

Tuesday, October 18, 2016
3:00 p.m. to 5:00 p.m.
Welch Hall B-470K

FINANCE AND HUMAN RESOURCES COMMITTEE MINUTES

Members Present: Naomi Goodwin, Carrie Stewart, Roger von Ting, and Dr. Russel Statham

Members Absent: Phil D'Amato

Guests: Andrew Prince (Graystone Consulting), Karin Longhurst (Graystone Consulting), Richard Chester (Director of Commercial Operations), and Brandon Martinez (Executive Assistant to the COO/CFO)

I. Call to Order

Meeting called to order by von Ting at 3:02 p.m.

II. Approval of Minutes of Previous Meeting(s)

Goodwin moved and Statham seconded. Motion carried.

III. Approval of Meeting Agenda

Goodwin moved and Statham seconded. Motion carried.

IV. Public Comment

No one was present to represent public.

V. Officer's Reports

- a. Chief Financial Officer's Report – Statham presented to the Committee the Consolidated Statement of Operations for September 30, 2016.

VI. Consent Items

- a. Statement of Operations as of September 30, 2016

The committee accepted the Statement of Operations as submitted with no discussion.

VII. Informational Items

a. Morgan Stanley/Graystone Presentation/Review

Andrew Prince and Karin Longhurst presented the Morgan Stanley/Graystone market portfolio review as of September 30, 2016 to the committee.

b. Foundation Health Benefits Transition Update

Statham stated that the transition is moving along smoothly. He also stated that the Foundation will be hosting three Health Benefits open enrollment forums in the weeks to come.

c. Foundation Procurement Card (P-Card)

Martinez gave an overview of the Wells Fargo Procurement Card program. He stated that the Foundation is expecting to see a full implantation by early spring 2017.

d. Executive Director Search – Update

Chester stated that the Foundation has conducted interviews with multiple search firms. He also stated that the Foundation will be hiring and working with R.H. Perry & Associates for the Executive Director Search.

e. University House and Townhome – Potential Sale(s)

Chester stated that with the current market rates, the Foundation will be looking at a potential sale of the townhouse and university house. He stated that more details are to come.

f. Dining Services RFP & Evaluation/Planning

Chester stated that the University housing plans will be needed to determine campus dining's RFP and operation moving forward.

g. Closed Session: Personnel Matter

The Executive Committee will enter into a closed session pursuant to California Education Code § 89923 to discuss a personnel matter that involves anticipated exposure to litigation.

Statham presented the personnel matter. The committee participated in a discussion of the matter.

VIII. Action Items

a. Resolution FY1617-7: Approval of Budget for Geranium Farm Land Clearing

RESOLUTION: FY1617-7

**RESOLUTION OF THE BOARD OF DIRECTORS
APPROVAL OF BUDGET FOR GERANIUM FARM LAND
CLEARING**

WHEREAS, the California University, Dominguez Hills (“University”) conveyed to the California State University, Dominguez Hills Foundation (“Foundation”) by a master property lease, executed in March 2015, the real property consisting of thirty-five (35) acres of land on the westward side of the University, near Central Avenue, situated in the City of Carson, County of Los Angeles, State of California; and

WHEREAS, under that master property lease, Grand View Geraniums operated a geranium farm under a sublease previously executed by the University and assigned by the University to the Foundation; and

WHEREAS, Grand View Geraniums filed for Chapter 7 Bankruptcy and ceased operations in November 2015, prior to the Foundation receiving any rental income associated with the real property described herein; and

WHEREAS, another entity began illegally occupying and utilizing the land without the consent or approval of the Foundation, and the Foundation initiated legal action(s) to remove the occupier of the land, which vacated the real property in September 2016; and

WHEREAS, as a result of the geranium farming operation and the state and condition of the land that Grand View Geraniums and the subsequent occupiers of the land left, substantial clean-up and remediation is required to be performed in order to ensure that the land is not a safety hazard to the University, the costs of which are incorporated by reference as Appendix A.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT:

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 the Board of Directors recognizes that the lease agreement for the real property described herein has not generated rental income for the Foundation, yet the Foundation has a legal obligation to ensure that the real property is not a safety hazard to the University and as such must take action(s) to clean up and remediate the property; and

RESOLVED, that the Board of Directors recognizes that expending resources in support of this required clean-up and remediation is not within the approved Operating Budget for FY 2016-17 and will result in a net loss and reduction to net assets at the end of the fiscal year; and

RESOLVED, that the Board of Directors approves the clean-up and remediation, subject to the not-to-exceed budget referenced in Appendix A; and

RESOLVED, that the Chief Operating Officer/Chief Financial Officer is authorized and directed approve the expenditure of funds consistent with the attached budget in support of the clean-up and remediation of the site and to take any and all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Stewart moved and Goodwin seconded. Motion carried.

- b. Resolution FY1617-8: Approval of Budget for Campus Master Plan

RESOLUTION: FY1617-8

**RESOLUTION OF THE BOARD OF DIRECTORS
APPROVAL OF BUDGET FOR CAMPUS MASTER PLAN**

WHEREAS, the California State University, Dominguez Hills (“University”) is required to ensure that all campus facilities development is consistent with a Master Plan approved by the California State University (“CSU”) Board of Trustees; and

WHEREAS, a campus Master Plan is designed to allow the University to develop a common vision to guide land and building development, serve as a tool to guide decisions on program planning and implementation, resource allocation, priorities and other university administrative matters which influence the student educational experience at the University, and set a course for the long-term future of the University by ensuring that such decisions are consistent with the University’s central mission; and

WHEREAS, the University last completed and sought Master Plan approval from the CSU Board of Trustees in 2009; and

WHEREAS, the 2009 approved Master Plan is required to be updated in order to reflect the new land designations for development that the University and Foundation have identified under the land development advisory services, consistent with the highest-and-best-use calculations performed by their independent consultants; and

WHEREAS, the University and Foundation find it mutually beneficial to share the costs, on a 75% (University) and 25% (Foundation) basis, for the updating of the Master Plan, subject to a not-to-exceed expense cap of \$250,000 on the Foundation’s part, given that the Foundation will provide the financial and land management vehicle for the land development efforts to be undertaken on the University campus.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, BE IT:

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 the Board of approves the co-funding of the Master Plan update costs on a 75% (University) and 25% (Foundation) basis, for a total not-to-exceed cap of \$250,000 for the Foundation's part; and

RESOLVED, that the Board of Directors recognizes that expending resources in support of this Master Plan update is not within the approved Operating Budget for FY 2016-17, nor will it be a part of the Operating Budget for FY 2017-18, and will be funded through a special appropriation from the Long Term Investment Fund, for which the Board of Directors is authorized to approve under its Investment Policy Statement (IPS) and hereby expressly approves in adopting this Resolution; and

RESOLVED, that the Chief Operating Officer/Chief Financial Officer is authorized and directed approve the expenditure of funds consistent with this resolution in support of the Master Plan update, to perform the special appropriation withdrawal from the Long Term Investment Fund to fund such expenditures, and to take any and all actions as may be necessary and proper in connection with the execution and implementation of this resolution.

Stewart moved and Goodwin seconded. Motion carried.

IX. Other Items

None

X. Adjournment

- a. Meeting adjourned at 5:07 p.m.