California State University, Los Angeles
Foundation

BOARD OF TRUSTEES
Meeting Minutes - Draft

Thursday, June 30, 2016
11:30 a.m.
California State University, Los Angeles
Raquel Soriano Board Room


Absent: Leila Ricci, Mae Santos, Nancy Warter-Perez, Mongwei Wee

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

Omel Nieves called the meeting to order at 11:39 a.m.

President’s Report – Omel Nieves

Approval of Minutes
The draft minutes of the April 28, 2016, Board of Trustees meeting was presented for review and approval.

Motion to approve the draft minutes of April 28, 2016, Board of Trustees, as presented, was made by William Lewis, and seconded by Mike Hagerthy.

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

Annual Documents – Janet S. Dial
Janet Dial presented the conflict of interest and volunteer appointment forms. To address the sensitive donor data and information that is shared, she presented the confidentiality statement, commenting this form is also required of the advancement staff annually. Lastly, Dr. Dial shared the Association of Fundraising Professionals’ “Code of Ethical Standards” and an industry standard “Donor Bill of Rights” that are used as guiding principles.

University President’s Report – President William A. Covino
President Covino reported on the approved California State budget for FY 2016-17, noting that CSU demand has exceeded the funding target. Advocacy efforts for FY 2017-18 California State budget will begin soon.

Commencement ceremonies were successful, with approximately 5,600 graduating students who walked across stage. Enrollment for fall semester is a record high of nearly 29,000. It was inquired how many students are full-time, and it was estimated over 85% of students are full-time enrollment. President Covino invited all trustees to the upcoming University Convocation on August 18th, where the new Strategic Plan will be unveiled. He reported of 50 new faculty members who will be joining in the fall, and faculty recruitment for AY 2017 is underway, anticipating up to 60 new faculty members joining in fall 2017.
President Covino announced Cal State LA’s new executive director for Intercollegiate Athletics, Daryl Gross, in addition to two new coaches: women’s basketball coach, Cheryl Miller; and, men’s basketball coach, Jim Saia.

Committee Reports
Audit Committee – Dwight Nakata
Mr. Nakata reported on the committee’s conference call with Macias Gini & O’Connell (MGO), where they discussed the overview of the annual GAAP audit process for FY 2015-16, including timeframe, and GAAP requirements.

The committee also discussed extending MGO’s contract for two additional years, since their existing five year contract is ending. Thomas Leung reported they are awaiting MGO’s proposal for final review. The committee anticipates a three percent cost increase. The MGO proposal includes audit services to the other Cal State LA auxiliary entities (U-SU, ASI, and UAS). The Audit Committee agreed to extend MGO’s contract for an additional two years, contingent the cost increase is no more than three percent.

Development and Gift Acceptance Committee – Jorge Ramirez
Jorge Ramirez reported that the private giving receivable, through June 22, 2016, was $4,283,322, of which $2,426,467 is earmarked to foundation accounts. Gift commitments (which includes new gifts, new pledges and new testamentary commitments) total was $13,713,747, surpassing the $8M goal.

Mr. Ramirez reported on FY 14-15 philanthropic highlights including, a $50,000 pledge from an alumnus, establishing an endowed scholarship to the College of Engineering, Computer Science and Technology, to launch a Dean’s Summer Launch Pad Program. College of Business and Economics received two pledges: $100K from an alumnus for a Real Estate Symposium; and, $25K from an alumnus to support the Institute of Entrepreneurship. David and Charon Sandoval completed their $350K pledge for their named Student Services Endowment to support EOP and Summer Bridge. The Keck Foundation awarded a $375K grant to Dr. Frank Gomez for his undergraduate research. The Annual Fund initiated the inaugural Class of 2016 giving opportunity for graduating students, and received 231 pledges of $6K. In addition, the commencement ceremonies included a “text to give” component, resulting in 99 new donors. A second Cal State LA Fund direct mail campaign garnered 392 gifts, and 25% are from first-time donors. Annual Fund received over $410K this fiscal year.

Governance Committee – William Lewis
Acknowledgements – William Lewis acknowledged A.S.I. representative, Eduardo Ramirez, who will be ending his one year term with the Foundation. Molly Talcott, one of the faculty representatives, was also acknowledged for her service. Mr. Lewis recognized three trustees who have served consecutive two three-year terms with the foundation: Jeanette Gordon, Mike Hagerthy, and Tony Wong. President Covino, Mr. Nieves, and Dr. Dial expressed their appreciation for their service and commitment.

Election of officers for July 1, 2016 through June 30, 2017 – Mr. Lewis presented the Governance Committee’s recommended slate of officers to serve from July 1, 2016, through June 30, 2017. The Vice President and Secretary positions do not have appointments at this time.

Mr. Nieves and Dr. Dial addressed board expansion and recruitment, stating that nominees from trustees, administrators, and staff, have been submitted for consideration. They hope to present trustee nominees at the September meeting for final consideration and election.

Motion to approve board officers, as presented, for FY 2016-17, was made by Yoshiko Fong, and seconded by Jorge Ramirez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.
Mr. Lewis will be accepting nominations for the Vice President and Secretary Officer positions.

*Reelection of continuing trustees for July 1, 2016 through June 30, 2017* – Mr. Lewis presented the slate of eligible trustees to continue their term, from July 1, 2016, through June 30, 2017.

Motion to approve the trustees, as presented, was made by Molly Talcott, and seconded by Yoshiko Fong.

It was noted to include Omel Nieves and Mae Santos to the list of trustees for reelection.

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

*Election of faculty representative, Andre Avramchuk* – Mr. Lewis presented Academic Senate nominations committee’s faculty representative recommendation, Andre Avramchuk, to serve one term of three years, commencing July 1, 2016.

Motion to approve Andre Avramchuk, to serve as faculty representative on the board, was made by Jorge Ramirez, and seconded by Molly Talcott.

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

*Committee Assignments for FY 2016-17* – Mr. Lewis presented the committee assignments for FY 2016-17.

Motion to approve the committee assignments for FY 2016-17 was made by Jeanette Gordon, and seconded by Yoshiko Fong.

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

If any trustee would like to change their existing committee assignment, they may submit their request to Dr. Dial.

*Investment and Finance Committee* – Frank Saito

*Portfolio Update* – Mr. Saito provided an overview of the committee’s discussion of Brexit with The Stone-Beck Group.

The portfolio value ending May 31, 2016, was $29.2M, and YTD earnings of $724K. Investment gains trailing three years is $2.8M, and since inception is $12M. Fund performance YTD is a positive 2.55%, trailing three years is a positive 4.32%, and since inception a positive 6.26%.

The committee reviewed manager performance, and Mr. Saito noted that the committee is closely monitoring one of the managers to determine whether there need to be further changes. Currently, the endowment’s allocations are as follows: 20% international equities; 36% in domestic equities; 26% in fixed income; and 18% in alternatives.

*Operating Budget for FY 2016-17* – Mr. Saito presented the committee’s recommendation to approve the operating budget for 2016-17. The only major variance in FY 2016-17 budget with FY 2015-16 is the line item, University Projects Staff. This budget item was never utilized since the division staffing is supported by state funds at this time.

Motion to approve the operating budget for FY 2016-17 was made by Jeanette Gordon and seconded by William Lewis.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.
Allocation to Account Holders for FY 2016-17 – Mr. Saito stated historically the board has approved between 3.5%-4%. The committee recommends the board approve 3.75%, projected distribution of $1,114,765.

Motion to approve the allocation to account holders for FY 2016-17 of 3.75% was made by Jorge Ramirez, 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 – Lisa Chavez referred to Thomas Leung

Unaudited Financial Statements Ending May 31, 2016 – Mr. Leung reviewed the Financial Summary, reporting total inflows (comprised of investment earnings, and gifts and contributions) of $2.45M, total outflows (comprised of operating, investment and scholarship activities) of $1.99M, for a net flow of $456,144, and an ending fund balance of $37.5M.

Mr. Leung proceeded to review the Statements of Financial Position, comprised of the three funds: unrestricted funds totaling $2M; temporarily restricted funds totaling $7.67M; and, permanently restricted funds totaling $27.9M. These combined total assets are $37.49M.

Proceeding with the Statements of Activities, Mr. Leung reported that total revenue and supports was $2.45M, and total expenses were $1.99M, and change in net assets of $456K.

The Detail Statement of Activities – Ending May 31, 2016, unrestricted general fund reflected total available budget over expenses of $177,883.

Executive Director’s Report – Janet S. Dial

Dr. Dial announced Dwight Nakata’s new role as president of the Alumni Association Board of Directors. She also announced that the newly elected president for the student body government, A.S.I., is Kayla Stamps and that we anticipate Ms. Stamps joining the trustees in September.

Dr. Dial reported this will be another record breaking year in philanthropic gifts. The newly pledged $10M gift is for ten years, with $8M scheduled to be received in the first five years, according to the donor’s request. The Annual Fund is also experiencing a record breaking year of $410K (as of June 22nd), with 3,800 new gifts, as mentioned during Mr. Ramirez’ report. University Convocation invitations for August 18th will be forwarded soon to the trustees. She highlighted two Alumni events – Dodger Day (August 27th) and Hollywood Bowl (date TBD). There is a third alumni event at Sony Pictures that is still in planning stage. This year’s reunion event will include the 25th Reunion (Class of 1991), in addition to the 50th Reunion/Half-Century Induction (October 7th-8th). Dr. Dial highlighted Billie Jean King & Friends Gala (October 22nd), and announced this year’s honorees.

University Advancement has hired a new Director of Development for Intercollegiate Athletics, Richard Duran, to work closely with Daryl Gross.

Other upcoming /save the dates listed include, Alumni Awards Gala (February 3, 2017), Donor Recognition Luncheon (TBD), and mentioned next year’s EEP 35th Anniversary event (date TBD). Dr. Dial hopes trustees will be able to attend some of these events, as their schedule allows. Please contact the office to RSVP.

Next Meeting and Adjournment

The next meeting of the Foundation is scheduled for September 29, 2016. Motion to adjourn was made by Jeanette Gordon, and seconded by Mike Hagerthy.

With no further comments, the Trustees unanimously concurred to adjourn.
As President of the Cal State LA Foundation, the minutes of the June 30, 2016 meeting, as presented, have been approved.

[Signature]

9/29/16

Omel A. Nieves

Date