

Thursday, March 7, 2019
3:00 PM to 5:00 PM
Welch Hall B-470K

AD HOC EXECUTIVE COMMITTEE MEETING MINUTES

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

Members Absent: None

Guests: Jerome Groomes (Interim Executive Director), Jinna Matzen (Manager Business Process Improvement, Customer and Board Relations), and Lily Fang (Interim Accounting Manager)

I. Call to Order – Chair Roger Von Ting

Meeting called to order by von Ting at 3:02 P.M.

II. Approval of Meeting Agenda

Donell moved and von Ting seconded. Motion carried.

III. Approval of Minutes of Previous Meeting(s)

- January 17, 2019

Ward moved and Donell seconded. Caldwell abstained due to his absence at the January 17, 2019 Executive Committee Meeting. Motion carried.

IV. Public Comment

No one was present to represent the public.

V. Officer's Reports

Interim Chair of the Board

von Ting reported that a finance update would be given later on in the meeting. Ward initiated a conversation regarding the Investment Review provided by Morgan Stanley and expressed his concern over the increase in alternative investments. von Ting instructed staff to schedule a call for Executive Committee Members and Foundation's investment advisor, Morgan Stanley and Graystone to discuss.

Interim Executive Director

Groomes reported on the return of Human Resources and Payroll Director, Amanda Dodd.

VI. Financial Reports

Statement of Operations as of January 31, 2019

Temporary Employee, Lily Fang reviewed the Statement of Operations with the Executive Committee and noted a Dining deficit. Fang further reported that she was reviewing variances, comparing year to year performance, and reviewing the previous year budget to determine if the deficit shown was correct. Fang stated that Chester, Associate Executive Director, shared with her that the delayed opening of Green Olive and closure of Jamba Juice were factors in the current deficit.

Investment Review as of January 31, 2019

The Executive Committee did not continue to discuss the Investment Review as the subject was discussed under the Chair's report.

VIII. Informational Items

Financial Services Consultant

Groomes informed the Executive Committee that financial consulting group, Grobstein Teeple LLC was hired to provide financial accounting services, including forensic work to CSUDH Foundation. Groomes brought the committee's attention to a copy of the contract provided in the meeting materials packet. Goodwin and von Ting expressed their desire to meet with Grobstein Teeple after an initial assessment of Foundation was conducted by Grobstein Teeple. von Ting and Goodwin also voiced their desire to understand the level of involvement Grobstein and Teeple would have. Groomes stated that all invoices generated by Grobstein Teeple would come to him for review and approval and that the cost of engagement was estimated to be around 25K-30K a month.

Recruitment Update

Groomes updated the Committee on the status of Foundation's current recruitment efforts noting that Spellman and Johnson were hired and have already begun their search for a permanent Executive Director. Groomes further addressed a handout provided in the meeting material's titled "Foundation Management Recruitment", the documents contained background information on several search firms including: Spellman and Johnson, Another Source, Apple One, Robert Half, and Parker Lynch. The Executive Committee reviewed the materials provided and agreed that the Executive Director should make the decision on what search firm to engage for the CFO search. Groomes further informed the committee that the I.T Manager search was underway with the advertising and recruitment being handled by Foundation's in-house Human Resources Department and that the open position would close on March 15, 2019.

Dining Update

Groomes provided the Executive Committee a financial comparison showing estimated revenue, expenses and capital expenditures for the current Green Mountain Coffee space in the Library under four different scenarios: (1) "as is" with no change; (2) "as is" but staying open more days in the year to account for the new employees to be housed in the library; (3) Starbucks "Proudly Served Model" with the same additional days as scenario (2) and; (4) a full Starbucks with the same additional days as scenario (2). The committee discussed the placement of Proudly Served and whether this model would address the students' desire for Starbucks. The committee discussed various possible locations for a future "full Starbucks" including the space known as 1910, and new campus buildings that are scheduled to be constructed. The committee decided to continue the discussion at its next meeting.

Short Term Investment Update

Groomes informed the Executive Committee that the short term investment accounts have been set-up as sweep accounts, noting that approximately 7.2 million dollars would be invested into the Short-Term account. Groomes further noted that he was working with LSU and ASI to determine their desire to participate in short-term investing. The Executive Committee discussed the closure of the LAIF account and their wish to not see the operating account running negative in the GL as the amount transferred from the closure of the LAIF account should make the operating account solvent.

Dignity Health Sports Park Update

Groomes provided the committee with a document prepared by Chester as an "Audit Update", the committee accepted the information noting that a more in depth scope of services with a detailed summary was important to identifying the right firm and to keep costs down.

Long Term Investment Fund

The Executive Committee discussed what information was needed to initiate the drafting of an Investment Firm RFP, deciding that this item should be discussed with the full Board to understand their wishes in regards to sustainable investing and to gain a pulse on student concerns.

Operations and Board Governance Review Update

von Ting informed the committee that he felt it was in the best interest of the Board to have a review conducted of its operations just as a review was being conducted on Foundation's operations. The committee agreed and tasked Groomes with researching firms that conduct board governance reviews.

Parking Revenue from Ground Lease with AEG

Goodwin discussed the current allocation of parking revenue from the AEG ground lease with the Executive Committee noting that the Foundation receives one hundred percent of net parking revenue from events at the stadium and pays zero percent of the cost of parking lot maintenance and utilities while the Parking Department receives zero percent of net parking revenue from events at the stadium and pays one hundred percent of the cost of parking lot maintenance and utilities. The committee thanked Goodwin for bringing this to their attention, and further discussed items which included: establishment of MOUs, daily rates, calculations per car, administrations costs and current revenue. The committee ending their discussions on parking noting a need to look at the revenue received by Foundation and the need to come up with an allocation of funds model to CSUDH Parking Services.

VIII. Action Items

Distribution Policy

Resolution FY1819-14: "Resolution of The Foundation Board of Directors Approving and Adopting the University Fund Disbursement Policy" was brought before the Executive Committee for vote to bring this Action Item to the full Board.

Donell moved and Ward seconded. Motion carried

IX. Other Items – None

X. Adjournment

Von Ting moved to adjourn, Ward seconded. Motion Carried. Meeting adjourned at 5:17 P.M.

Closed Session:

The Executive Committee entered into a closed session with Interim Executive Director, Groomes pursuant to California Education Code §89923 at 5:17 P.M. after all other guests were excused.

RESOLUTION: FY1819-14

RESOLUTION OF THE FOUNDATION BOARD OF DIRECTORS APPROVING AND ADOPTING THE UNIVERSITY FUND DISBURSEMENT POLICY

WHEREAS, as a public university, California State University Dominguez Hills (CSUDH) relies on its auxiliary organizations to help fund programs and services benefiting students, faculty, and staff. In 1968, CSUDH created the CSUDH Foundation to oversee commercial enterprises on campus, including the bookstore, dining services and programs developed to administer faculty/university research grants; and

WHEREAS, The Foundation continues to be a valued partner in advancing the University mission and provides annual revenue to the University in support of students, faculty, and staff; and

WHEREAS, the Foundation desires a written procedure/policy to govern the disbursement of funds to the University; and

WHEREAS, this policy outlines distribution guidelines for: University Support Distribution, Indirect Cost Allocations, Scholarship, and Other Approved Disbursements.

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

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

RESOLVED, that Foundation approves and adopts the California State University Dominguez Hills Foundation University Fund Disbursement Policy; and

RESOLVED, that the Foundation Interim Executive Director shall be directed to take all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Adopted this 28th day of March, 2019.

Roger von Ting, Chair
CSUDH Foundation
Board of Directors

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