

Thursday, January 17, 2019
3:00 PM to 5:00 PM
Welch Hall B-470K

AD HOC EXECUTIVE COMMITTEE MEETING MINUTES

Members Present: David Donell, Naomi Goodwin, Roger von Ting, and Dana Ward

Members Absent: Alan Caldwell

Guests: Richard Chester (Associate Executive Director), Eduardo Fimbres (Dining Manager), Jerome Groomes (Interim Executive Director), Jinna Matzen (Manager Business Process Improvement, Customer and Board Relations), and Hector Vazquez (Interim Accounting Manager)

I. Call to Order – Chair Roger Von Ting

Meeting called to order by von Ting at 3:09 P.M.

II. Approval of Meeting Agenda

Goodwin moved and Ward seconded. Motion carried.

III. Approval of Minutes of Previous Meeting(s)

- November 29, 2018

Donell moved and Ward seconded. Motion carried.

IV. Public Comment

No one was present to represent the public.

V. Officer's Reports

Interim Chair of the Board

von Ting did not provide a report.

Interim Executive Director

Groomes opened his report by discussing the 2019 Auxiliary Organization Association (AOA) Annual Conference he attended in Indian Wells, Palm Springs, California. Groomes stated that the conference provided him with numerous contacts and relationships with other Executive Directors within the CSU system, noting that one particular event, a luncheon for only Executive Directors was highly informative.

VI. Financial Reports

Statement of Operations as of November 30, 2018

The Committee discussed their desire for staff to look into endowment software used by other CSU campuses.

Vazquez presented the Executive Committee with a Statement of Operations as of November 30, 2018. The Executive Committee accepted the report discussing: allocation changes, comparative information, percentage of sales/dividing out expenses, allocations after the fact, using the same methodology year after year, lumping all allocations in one row /one lump sum instead of unit by unit, drilling down net profit by unit, changing methodology mid-year, comparing apples to oranges/ the need to continue the same methodology for the remainder of this fiscal year. Further discussion was held regarding adjusting financial reports next year to ensure that reports adequately explain expenses and what's driving changes. The Committee ended conversations on the Statement of Operations requesting that staff look into changing the methodology and comparing last year to this year.

Investment Review as of November 30, 2018

An Investment Review as of November 30, 2018 was provided to the Committee by Foundation's investment advisors, Morgan Stanley/Graystone. The Committee accepted this review with no discussion.

VIII. Informational Items

RFP Investment Advisors

The Executive Committee discussed Foundation's options to go out with a RFP alone for investment advisors or to go out with one in conjunction with the Philanthropic Foundation. The Committee noted pros and cons for each, discussing items such as: endowment investing, socially responsible investing, Chancellor's Office investments, fund management portfolios, hedge funds, discretionary and non-discretionary models, and clearly defining Foundation's mission in the RFP. The Committee ended their discussions noting that Goodwin would speak to President Parham to understand the President's wishes in regards to investments.

LSU Proposal

Groomes updated the Committee on a meeting he had with Loker Student Union (LSU) personnel. Groomes stated that the current expectation for a revenue increase imposed by LSU was not reasonable. Fimbres supplied the Committee with a document titled "Campus Dining Tenant Agreement with LSU", this document outlined campus dining actuals verses different rent scenarios. Fimbres detailed the documents presented noting that Dining's current rent average paid to LSU per period is above industry standard and specified that Dining currently pays for all its expenses and maintenance. Fimbres further added that as minimum wage increases in California, Dining needs to prepare for the increase in labor. The Committee accepted this information discussing: market rate adjustments, commercial bonds, self – ops, where the LSU revenue goes, subsidized rent, flat fee rent, guarantees, inflationary increases, square footage , and all –encompassing agreements.

Dining Update

Chester provided the Executive Committee with several documents regarding the Starbucks initiative: a summary, preliminary cost estimates, projections on revenue and operating expense, and Starbucks storefront renderings with possible locations. The committee discussed several topics including: the aspect of no admin fees, no debt amortization, projected sales, possible locations, the challenges associated with the new proposed location, typical store size, licensing agreement fees, stand-alone locations, the need to optimize in the beginning/planning phase, staff programs that increase foot traffic, hours of operation, and distributing students across campus instead of in one focused area. The committee ended discussion on this topic noting concerns regarding the capital investment required to renovate the existing coffee venue in the Library to Starbucks and questioned whether increased incremental revenue from this renovation was a good investment. As an alternative, the committee discussed changing the existing coffee venue to a "proudly serving" Starbucks concept and asked Richard Chester to further research this and provide an update at the next meeting. In addition, the committee discussed the possibility of finding space for a Starbucks in one of the new buildings and asked Chester to research this possibility in addition to the possibility of transferring the Foundation's previously paid franchisee deposit to that new location.

Stub Hub Audit

Chester presented the Committee with a draft RFP to be used to find an audit firm to audit the contract between StubHub and Foundation. The committee reviewed the draft and made the following suggestions: add that the audit is to be focused on the Ground Lease and rent paid to Foundation, add more description under the "Scope" and note that a summary of findings should be delivered in a timely manner, identify the firms that we wish to give the RFP to, ensure that any firms that we provide a copy of our lease agreement to first sign a non-disclosure agreement. The committee ended discussions with Goodwin noting that once a final draft of the RFP is approved by the Executive Committee she will bring it to President Parham for final approval.

Travel Policy

Matzen noted that Foundation's Travel Policy did not align with that of the University explaining that the University's travel policy does not require receipts under \$75.00 but the Foundation's travel policy does. Matzen further pointed out another discrepancy noting that the University uses the starting destination for mileage reimbursement to be whichever location is closest to the travel destination, University or travelers home, Foundation reimburses from the University only even if the starting origination is the travelers home and their home is closer to the travel destination. The Executive Committee noted that they were comfortable allowing the staff to make changes to the travel policy without seeking the committee's approval.

Draft Distribution Policy

This item was deferred to a future meeting as the prior requested revisions to the draft policy had yet to be made.

VIII. Action Items

Audit Firm

Resolution FY1819-10: "Resolution to the Foundation Board of Directors Appointing Audit Firm For Annual Fiscal Audit and Informational Tax Filing Preparation Services" was brought before the Executive Committee for approval and vote. Prior to the official vote Donell updated the Executive Committee on the work conducted by the Audit Committee in regards to the RFP for a new audit firm. Donell expressed that the Audit Committee voted yesterday to bring forward the firm of Clifton Larson Allen to be Foundation's audit firm for a minimum of three fiscal years. Donell further explained that a collaborative decision was made by all auxiliaries, Philanthropic Foundation, Associated Students Inc., Loker Student Union, and Foundation all unanimously voting for Clifton Larson Allen. The Executive Committee acknowledged that the RFP for a new audit firm went well noting the strategy of Audit Committee Chair Wayne Nishioka to send a "Best and Final Offer" letter request to the audit firm finalists and the stipulation to receive a "Price Protection Guarantee" recommended by Donell was a good approach.

Goodwin moved and von Ting seconded. Motion carried

LAIF Resolution Amendment

Resolution FY1819-11: "Amendment of Resolution FY1819-9: Closing Local Agency Investment Fund (LAIF) Account" was brought before the Executive Committee for vote.

Donell moved and Goodwin seconded. Motion Carried.

IX. Other Items – None

X. Adjournment

Von Ting moved to adjourn, Ward seconded. Motion Carried. Meeting adjourned at 6:24 P.M.

Closed Session:

The Executive Committee entered into a closed session with Interim Executive Director, Groomes pursuant to California Education Code §89923 at 6:25 P.M. after all other guests were excused.

RESOLUTION FY1819-10

**RESOLUTION OF THE FOUNDATION BOARD OF DIRECTORS APPOINTING
AUDIT FIRM FOR ANNUAL FISCAL AUDIT AND
INFORMATIONAL TAX FILING PREPARATION SERVICES**

WHEREAS, the California State University, Dominguez Hills Foundation is required by its Operating Agreement with the Trustees of the California State University and Title 5 of the California Code of Regulations to undergo an annual fiscal audit and file informational tax filings in order to remain in good standing as a CSU auxiliary organization; and

WHEREAS, the auxiliaries of the campus collectively underwent an RFP for auxiliary audit and selected the firm of Clifton Larson Allen to perform the annual fiscal audits for each of the campus' auxiliary organizations and to prepare the annual informational tax filings for each organization; and

WHEREAS, the Foundation Nominating Committee has the responsibility for recommending to the Board of Directors the retention and termination of the Corporation's independent auditor; and

WHEREAS, The Nominating Committee convened and voted to recommend Clifton Larson Allen (CLA) as Foundation's audit firm to perform the annual fiscal audits and to prepare the annual informational tax filings; and

WHEREAS, engagement with Clifton Larson Allen will commence for the fiscal years FY1819 to FY2021.

THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS RESOLVED AS FOLLOWS:

RESOLVED, that the Board of Directors of the CSUDH Foundation recognizes the above recitals as true and correct and adopts them as findings of fact; and

RESOLVED, that the Board of Directors with recommendation from Foundation's Audit Committee formally appoints Clifton Larson Allen to serve as its auditor for its required annual fiscal audit and engages the firm to prepare its annual informational tax filings.

Adopted this 17th day of January, 2019

Roger von Ting, Chair
Board of Directors CSUDH Foundation

Attest: _____
David Donell, Vice Chair
Board of Directors CSUDH Foundation

RESOLUTION: FY1819-11

**AMENDMENT OF RESOLUTION FY1819-9: CLOSING LOCAL AGENCY INVESTMENT FUND
(LAIF) ACCOUNT**

RESOLUTION OF FOUNDATION BOARD OF DIRECTORS

**CSUDH FOUNDATION
1000 EAST VICTORIA STREET
SCC202
CARSON, CA 90747**

310.243.3306

**AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY
INVESTMENT FUND**

- WHEREAS**, the California State University, Dominguez Hills Foundation (“Foundation”), a nonprofit corporation, through its duly qualified and acting officers or designees, voted at the last Board Meeting, December 06, 2018, to withdraw its contribution and participation in the Local Agency Investment Fund (LAIF) overseen by the State Treasurer’s Office investment staff; and
- WHEREAS**, a subsequent letter received by the California State Treasurer’s Office outlines the format in which the California State Treasurer’s Office desires the resolution to follow; and
- WHEREAS**, the requested administrator named on Resolution FY1819-9 to close the LAIF account is not able to do so; and
- WHEREAS**, this amended resolution FY1819-10 names the appropriate administrators and follows the guidelines set forth for a resolution by the California State Treasurer’s Office; and
- WHEREAS**, the Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and
- WHEREAS**, the Foundation Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS RESOLVED AS FOLLOWS:

SECTION I.

- RESOLVED**, that the following Foundation officers holding the title(s) specified herein below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment fund and may execute and deliver any and all documents necessary or advisable to effectuate the purpose of this resolution and the transactions contemplated hereby:

Jerome Groomes
Interim Executive Director

Naomi Goodwin
Vice President Administration and Finance

SECTION 2.

RESOLVED, that this resolution shall remain in full force and effect until rescinded by the Foundation Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED, by the Foundation Board of Directors of California State University Dominguez hills of Carson, Los Angeles County, California on January 17, 2019.

Adopted this 17th day of January 2019.

Roger von Ting, Chair
Board of Directors, CSUDH Foundation

Attest: _____
David Donell, Vice Chair
Board of Directors, CSUDH Foundation

