



Thursday, September 24, 2020

3:00 PM to 5:00 PM

Zoom Conference: <https://csudh.zoom.us/j/91687126168>:

Dial: +1 669 900 6833 (US Toll) or +1 253 215 8782 (US Toll)

Meeting ID: 916 8712 6168

## **BOARD OF DIRECTORS MEETING MINUTES**

**Members Present:** President Parham, Dr. Cornelia Brentano, Nicole Enearu, Dr. William Franklin, David Gamboa, Jerome Groomes, Del Huff, Gilbert Ivey, Dr. Philip LaPolt, Dr. Thomas Norman, Rihab Shuaib, Deb Wallace, Dana Ward, and Pat West

**Members Absent:** Alan Caldwell and Michael Spagna

**Guests:** Arun Aneja (Senior Project Manager, CSUDH Facilities Planning, Design, and Construction), Jinna Matzen (Manager Business Process Improvement), Wayne Nishioka (AVP Admin & Finance), Marci Payne (AVP Information Technology), Deborah Roberson (Chief of Staff, Office of the President), Cherisse Ross (Interim Controller), and Robert Sesnon (Interim CFO)

### **I. Roll Call**

Meeting was held via virtual platform, Zoom. Members and guests could be heard clearly. Quorum met.

### **II. Call to Order – Chair, Del Huff**

Meeting called to order by Chair Del Huff at 3:01 PM

### **III. Approval of Meeting Agenda**

Norman moved, and Brentano seconded. Motion carried.

### **IV. President's Report**

The President opened his report notifying the Board of an announcement from the Chancellor's Office introducing Joseph Castro as the new system Chancellor. The President urged the Board to welcome Mr. Castro, who will begin his tenure on January 04, 2021. President Parham continued his report welcoming a new member of the Toro family, Vice President of University Advancement, Scott Barrett. The President concluded his report discussing increased enrollment numbers and budget reductions.

The Board accepted the President's report.

Dr. Franklin commented on healthy continued enrollment and noted that CSUDH is experiencing its highest return rates and strives to ensure all students are successful and graduate.

V. Approval of Minutes of Previous Meeting(s)

a) June 18, 2020

Brentano moved, and Ivey seconded. Motion carried.

b) June 25, 2020

Brentano moved, and Ivey seconded. Motion carried.

VI. Action Items

a) Additional Capital Expenditure Approval "Café Toro Expansion"

Item "a" has been removed as an Action Item. No discussion.

b) Revised FY20-21 Budget

- Groomes opened his report explaining that due to COVID-19, this year has been challenging for Foundation, with revenue being significantly impacted. Groomes discussed the two scenarios that were previously provided to the Board when the budget was initially adopted. Groomes clarified that with the campus's prolonged closure, the budget needed to be revised and that Foundation was moving to budget Scenario 2, students not returning to campus for Spring 2020. Groomes noted further reduced revenues at approximately \$1.6 million, a decrease in expenditures by \$1.2 million, resulting in an additional Foundation operating loss of roughly \$400k. The Board held conversations regarding revenue, Bookstore commission, Post-Award administration, IDC revenue, Grants and Contracts pass-through amounts, restricted vs. unrestricted funds, other income, year over year salary expenditures, salaries and benefits, and Dignity Health revenue. The Board requested a revised budget that depicts separated Grants and Contracts pass-through amounts and requested a salary analysis comparison with the number of FTEs, including footnotes and narration on reasoning and tracking.

Action - Revised Budget Not Approved. Additional information requested. Item deferred to next calendared BOD meeting.

c) Investment Policy

Sesnon reviewed the revised Investment Policy with the Board discussing the changes recommended by Merrill Lynch, Foundation's Investment Advisors. The Board accepted the changes with no objections.

Gamboa moved. Norman Seconded. Motion Carried.

VII. Chair, Del Huff – Welcome New Members

Chair Huff introduced new members, Nicole Enearu, Pat West, Rihab Shuaib, Dr. Philip LaPolt, and Dr. Thomas Norman. Each new member addressed the Board and provided a brief bio.

VIII. Public Comment

No one was present to represent the public

IX. Officer and Committee Reports

a) Chair of the Board/Executive Committee Report – Del Huff

Chair Huff reviewed the roles and responsibilities of Board members and asked that all acknowledge the duties as read. The Board accepted the responsibilities with no objections.

b) Vice-Chair/Chair of Executive Director Search – Dr. Cornelia Brentano

Brentano introduced herself, detailing her previous roles on the Foundation Board of Directors, noting that she previously held a seat on the Audit Committee, which helped her understand Foundation's overall operations. Brentano transitioned her report notifying the Board that she was chairing the Executive Director recruitment Search. Brentano stated that thirteen candidates were presented to the Search Committee; the Search Committee then whittled that number down to eight; one candidate withdrew, leaving seven. Brentano further reported that the Search Committee interviewed two candidates today and that five candidates would be interviewed tomorrow. Brentano stated she was hopeful that the search would be successful, noting that the candidates' pool was strong. Brentano then explained that a tentative itinerary with interview schedule times that involve different stakeholders, including the Foundation Board of Directors, would soon be finalized. Brentano concluded her report encouraging members to think about what they would like to know from the candidates and encouraged members to start compiling their questions as the Search Committee would be quickly identifying the 3-4 finalists to interview with all stakeholders.

c) Audit Committee Chair – Wayne Nishioka

Nishioka presented a report to the Board that outlined the audit report timeline, definitions of finding categories, preliminary findings for June 30, 2020, audited financial statements, and progress since June 30, 2020. Nishioka discussed each finding with the Board. The Board deliberated over improvements of internal controls and requested to see the final report before it goes to the Chancellors Office. The Board unanimously decided that they wanted an Ad Hoc Board of Directors meeting to approve the audit

report after the Audit Committee has concluded their audit exit conference meeting. Nishioka completed his report detailing the significant improvements that Foundation has made compared to last year.

d) Executive Director Report - Groomes

Groomes reported that he expects to return to the Board when the new Executive Director is hired and looks forward to that role.

X. Financial Reports

a) Statement of Operations as of 7.31.2020

Sesnon explained to the Board that they were being presented with a new report format clarifying that the latest report was a system-generated report directly from Foundation's financial software system. In contrast, previous reports were manually compiled with Excel. Sesnon provided a summary review of each division. The Board accepted Sesnon's report.

b) Investment Review as of 8.26.2020

Attendees were provided with a report from Foundation's investment advisor's Merrill Lynch. The Board accepted the information. Groomes notified the Board that anticipated earnings and losses were left off the budget due to market instability.

XI. Informational Items

a) Dining Consultant Engagement

Groomes notified the Board that due to Dining being closed, now was the best time to explore how CSUDH provides foodservice and possibly move from self-op to contracting out Dining Services. Groomes continued to explain that hiring a consultant would help frame and guide an RFP if it was determined that contracting out Dining would be beneficial. Groomes requested that the Board allow the Executive Committee to approve a proposal as this item is time-sensitive, and the Board meets quarterly. There were no objections to this request.

b) LSU Expansion

Groomes notified the Board that this item was initially scheduled to be an action item. This was due to a request for additional funding for architectural and design work for the LSU expansion projects. Groomes further explained that the request was an error and the item was changed as informational so he could describe why the action item was removed from the agenda. Groomes concluded his report stating that no further funds are due on the Café Toro Project and the Toro Fresh project. Groomes indicated that he felt Foundation provided more funding than needed and that Foundation should be receiving a return of funds. The Board accepted the information with no discussion.

XII. Other Items

None

XIV. Adjournment

Meeting adjourned at 5:43 PM