California State University, Los Angeles
Foundation

BOARD OF TRUSTEES
Meeting Minutes
Thursday, September 24, 2015

11:00 a.m.
University-Student Union, Room 102
Alumni Association and Office of Annual Giving

11:30 a.m.
Raquel Soriano Board Room, Golden Eagle

Present: Lisa Chavez, William A. Covino, Janet Dial, Yoshiko Fong, Jeanette Gordon, Michael Hagerthy, John Paul Isaacson, Dwight Nakata, Omel Nieves, Jorge Ramirez, Frank Saito, Mae Santos, Nancy Warter-Perez, Mongwei Wee, Tony Wong

Absent: William Lewis, 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: Eduardo Ramirez

11:00 a.m. – Maria Ubago, Executive Director of Alumni Association and Jill Boline, Director of Annual Giving provided a departmental tour of their offices, programs and staff in University-Student Union 102.

John Paul Isaacson called the meeting to order at 11:44 a.m.

President’s Report – John Paul Isaacson
Mr. Isaacson announced he will be moving out of state before the end of the year, and this September meeting will be his last board meeting attendance. Meanwhile, he explained that there will be transition in leadership facilitated by management.

Approval of Minutes
The draft of the June 25, 2015 Board of Trustees meeting minutes was presented for review and approval. Michael Hagerthy presented a correction that he was not present at the June minutes, but was recorded seconding a motion on page 3.

With the addition of correcting this error found on page 3 as presented, a motion to approve the minutes of June 25, 2015 Board of Trustees meeting was made by Nancy Warter-Perez and seconded by Yoshi Fong.

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

University President’s Report – President William A. Covino
President Covino welcomed the Trustees to the first day of the last fall quarter at Cal State LA. This year’s fall quarter experienced the highest enrollment of incoming freshman, as well as, transfer students. He also reported that in measuring 6-year graduation rates, Cal State LA has increased from 37% to 45%. This is due to academic advisement improvements, average course load increases, and the scheduling of classes more effectively through the day, as well as, throughout the week. As this is the last quarter system academic year, the Fall academic year 2016 will begin in August.
President Covino presented the new branding video that was shared at Monday’s University Convocation. The new theme accompanying the new brand is “Pushing Boundaries”. He elaborated on the design and creation of the new brand.

He reported that the new downtown campus on 8th Street and Grand Avenue will be ready to hold courses beginning winter quarter in January. The classes offered will be from the College of Professional and Global Education, catering to the downtown business community and residents. Non-certificated/degree courses will be offered at a later date.

Committee Reports
Audit Committee
GAAP Audit Report – Macias Gini & O’Connell, LLP advisor, James Godsey, presented the annual “Independent Auditor’s Report, Financial Statements and Supplementary Information”, from July 1, 2014, ending June 30, 2015. Mr. Godsey reported they had reviewed the financial statements in depth with the committee members. He highlighted Note 7 (“Fair Value Measurements”), Note 8 (“Endowment Funds”), and Note 9 (“Related Party Transactions”). Mr. Godsey also explained the definition and purpose of the Management Representation Letter. Mr. Godsey complimented Thomas Leung and his staff in providing all the necessary materials and data for this audit in a timely and efficient manner.

A motion to approve the Foundation’s audited financial statements ending June 30, 2015 as presented by Macias Gini & O’Connell, LLP was made by Jeanette Gordon and seconded by Yoshi Fong.

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

Chancellor’s Office Scholarship Audit – Lisa Chavez reported that Cal State LA, along with four other sister universities was randomly selected by the Chancellor’s Office. This audit will review and assess how the university operates and manages scholarships. These are conducted periodically by the Chancellor’s Office. There have not been any findings at this time and the audit will conclude by October 21, 2015. If there are any findings, they will be presented to management during the exit interview. Management can share the results of this audit with the Trustees at the next board meeting.

Governance Committee – Tony Wong
ASI Representative for Student Trustee – On behalf of the committee, Mr. Wong presented Eduardo Ramirez to serve as the Foundation’s Student Representative. The committee has reviewed Eduardo Ramirez’ resume, whom the ASI Board of Directors has presented. It is the committee’s recommendation for board approval of Mr. Ramirez to serve on the Foundation Trustee for FY 2015-16. Mr. Ramirez was excused from the meeting room. There was a brief discussion on the procedure of the Foundation Student Trustee.

Motion for Eduardo Ramirez to serve as the Foundation Student Representative for FY 2015-16, commencing September 24, 2015, was made by Lisa Chavez and seconded by Jorge Ramirez.

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

Foundation President Nomination and Election – On behalf of the committee, Mr. Wong presented Omel Nieves to serve as the Foundation President. It is the committee’s recommendation for board approval of Mr. Nieves to serve as the Foundation President, commencing September 25, 2015 as part of Mr. Isaacson’s leave from office. Mr. Nieves was excused from the meeting room.

Motion to approve the committee’s recommendation to approve Omel Nieves as the Foundation President, effective September 25, 2015, was made by Mae Santos and seconded by Nancy Warter-Perez.
President Covino shared Mr. Nieves’ previous successful fundraising efforts with another sister CSU foundation (Fresno State), and how Mr. Nieves expressed his interest in being involved with Cal State LA’s Foundation when President Covino took office at Cal State LA.

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

Audit Committee Chair for FY 2015-16 – The board was provided an updated list of the committee assignments that included Dwight Nakata as chairperson for the Audit committee. This updated assignment reflects a follow-up discussion from the June meeting when Mr. Nakata joined the board. It is the committee’s recommendation for board approval of this nomination.

Motion to approve Dwight Nakata to serve as chairperson for the Audit committee for FY 2015-16 was made by Michael Hagerthy and seconded by Mongwei Wee.

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

Updated Committee Assignments – Mr. Wong asked the Trustees to review the updated committee assignment for any edits or corrections. This list was compiled based on the board’s preferences to serve for FY 2015-16.

Motion to approve the updated committee assignments was made by Yoshi Fong and seconded by Jeanette Gordon.

There was an inquiry of who will serve as chairperson for the Investment and Finance committee and Mr. Isaacson responded that this nomination and election has been deferred at this time, as he will still be participatory in committee meetings through the end of December.

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

Development and Gift Acceptance Committee – Jorge Ramirez

Fundraising Report – Mr. Ramirez deferred to Dr. Dial who reported on a record $9.2M in philanthropic support for fiscal year ending June 30, 2015. She highlighted some major gifts, such as the $1.6M gift from Erika Glazer which comprised of her gift to the Erika Glazer Dreamers Resource Center, representing only one of two privately funded dreamers resource centers throughout the state of California. The Sikand Foundation gifted $1M, which established an endowed fund for faculty research in the area of urban sustainability, which will be enhanced through the College of Engineering, Computer Science and Technology. Cal State LA also received significant gifts towards the Rosie Casals and Pancho Gonzalez Tennis Center, notably a half million dollar gift to name the Learning Center after Tam O’Shaughnessy and Sally Ride. Lastly, there were five significant estate gifts which the university received $1M, ending June 30, 2015. Dr. Dial reported that the new fiscal year is already at $1.3M in new pledges to the university.

Investment and Finance Committee – John Paul Isaacson

Investment Report – Mr. Isaacson reported that this past year experienced a volatile financial environment, and the endowment fund is currently at $28.5M, which is half a million (1.8%) decrease from the beginning of the calendar year, but also noted that the S&P 500 has experienced a 2.9% decrease and the Dow nearly a 5% decrease in a comparable timeframe. Overall, the portfolio has performed well. Mr. Isaacson also reported to the board of a manager replacement within the portfolio due to lack of expected performance. Wells Large Cap Growth has been consistently performing below the benchmark, thus the committee agreed with The Stone-Beck Group’s recommendation to replace Wells with Alliance Bernstein.

Investment Manager Request for Proposals – Mr. Isaacson stated the contract with The Stone-Beck Group terminates June 30, 2016. They were provided only a 3 year contract at the time due to anticipated leadership transitions. On behalf of the committee, Mr. Isaacson reported that the committee will further discuss whether they would like to offer The Stone-Beck Group an additional 2 years at this time, which would expire their
services June 30, 2018, and further discuss the request for proposal procedures. The committee discussed creating an investment statement of the Foundation goals, or a document of guiding principles. The committee will return to the board with next action steps after further discussions.

**Treasurer’s Report** – No Report.

**Executive Director’s Report** – Janet S. Dial
Dr. Dial thanked John Isaacson for his years of service on the Board and active participation in the university, and acknowledged his guidance and support during his years of service.

She shared with the board an illustration of the collaborative effort between the different departments when stewarding a donor and securing a gift. Recently, there was a gift that was secured accompanied by a signed agreement in the Advancement Office within a week, and that was due to the quick and efficient collaboration and communications between the annual fund, alumni office, and major gift development team.

She also reported on changes in personnel, noting that in late July, there were two staff members who decided to leave the university, and these two positions are now open and are under active recruitment. Under the management of Mario Perez, the Associate Vice President, the new development team has been able to secure the highest productivity in its history in major giving here at Cal State LA and we look forward to FY 2016.

**Upcoming Events/ Save the Dates**
Dr. Dial announced fall Advancement upcoming events, one of which is a new relationship with the Women’s Heart Alliance and the Clinton Foundation for a pilot launch program for women’s heart health and wellness. In partnership with Mind Matters, our campus initiative, there are events throughout the weekend of Oct. 2nd through Oct. 5th, including a code-a-thon, an awards ceremony, and then a panel discussion, including the U.S. Surgeon General. There will be wellness screenings on the walkway and other activities on campus.

The first reunion event will be held on Friday, Oct. 23rd for the Class of 1965, with a luncheon and induction into the Half-Century Club. This will become an annual event, celebrating alumnus of 50 years and there are plans to create a 25-year alumni event, to eventually create a reunion weekend event.

The morning on Oct. 24th is the annual Billie Jean King Tennis Clinic, and in the evening will be the annual Billie Jean King & Friends Gala at the Langham Huntington Hotel in Pasadena. In between the tennis clinic and the dinner gala, there will be a President’s Council meeting Saturday afternoon, Oct. 24th and on the agenda will be a faculty panel joining the Council for discussion.

This year’s men’s basketball exhibition game is scheduled for October 30th against UCLA men’s basketball team at the Pauley Pavilion. If anyone is interested in attending, please contact the Advancement office.

Lastly, on November 1st, the Alumni Association will be recognizing past lifetime members with a reception followed by a show event at the Luckman Theatre. Trustees were invited to attend this event, as well.

The next board meeting is scheduled in the following year, Thursday, January 28, 2016. There was no other business.

**Motion to Adjourn**
Motion to adjourn was made by Michael Hagerthy and was seconded by Mongwei Wee.

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

As Secretary of the Cal State LA Foundation, the minutes of September 24, 2015 meeting have been approved as presented at the January 28, 2016 Board of Trustees meeting.

January 28, 2016

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Tony K. Wong, Secretary       Date