BOARD OF TRUSTEES  
Meeting Minutes  
Thursday, June 25, 2015

11:00 a.m.  
The Hertzberg-Davis Forensic Science Center  
Tour of the School of Criminal Justice and Criminalistics

11:30 a.m.  
The Hertzberg-Davis Forensic Science Center  
Room 263

Present:  
Lisa Chavez, William A. Covino, Janet Dial, Jeanette Gordon, John Paul Isaacson, William Lewis, Frank Saito, Sasha Perez, Nancy Warter-Perez, Jorge Ramirez, Mae Santos, Tony Wong, Mongwei Wee 

Absent With Excuse:  
Marlene Carney, Yoshiko Fong, Michael Hagerthy, Omel Nieves, Leila Ricci, Molly Talcott

Staff:  
Thomas Leung, University Controller  
Susana Moreno, Fiscal Coordinator, University Advancement  
Mario A. Perez, Associate Vice President for University Advancement  
Jane Rhee, Administrative Assistant, University Advancement

Guest:  
Dwight Nakata, CPA

Denise Herz and Don Johnson from the School of Criminal Justice and Criminalists provided a tour of the school at 11:00 a.m.

John Paul Isaacson called the meeting to order at 11:45 a.m.

President’s Report – John Paul Isaacson

Approval of Minutes  
The draft minutes of the April 30, 2015, Board of Trustees meeting was presented for review and approval.

Motion to approve the minutes of the April 30, 2015 Board of Trustees meeting, as presented, was made by Lisa Chavez and seconded by Nancy Warter-Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Mr. Isaacson reviewed the Annual Certification forms with the Board and requested for each Trustee to complete, sign and return the forms to Jane Rhee, Recording Secretary. If there are any questions or concerns, please address to Ms. Rhee.

University President’s Report – President William A. Covino  
President Covino reported on the successful seven commencement ceremonies, of nearly 6,400 students who walked across the stage during commencement weekend. There was a higher rate of participation from both faculty and students this year, and encouraged the Trustees to visit the university home pages where images have been uploaded from each of the college ceremonies.
Thanks to ardent CSU advocacy efforts, President Covino reported on the Governor approving CSU Board of Trustees’ increased budget request. These additional monies will support student success, increased enrollment, increased retention and graduation rates, and other various programs. Approximately $11M of the approved budget is allocated towards hiring more faculty which will improve tenure density. The allocation percentage to Cal State L.A. is to be determined.

President Covino reported on finalized lease agreements for a downtown campus location. Located within walking distance to the Staples Center, LA Live, downtown Macy’s and across the street from the future Whole Foods store, the campus is in a prime location for the downtown and business consumer/target audience. There will be a special press release in the upcoming weeks. The downtown campus is scheduled to hold courses beginning January, for the winter quarter. This location will offer courses through the College of Professional and Global Education, such as certification courses, and some masters programs. Faculty have already shown great interest in teaching some of their courses at this new location. More details and grand opening will be forthcoming.

**Committee Reports**

**Audit Committee** – Mongwei Wee
Ms. Wee reported that Macias Gini & O’Connell, LLP (MGO) have begun the 990 annual audit statement cycle. Final draft of the audited financial statement for FY 2014-15 will be presented to the Board for review and consideration at the next Trustees meeting.

**Development Committee** – Jorge Ramirez
Mr. Ramirez deferred to Executive Director, Dr. Dial, for the fundraising update. As of May 31, 2015, $8,731,000 was raised, surpassing prior fiscal year’s total of $6M, with over $5.5M allocated towards Foundation accounts. Dr. Dial reported on several highlights, such as Andy Warhol prints valued at over $200,000; Charter College of Education faculty creating three new endowed scholarships; and a fundraising solicitation to the parents of the Early Entrance Program, resulting in the program’s first endowed scholarship. There are four new testamentary commitments, totaling approximately half a million in the past several months.

Dr. Dial invited the Trustees to an upcoming alumni outreach event: Mark Steven Greenfield’s art exhibit at the California African American Museum in Exposition Park. He is an alumni and a President’s Council member who currently has an exhibit at the museum, and is doing a special engagement event for Cal State L.A. guests.

Trustees were also invited to attend either one or both events the weekend of October 23rd-24th. On October 23rd will be the inaugural reunion event here at Cal State LA, for the Class of 1965. Notable alumni who will be joining us that day are County Supervisor Michael Antonovich and Congresswoman Lucille Roybal-Allard. These alumni will be inducted in the Half-Century Club. This is in conjunction with the Billie Jean King and Friends Gala on October 24th, at the Langham Pasadena. Save the date brochures were provided to the Board. If any Trustee would like to RSVP, please contact Ms. Rhee or Dr. Dial.

**Governance Committee** – William Lewis
**Board Acknowledgements** – Mr. Lewis acknowledged the services of Sasha Perez and Marlene Carney in appreciation for their engagement and participation in the Foundation Board of Trustees. Ms. Perez served as the ASI Student Representative, and Ms. Carney served as the Alumni Association Representative.

**Continuing Board Trustees Acknowledgements** – Mr. Lewis acknowledged the services of each Trustee who will continue to serve their term into the new fiscal year.
On behalf of the Governance Committee, Mr. Lewis presented the proposed nominations for officers and trustees for fiscal year 2015-16.

**Election of Officers for FY 2015-16** – On behalf of the Governance Committee, Mr. Lewis presented the nominations of Trustees to serve as officers for fiscal year 2015-16 as follows:

- John Paul Isaacson for President
- Tony Wong for Secretary
- Mae Santos for Treasurer, in accordance with By-Laws Article VI, Section 5

Motion to approve the proposed nomination of officers, as presented, was made by William Lewis and seconded by Jorge Ramirez.

Discussion of the vacant Vice President role followed. In accordance with By-Laws, Article VI, Section 1, this position does not require to be filled. Mr. Isaacson proposed that the Board maintained this position vacant until the Board expands and increases its members. As the By-Laws do not define a clear succession, further detailed discussions are needed. This discuss was deferred for another time.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

**Election of Secretary for FY 2015-16** – Mr. Lewis

Mr. Lewis acknowledged Jeanette Gordon for her years of service as Secretary. In accordance with the By-Laws, Article VI, Section 7, she has served the same office for four consecutive years. The committee presented Tony Wong’s nomination for Secretary.

Motion to approve Tony Wong to serve as Secretary for FY 2015-16, was made by William Lewis and seconded by Nancy Warter-Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

**Election of Trustees for FY 2015-16** – Mr. Lewis

Motion to approve the election of Trustees for continued service of the following members was made by William Lewis and seconded by Nancy Warter-Perez:

- Yoshiko Fong,
- Jeanette Gordon,
- Michael Hagerthy,
- William Lewis,
- Omel Nieves,
- Jorge Ramirez
- Frank Saito,
- Mongwei Wee,
- Leila Ricci,
- Molly Talcott,
- Nancy Warter-Perez, Chair of Cal State LA Academic Senate, Ex-officio,
- President William A. Covino, Ex-officio,
- Lisa Chavez, Chief Financial Officer, Ex-officio
- Janet Dial, Vice President for University Advancement, Ex-officio

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

**Election of Alumni Association Representative for FY 2015-16** – Mr. Lewis

Motion to approve the nomination of Alumni Association Representative was made by William Lewis and seconded by Nancy Warter-Perez.
Mr. Lewis welcomed Dwight Nakata, CPA to the Board. Mr. Nakata was elected by the Alumni Association Board of Directors to serve as the Alumni Association Representative. Mr. Nakata provided an introduction to his professional background and activities, as well as some personal interests.

Motion to approve Dwight Nakata to serve on the Foundation for FY 2015-16, as the Alumni Association Representative, was made by Tony Wong and seconded by Sasha Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Committee Assignments for FY 2015-16 – Mr. Lewis
Mr. Lewis presented the committee assignments for FY 2015-16. John Paul Isaacson noted that he placed himself on the Governance committee to have a quorum for the committee so that there are 3 Trustees. Tony Wong nominated new Trustee, Dwight Nakata, to serve on the Governance committee. Frank Saito nominated Mr. Nakata to serve on the Audit committee. This nomination was seconded by Mongwei Wee. Mr. Isaacson expressed he will remain on the Governance committee. Mr. Nakata accepted the nomination to serve on the Audit committee.

Sasha Perez wanted to ensure that the future student representative had an opportunity to serve. It was clarified that any Trustee, and the public, is welcome to attend any Board or committee meeting, although they are non-voting. It was also clarified that all Trustees are voting members, and that even the faculty, alumni and student representatives are strongly encouraged to serve on a committee during their elected term.

Motion to approve the committee roster, with the addition of Dwight Nakata to the Audit committee, and removal of Tony Wong from the Audit committee, was made by William Lewis and seconded by Tony Wong.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Principles of Practice/Donor Bill of Rights – Mr. Lewis
Mr. Lewis presented to the Trustees the Association of Fundraising Professionals (AFP) “Code of Ethical Standards” for review. Janet Dial noted that these are the standards that the Development team at Cal State LA are expected to uphold. Also presented for Board review was “A Donor Bill of Rights”, a document developed by the following industry organizations: AFP, Association for Healthcare Philanthropy, Council for Advancement and Support of Education (CASE), and The Giving Institute. These are annual documents for the Board to review and approve as principles of practice for the university development team to adopt.

Motion to approve and endorse AFP’s “Code of Ethical Standards” and the industry standard “A Donor Bill of Rights” was made by William Lewis and seconded by Nancy Warter-Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Investment and Finance Committee – John Paul Isaacson
Portfolio Update – Mr. Isaacson reported on the considerable growth of the endowment, which is up to $30M. He discussed the benchmarks that are used to measure the managers and the portfolio overall. Allocation of the portfolio takes into account considering various factors, such as, underweighting fixed income, while overweighting some international equities. Mr. Isaacson also mentioned that the committee is considering moving a majority of the portfolio from active management to passive management.
Revised Investment Policy Statement – John Paul Isaacson
With PIMCO manager change that occurred last fall/winter, there were changes to the asset allocation and benchmark measurements. The proposed revisions to the Statement to reflect these changes, as presented by Morgan Stanley, were reflected in red font on pages 4, 5, 20, and 21 of the Statement. The committee has reviewed these proposed revisions and recommend Board approval.

Motion to approve the revised and amended Investment Policy Statement for Foundation Endowment Fund was made by Mr. Isaacson and seconded by Jeanette Gordon.

A more detailed discussion of the proposed allocations and the benchmarks were briefly discussed.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Proposed Operating Budget for Fiscal Year 2015-16 – Mae Santos
Ms. Santos presented the operating budget for 2015-16 in the amount of $558,509, which is a 13% increase from the operating budget of FY 2014-15. The Net Operating Reserve is $432,005, which includes the $37,721 surplus from FY 2014-15 operating budget. The 13% increase is to support a competitive salary for the Senior Director of Foundation and Corporate Relations position.

Motion to approve the FY 2015-16 Operating Budget for the Foundation was made by Ms. Santos and seconded by Jeanette Gordon.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Allocation to Account Holders for FY 2015-16 – Mae Santos
Ms. Santos referred to Thomas Leung who presented the “Projection Fiscal Year 2015/16 Distributions, as of 12/31/2014”. Mr. Leung noted that the Board has historically approved 3.75% distribution. Based on the recommendation from the committee, scholarships for this fall academic year have already been distributed based on the historical 3.75%. The Board will have an opportunity to review the portfolio and re-assess the distribution for the following academic year in January 2016. There was a discussion of how the endowed scholarships are awarded, the average amount of scholarships (a little over $1,000), and total number of students (886) who received scholarships in AY 2014-15. Also discussed was the stewardship aspect of student scholarships and how we can connect the scholarships recipients with the donors, moving forward. There was a Donor Recognition Luncheon this year, but we now have a Director of Stewardship who can facilitate a process where students can reach out to their respective scholarships donors for recognition.

Motion to approve the allocation to account holders for FY 2015-16 for target distribution of 3.75%, based on the committee’s recommendation, was made by Lisa Chavez and seconded by Jeanette Gordon.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Treasurer’s Report – Mae Santos
Unaudited Financial Statements
Ms. Santos presented and reviewed the unaudited financial statements for FY 14-15, ending May 31, 2015. The Financial Summary reflected total inflows of $7.17M, total outflows of $1.6M, for net flow of $5.57M, with ending fund balance of $37.9M.

Ms. Santos reviewed total assets in Unrestricted Fund, Temporarily Restricted Fund, and Permanently Restricted Fund as reflected on the Statements of Financial Position, ending May 31, 2015. In review of Endowed Investments, there was an increase of $5M from FY 2013-14 to FY 2014-15. She proceeded to review the
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**Executive Director’s Report** – Janet S. Dial

Dr. Dial reported that the division continues to fill staffing vacancies. The Senior Director for Foundation and Corporate Relations is starting July 6th. There are also two new assistant directors, one for Alumni Relations and one for Annual Giving. There are also two new staff joining the team, one of whom is to augment prospect research management, as currently there is only one person who researches and creates background information and biography profiles. The other position is to assist with the gift processing and both of these positions will begin next Monday.

Additional management positions the division is recruiting for is the Stewardship Manager and Development Grant Writer, which will help expand our stewardship efforts and programs with our donors.

Raiser’s Edge is on track to go live with the division on July 18th. Peoplesoft is not the appropriate system for donor and fundraising management, and we are excited to be converting to a more robust system that will help us manage our donors in a more efficient and more stewardship focused manner. Raiser’s Edge provides the ability to input profile and activity events with donors in real time.

Dr. Dial reported that the division has been heavily focused on working closely with the colleges and the deans to create fundraising work plans, to identify programs and services that are important to each individual college. With all of the college based development directors now in their respective offices, it will allow the division to assist the college attain their fundraising goals for their students, as well as, the university.

Cal State LA is now an educational affiliate with the GRAMMY Museum. Peter McAllister, Dean of the College of Arts and Letters, spearheaded this affiliation. There will be a GRAMMY sponsored summer music camp on the university beginning this summer.

Another collaborative project in progress is with the Women’s Heart Alliance for an outreach pilot program that will be launched this fall. This introduction was made by Erika Glazer. The Women’s Heart Alliance has a collaborative program that focuses on heart health for women with the Clinton Health Matters Initiative, a program of the Clinton Foundation. They were seeking a pilot university to launch their program, and Cal State LA was chosen. More details will be forthcoming. Some other upcoming events Dr. Dial shared with the Trustees were:

**Upcoming Events**
Oct. 23rd-24th – Class of 1965, 50th Reunion Event
Oct. 24th – BJK & Friends Gala Dinner

**Next Meeting**
The next Foundation Board of Trustees meeting will convene Thursday, September 24, 2015, at the Raquel Soriano Board Room.

**Adjournment**
With no other business and no further comments, the Trustees adjourned the meeting at 1:15 p.m.
Approval of Board Minutes

As Secretary of the CSULA Foundation, the minutes of June 25, 2015 meeting have been approved as presented.

[Signature]
Jeanette L. Gordon

Date
9-22-15