

Thursday, June 25, 2020
4:00 PM to 5:00 PM
Dial: +1 669 900 6833 (US Toll) or +1 346 248 7799 (US Toll)
Meeting ID: 958 9638 7021
Join from PC, Mac, Linux, iOS or Android: <https://csudh.zoom.us/j/95896387021>

SPECIAL AD HOC BOARD OF DIRECTORS MEETING MINUTES

Members Present: Dr. Cornelia Brentano, Alan Caldwell, David Donell, Leena Furtado, Dr. William Franklin, Jerome Groomes, Del Huff, Gilbert Ivey, Roger von Ting, and Dana Ward

Members Absent: President Parham, David Gamboa, Christian Jackson, Dr. Michael Spagna, and Deb Wallace

Guests: Brian Bonvechio (Senior VP, Wealth Management Advisor, Merrill Lynch), Jinna Matzen (Manager Business Process Improvement), Andrea Ratoza (Financial Advisor Merrill Lynch), Deborah Roberson (Chief of Staff, Office of the President)

I. Roll Call

Quorum met. Nine voting members present, five voting members absent.

II. Call to Order – Chair Roger von Ting

Meeting called to order by von Ting at 4:21 P.M

III. Approval of Meeting Agenda

Ward Moved. Brentano Seconded. Motion Carried.

IV. Public Comment

No one was present to represent the public

V. Guests: Merrill Lynch

a) Recommendation

Bonvechio opened Merrill Lynch's report to the Board, explaining that there are two pieces to the current decision to consider, (1) outlook on investment market and (2) cash

flows. Bonvechio presented Merrill's perspective that there are three stages to the crisis, liquidity phase, bridge/transition phase, and a recovery phase clarifying that his firm felt that investments were at the end of the bridge/transition phase and were now moving into the recovery phase. Bonvechio further cited that Merrill Lynch had an optimistic outlook on the upcoming one to three years, explaining that they foresee a buoyant economy and equity markets with the main reason amounting to the amount of stimulus provided by the federal reserves and the federal government. Bonvechio stated that based on what they understood was Foundation's cash needs for the next twelve months, they recommend the Foundation set aside roughly \$4.3mm in short-term cash to cover current operating deficits, settle up with the Philanthropic Foundation, and fund the operating account. Bonvechio further explained that would leave roughly six million of investable assets. Merrill would invest in a similar asset allocation to Foundation's current strategy of 56% equity, 16% bonds, 14% short term cash, and 13% alternative investments. Bonvechio requested clarity and guidance from Foundation on the size and timing of the Taco Bell building and I&I building to adjust their recommendation if both projects were to happen within the next 12 months. The Board and Merrill held discussions regarding how the upcoming presidential election would affect the market, risk tolerance, current twelve month needs, the funding needs to renovate the space formerly occupied by Taco Bell, and the recommended 14% short term liquidity amount held by Merrill Lynch. The Board thanked Merrill Lynch for their attendance.

VI. Action Items

- 1) Motion to "Reconsider" Vote: FY2019/20-11: Approval of Foundation Budget and Investment Fund Distribution for FY2020/21

Von Ting explained why a "special meeting" was called, a Board member who voted on an action item at the last BOD meeting wished to rescind his/her vote. The request to rescind a vote pertained to the approved divestment of seven million, three hundred thousand dollars from Foundation's long term investment account. Von Ting further communicated that the motion passed with a six to four vote. Due to the request to rescind a yes vote, the vote would be a tie at five votes for and five votes against and that in order for a motion to pass it must obtain a majority vote. Von Ting went on to explain that a reconsidered vote needs a two-thirds vote to rescind.

- 2) If the Motion to "Reconsider" is Approved, Re-Vote FY2019/20-11: Approval of Foundation Budget and Investment Fund Distribution for FY2020/21

Von Ting moved for a roll call vote on the motion to reconsider the previously approved vote to divest and transfer seven million, three hundred thousand dollars from Foundation's long term investment fund held at Merrill Lynch to Foundation's Wells Fargo operating fund.

Vote to reconsider

von Ting - Yes

Ivey: Yes

Donell: Yes

Ward: Yes
Huff: Yes
Brentano: Yes
Alan Caldwell – Yes
Franklin – Yes
Furtado – Yes

Unanimous Vote. Motion Carried.

Motion to keep the current approved "Action FY2019/20-11: Approval of Foundation Budget and Investment Fund Distribution for FY2020/21" in place.

Vote: No Change – Divest and transfer seven million, three hundred thousand dollars from Foundation's long term investment fund held at Merrill Lynch to Foundation's Wells Fargo operating fund.

Ivey – Yes
Von Ting- Yes
Donell- No
Huff- Yes
Brentano- No
Furtado- No
Franklin- Yes
Caldwell- No
Ward – No

Four Yeses, Five Noes. Motion not approved. Majority Votes No.

Vote: Decide whether to divest and transfer four million, three hundred thousand dollars or five million eight hundred thousand dollars from Foundation's long term investment fund held at Merrill Lynch to Foundation's Wells Fargo operating fund.

Ivey – Absent for vote (meeting ran late)

Divest and transfer four million, three hundred thousand dollars (\$4.5 million)

Caldwell
Donell
Ward

Divest and transfer five million eight hundred thousand dollars (\$5.8 million)

Brentano
Furtado
Von Ting
Huff
Franklin

Three votes to divest four million, three hundred thousand dollars (\$4.5 million) and five votes to divest five million eight hundred thousand dollars (\$5.8 million).

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Motion Approved: Five million eight hundred thousand dollars (\$5.8 million) to be divested instead of the previously approved action to divest seven million, three hundred thousand dollars as noted in FY2019/20-11: Approval of Foundation Budget and Investment Fund Distribution for FY2020/21

VII. Other Items

VIII. Adjournment

Meeting adjourned at 5:31 PM