *The Consent Agenda is used for routine items including board meeting calendars, appointments to boards and committees and approval of contracts or agreements. Information on each item is available in the packet for this meeting. These items may be enacted in one motion without separate discussion. Foundation Board of Directors members may request that an item be removed by motion for discussion and separate action.*

III. Approval of Minutes of Previous Meeting(s)

- March 26, 2020
- April 28, 2020
- May 14, 2020

IV. Appointments to the Board of Directors

- FY2019/20-13: Appointing New Administrative Director to the Foundation Board of Directors – Dr. LaPolt

- FY2019/20-14: Ratifying Act of the Academic Senate Appointments to the Foundation Board of Directors – Dr. Cornelia Brentano and Dr. Thomas Norman
- FY2019/20-15: Appointment of New Committee Member to the Foundation Board of Directors - Nicole Enearu
- FY2019/20-16: Appointment of Chair, Foundation Board of Directors – Del Huff
- FY2019/20-17: Appointment of Vice-Chair, Foundation Board of Directors – Dr. Cornelia Brentano
- FY2019/20-18: Term Renewal: Secretary-Treasurer Foundation Board of Directors – Dana Ward
- FY2019/20-19: Renewal of Community Board Members to the Foundation Board of Directors – Gil Ivey, Alan Caldwell
- FY2019/20-20: Appointment of Gil Ivey to the Executive Committee
- FY2019/20-21: Appointment of Gil Ivey to the Audit Committee
- FY2019/20-22: Appointment of Alan Caldwell to the Nominating Committee
- FY2019/20-23: Appointment of Dr. Thomas Norman to the Audit Committee
- FY2019/20-24: Term Renewal of David Gamboa & Appointment to Nominating Committee
- FY2019/20-25: Appointment of Board Liaison – Chris Manriquez

V. Schedule

- FY2019/20-26: Approval of FY2021 BOD Meeting Schedule

****Consent Agenda - Items Removed for Separate Discussion:*** Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Foundation Board of Directors has voted on those items which do not need discussion.

Chair von Ting presented to the Board a "Consent Agenda" and explained that as he moves to a vote, all items under "Consent Agenda" will be voted on in one action. Von Ting probed the Board for objections. No objections were indicated.

von Ting moved, and Donell seconded. Motion Carried. Items III, IV, and V approved.

VI. Public Comment

No public comment.

VII. Reports

1) University President

The President opened his report by thanking the Board for their continued support. The President's message included discussing monitoring the financial stability of the Foundation, principally virtual campus operations with limited exceptions, possible COVID-19 funding, on-campus construction projects including the Science and Innovation Building, Innovation and Instruction Building, and the Residence Hall. The President concluded his report and introduced

Provost Spagna to speak. Provost Spagna informed the Board about recent town halls held for the community and faculty and staff. Provost Spagna explained that the University is on a positive trajectory and that LA needs the campus to be a good hub for support. The Provost concluded his discussions with the Board reporting that Dominguez Hills was only one of two campuses chosen by the NIH (National Institute of Health) for a diversity training grant to support research of undergraduate students and faculty.

VIII. Officer's Reports

1) Chair of the Board/Executive Committee Report – von Ting

Von Ting stated that he had no specific report and that most items reported in this section are on the agenda.

2) Nominating Committee Report – von Ting

Von Ting informed the Board that the Nominating Committee has been busy revising the Bylaws and working to identify new members noting that some items pertaining to Nominating Committee accomplishments were covered in the consent agenda other items would be covered later on in the meeting.

3) Executive Director Report – Groomes

Groomes opened his report by thanking von Ting for his service as the BOD Chair and Donell for his service as Vice-Chair, noting that it was a pleasure to work with both of them. Groomes then congratulated incoming BOD Chair Huff and BOD Vice-Chair Brentano. Groomes transitioned his report to discuss challenges faced in the last three months due to COVID-19 mentioning that the challenges would be reflected in the budget. Groomes detailed actions by the Foundation to reduce costs during these perplexing times which included, laying off all part-time employees and student-assistants, twelve full-time Dining employee layoffs, and the application and receipt of the Payroll Protection Program for five hundred and twenty-five thousand dollars. Groomes closed his report by informing the Board that Foundation is currently preparing for two audits, which are about to begin (1) Foundation's annual audit conducted by CLA, and (2) a CO advisory audit.

IX. Informational Items

a) Transfer of Chair & Vice Chair roles

Von Ting informed the Board that both he and David Donell would be rolling off the Board on June 30th, 2020. Von Ting thanked the BOD for trusting him to Chair the Board stating that he has enjoyed his six years on the Board. Von Ting expressed that he leaves his position with a great appreciation of CSUDH and noted that he applauds the direction in which the campus is moving. Von Ting then introduced Donell to speak. Donell echoed von Ting's sentiments and

emphasized his appreciation to the staff and the Board. Donell explained that he was honored to play a small role in the past four years and that he was proud of the University and his participation. Donell ended his dialogue by thanking President Parham and the Board on the fantastic improvements happening on campus, further noting that he can't wait to see what CSUDH does in the next five to ten years.

b) Covid-19 Foundation Operations

Groomes introduced Dodd to speak on COVID-19 operations. Dodd explained to the Board that Foundation was aligning its practices with the University and that central Foundation would continue operations mostly in a virtual capacity with limited on-site office hours. Dodd further informed the Board that the Infant Toddler Development Center was still operating, albeit virtually. Dodd concluded her discussion disclosing that all Foundation employees that come on campus must be approved by Foundation and must be on a list held by Risk Management. Groomes then introduced Ross, who discussed the audit and interim testing of Foundation and Grants and Contracts by the auditors.

c) LSU Renovations

Groomes notified the committee that LSU BOD met and voted to approve funding their share of the renovations, further stating that with the approval, the Foundation and University are positioned to moved forward to support the Café Toro Expansion. Groomes also explained that this is an agenda item to seek Board approval of the Foundation's contribution to funding this endeavor. The Board discussed different phases and what portion was being approved. Groomes clarified that the kitchen renovation would be entirely funded by Foundation and not LSU and that the amount is included in the request for Foundation funding.

d) Status of Recruitment – Executive Director, CFO

Dodd reported that Foundation had reengaged search firm Spellman and Johnson to continue the Executive Director Search clarifying that the services would remain under the previous contract as the initial search had failed. Dodd explained that the search is currently in an early pre-recruitment phase focused on identifying a Search Committee Chair and Search Committee members. Dodd concluded her report noting that there is no official update on the CFO position stating that Foundation would ideally want an Executive Director to be in place to choose the CFO.

X. Financial Reports

a) Proposed FY2021 Budget

Groomes introduced the budget to the Board, stating it was being presented under "Action Items" for approval. Groomes explained that the budget assumes that Foundation will not have Dining or Commercial revenue in the fall semester, which accounts for a significant reduction in personnel and non-personnel areas. Groomes explained that due to COVID-19 and unknowns, Foundation presented the Executive Committee with two budget scenarios, but for this conversation, he would focus on Scenario 1. Groomes walked the Board through the budget displayed in a virtual capacity to explain different line items and projections. Groomes then

introduced Bob Sesnon, Interim CFO, to speak in greater detail about the budgeting process. Sesnon described reductions and consolidation of object codes and clarified that the budget was created around monthly and not annual numbers to make projections and adjustments accordingly. Sesnon concluded his explanation on the budget, discussing investment losses and returns. Von Ting joined the conversation and provided a budget summary, which included loss of food sales and loss of catering due to campus closure, investment losses and revenues not included due to uncertainty, and reduced salaries. Groomes added that furloughs were primarily in Dining. Von Ting explained the differences in Scenario 1 and Scenario 2, emphasizing that what the Board received is Scenario 1 and clarifying that Budget Scenario 2 was a "what if" the campus does not reopen for the spring semester. Von Ting continued his dialogue by explaining that food cost went down with a reduction in revenue, and contracted services decreased due to a reduction in fees for consultants, primarily due to the ending engagement with Grobstein Teeple. Von Ting concluded the discussion on this matter reviewing distributions made to the University and disclosing that Foundation operations losses for the year are projected to be approximately one million five hundred thousand dollars. Groomes interjected that the budget did not include four hundred sixty-five thousand dollars owed to the University by Foundation as a third of three installments to construct the commercial kitchen in the I&I building. Groomes further disclosed that approval was received by VP Wallace to defer payment until FY2122 and that the current budget does not include the renovation of the space formerly occupied by TacoBell.

b) Investment Review

Von Ting's report included a presentation on current cash and long term investments, pooled operating funds, and divestments to bring the Foundation's pooled portion of operating funds positive. Von Ting asked the Board how much the Foundation wanted to divest and provided different options; he reviewed possible losses in the market. The Board discussed items related to von Ting's presentation, including market volatility, COVID-19 impacts, the best return on investments, investments of excess cash value, current sweep account activity, and the Morgan Stanley fee structure change. Von Ting requested a roll call vote on the amount to be divested and transferred from Foundation's Merrill Lynch long term investment account to Foundation's Wells Fargo operating account.

Vote to transfer 7.3 million

Parham – Abstain

Von Ting- Yes

Huff – Yes

Donell- No

Ward – Yes, requested stipulation noted – follows the recommendation of Merrill Lynch, financial advisors

Ivey – Yes

Caldwell – No

Jackson- Abstain

Spagna- Abstain

Franklin- Yes

Wallace – Yes, with a comment, follow an established Reserve Policy

Brentano- No

Furtado- Absent

Gamboa – No

Total

3 - Abstentions

1 - Absent

6 - Yeses

4 - Noes

Majority vote achieved. Motion Carried. Divestment of seven million three hundred thousand dollars approved.

XI. Action Items

- 1) FY2019/20-06B: Revised Capital Expenditure Approval "Café Toro Expansion"

Ivey moved. Gamboa Seconded. Motion Carried.

- 2) FY2019/20-10: Approval of Philanthropic Foundation Loan Agreement Terms

Von Ting moved. Ivey Seconded. Motion Carried.

- 3) FY2019/20-11: Approval of Foundation Budget for FY2020/21

Wallace moved. Huff Seconded. Motion Carried.

- 4) FY2019/20-12: Revision of Foundation Bylaws

Ward moved. Huff Seconded. Motion Carried.

XII. Other Items

Members of the Board thanked both Roger as BOD Chair and Donell as BOD Vice-Chair. Members took turns to verbalize their appreciation to both individuals for their contributions to the Foundation Board.

XIII. Adjournment

Meeting adjourned at 4:59 PM.