ITEM #1 APPROVAL OF NOVEMBER 3, 2011 EXECUTIVE COMMITTEE MINUTES

The minutes were approved.

ITEM #2 ARTICLES OF INCORPORATION

The CSU Board of Trustees requires all auxiliary organizations to amend their articles of incorporation before the end of the calendar year. The change concerns dissolution, moving responsibility for distribution of assets from the Board of Trustees to the Chancellor.

MSP:
That The University Corporation Executive Committee recommend that The University Corporation Board of Directors approve the change to Section 3.4 of The University Corporation Articles of Incorporation, as required by the California State University Board of Trustees.

ITEM #3 INVESTMENT MANAGEMENT

The Corporation’s long-term investments are handled by two advisors. Management proposes reducing the number of advisors to one. After subtracting the investment in the Public Safety Building and the student-managed portfolio, there remains $7.4 million to be managed.

MSP:
That The University Corporation Investment Committee approve reducing to one the number of long-term investment managers; that The University Corporation Investment Committee authorize The University Corporation Executive Director or designee to conduct a search to select the investment advisor for the long-term investment pool.

ITEM #4 AUXILIARY COMPLIANCE AUDIT

The Chancellor’s Office had completed its audit of the Corporation with only four minor findings. Procedures have been revised to address the items.

ITEM #5 RETIREMENT PLAN

The transition of the retirement plan from TIAA-CREF to Principal Financial Group (Principal) has progressed smoothly. The reasons for making the change include new IRS and Department of Labor regulations and TIAA-CREF’s current focus on larger plans.

ITEM #6 FINANCIAL STATEMENTS

Total surplus from operations exceeded budget for 2011/12. Overall return on investments for the year was 2.61%. The Valley Performing Arts Center loan will likely be repaid in full in the current fiscal year.
ITEM #7  RESEARCH & SPONSORED PROJECTS – AWARDS AND EXPENDITURE REPORTS (APRIL, MAY, JUNE 2012)

Sponsored projects reached $27.9 million, 43% over budget. Indirect cost recovery was 44% over budget.

ITEM #8  ANNOUNCEMENTS

Real Estate Fund. The Corporation is buying its sixth single-family home, a 1900 sq. ft. house on Nordhoff Street, across from campus. Once necessary repairs are completed, the home will be leased to faculty or staff.