

Thursday, September 03, 2020

3:00 pm to 5:00 pm

Zoom Meeting Conference: <https://csudh.zoom.us/j/95961759319>

Dial: +1 669 900 6833 (US Toll) or +1 346 248 7799 (US Toll)

Meeting ID: 959 6175 9319

AD HOC EXECUTIVE COMMITTEE MINUTES

Members Present: Dr. Cornelia Brentano, Del Huff, Jerry Groomes, Deborah Wallace, and Dana Ward

Members Absent: Gil Ivey

Guests: Brian Bonvechio (Merrill Lynch), Amanda Dodd (Director of Payroll and H.R.), Jinna Matzen (Manager Business Process Improvement, Customer & Board Relations), Daniel Pantucci (Merrill Lynch), Andrea Ratoza (Merrill Lynch), Cherisse Ross (Interim Controller), and Bob 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

Huff moved, and Wallace seconded. Motion carried.

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

III. Approval of Meeting Agenda

Brentano moved, and Wallace seconded. Motion carried.

IV. Approval of Previous Meeting Minutes

a) June 04, 2020

Brentano moved for a correction on the previous meeting minutes. Brentano was erroneously cited as a community member when, in fact, she is a faculty member.

Huff moved to accept the minutes pending correction, and Brentano seconded. Motion carried.

V. Public Comment

No one was present to represent the public

VI. Financial Reports – Invited Guests Merrill Lynch 3pm – 3:30pm

a) Guests Merrill Lynch

1. Investment Review as of 7.31.2020

Merrill Lynch provided an investment review report that was included in each member and guest packet. Bonvechio reviewed the materials and provided an update on the market and Foundation's portfolio. Market updates included the impact of Covid-19, the Cares Act stimulus package, and the different phases the market is undergoing, including projected recovery.

2. Investment Policy

Bonvechio reviewed Foundation's current Investment Policy with attendees outlining the minimal changes they recommend. Bonvechio noted that his team had very positive things to say about Foundation's current Investment Policy. He further explained that one thing they would change is current language outlining "current max" and "proposed max" instead "targets" would be used for each "class."

The Committee accepted Merrill Lynch's presentation and thanked the Merrill Lynch team for attending.

b) Statement of Operations as of 7.31.2020

Sesnon presented a report to the Committee and explained that the document was in a different format than what has been provided in the past. Sesnon noted that the Statement of Operations was as of 6.30.2020 and not 7.31.2020, as indicated on the agenda. The Committee requested additional information be provided that would break down each category to see each grouping's details, clarifying that a more concise presentation with more information would be helpful. Sesnon stated that along with a summary, he would provide detailed information at future meetings. The Committee discussed the report in detail line by line, noting errors present on the report, negative numbers showing as positive. Sesnon stated that he would correct the report and send an updated version to committee members after the meeting.

1. Reserve Policy

Sesnon presented a previous draft version of the Reserve Policy, noting that Foundation is meeting the policy's current numbers. The Committee discussed previous committee members' desire to have a more robust Reserve Policy. Sesnon stated that he would review sister campus reserve policies incorporate findings from other campus policies to expand Foundation's current draft policy.

2. Aged Receivables Report

Sesnon reviewed an accounts receivable report with the Committee and explained that the accounting team is working diligently to collect funds that are past 90 days. Discussions were held regarding dedicated employees for collection, the amount of outstanding receivables, and what cannot be collected. The Committee requested policies and procedures for write-offs and collections and an update on what accounting feels is not collectible.

VII. Discussion Topics

a) Philanthropic Foundation Reconciliation

Groomes explained to the Committee that a thorough analysis was completed, and it was decided that Foundation does not owe the Philanthropic Foundation any money and that a previous misinterpretation had occurred. Sesnon explained the misinterpretation, which included unallocated investment earnings, transfer of funds, and a misunderstanding of an auditor's report from 2015 when the two entities, Foundation and the Philanthropic Foundation, first split. The Committee requested that the final report detailing the analysis be presented to them and to the full Board for transparency. The Committee further asked that documentation be provided along with a narrative to walk the Board through the analysis, in

an easily readable format. The Committee ended discussions on the Philanthropic Foundation discussing the separation of bank accounts and requested the Executive Director update them on the split at the next meeting.

b) Dining Plan Update – Campus Closure During COVID-19, Plan for Future
Groomes provided information on the Dining plan update, which included Covid-19, staff, payroll protection stimulus funds, lay-offs of dining staff, and possibly contracting out Dining services. Groomes detailed exploratory conversations with Envision Strategies regarding outsourcing Dining services.

c) Café Toro Project
Groomes explained to the Committee that he recently found out that the \$1.5 million contributions provided to the University for the Café Toro Project and the \$410,000.00 encumbered were not inclusive of architectural and engineering work previously completed. Groomes notified the Committee that Foundation is being asked to pay an additional \$180,000. and that he is continuing to work with the University to resolve this issue. The Committee discussed the need for increased consultation and communication between the University and Foundation on collaborative projects and the need to follow the recently passed Fund Disbursement Policy in maintaining approvals required for large expenditures that are not in the Board approved budget.

d) Executive Director Search
Dodd opened her report explaining the E.D. search timeline, estimating that interviews should be finalized by October 21, 2020. A recommendation for the finalist should be presented to V.P. Wallace and President Parham. Dodd further reported that recruiters Spellman and Johnson were confident about the candidate pool and were working on dwindling their list down to 10-12 candidates to present to the Search Committee. Dodd also notified the Committee that all members of the E.D. Search Committee are taking unconscious bias training. The Committee thanked Dodd for all the Search Committee's work and thanked Dr. Brentano for agreeing to Chair that Committee.

VIII. Action Items

a) Adoption of Board of Directors Handbook
Item deferred by the Committee for further review.

*Prior to adjournment, Groomes asked the Committee to clarify whether he had their approval to engage and hire consultant Envision Strategies as a Dining consultant. The Executive Committee expressed hesitation communicating that they're uncomfortable with approving this absent a quote or estimate of services. The Committee stated that prior to this item being approved, they would need to see an estimate and scope of work, and the item would have to be presented for Action and noted on the agenda. Groomes stated he would gather the information requested and request that a Special Ad Hoc meeting be convened for approval of this matter.

IX. Adjournment

Del moved to adjourn; Ward seconded. Motion Carried. Meeting adjourned at 5:51 PM.