

THE UNIVERSITY CORPORATION
Executive Committee
February 2, 2016

A meeting of The University Corporation Executive Committee was called to order by First Vice President, Ben Yaspelkis at 3:07 p.m. on Tuesday, February 2, 2016 in University Hall Room 250, California State University, Northridge. A quorum was present.

MEMBERS PRESENT: Sevag Alexanian, Dianne F. Harrison, Michael Phillips, Michael Spagna, Ben Yaspelkis

STAFF PRESENT: Heather Cairns, Elizabeth Corrigan, Rick Evans, Georg Jahn, Elizabeth Kioussis, Linda Turner, Lih Wu

OTHERS PRESENT: Rich Barnett (Northern Trust), Scott Perez

ITEM #1 APPROVAL OF SEPTEMBER 29, 2015 EXECUTIVE COMMITTEE MINUTES

MSP (Spagna/Phillips): That the minutes of the September 29, 2015 Executive Committee meeting be approved as circulated.

(Dianne F. Harrison arrived.)

The Executive Committee serves as the Corporation's Investments Committee and considered agenda items 2, 3, and 4 in that capacity.

ITEM #2 STATEMENT ON SUSTAINABLE INVESTING FUND

Mr. Evans advised that the statement outlines the goal and intention of the sustainable investing fund, with a focus on environmental sustainability. The statement incorporates five student-requested social filters. Mr. Evans stated that the intent is not to take a position on political issues. He thanked Prof. Michael Phillips for his assistance in developing the statement. Prof. Phillips suggested some changes, which will be incorporated.

Michael Spagna questioned the meaning of the term, 'socially responsible.' Prof. Phillips responded that there was no consistent definition. He described the process used to select investments for the fund as an objective solution to accomplishing the goal that could be consistently applied over time. He added that he believed the overlay of the additional filters of companies that primarily make/deal in tobacco, alcohol, firearms/handguns, adult entertainment, and privately held/operated jails/prisons/correctional institutions reflected the "heart of the campus." Chair Dianne F. Harrison thanked Prof. Phillips for the model and the approach and noted that his work had garnered much interest nationally.

MPS (Phillips/Yaspelkis): That The University Corporation Investment Committee approve the statement of the Sustainable Investing Fund, incorporating the changes suggested by Prof. Phillips. (Appendix A)

MSP (Alexanian/Yaspelkis): That The University Corporation Executive Committee recommend that The University Corporation Board of Directors approve amending Section 6.4 (Removal) of The University Corporation bylaws, as proposed.

ITEM #8 RESOLUTION – CITY OF LOS ANGELES GRANTS

The Board has delegated to the Executive Committee the responsibility for approving resolutions required by granting agencies.

Director of Sponsored Programs, Georg Jahn, advised that the City of Los Angeles requires a resolution for its contracts with the university. Two contracts are currently pending: a) Program Evaluation and Customer Satisfaction Surveys – Summer Youth Employment Evaluation (\$161,336), and b) Performance Management and Evaluation Systems (\$108,025).

MSP (Phillips/Spagna): That The University Corporation Executive Committee approve the resolution required by the City of Los Angeles.

ITEM #9 FINANCIAL STATEMENTS

Mr. Evans distributed the December 31, 2015 financial statements and noted that activity was about \$150,000 below budget, with the decrease primarily in food services. He added that food services budgeting is typically aggressive, and over the last several years, budget has been met or exceeded, with the current situation being an exception.

Betsy Corrigan, Associate Director of CSUN Dining reported that higher costs for the year were anticipated, but the 2.2% decrease in sales was unexpected. In particular, sales at the new Freudian Sip in University Housing have not been as good as anticipated. Additionally, sales in the University Student Union units are down, likely due in part to the weekly farmers market. An aggressive marketing program for the meal plan is underway, including block plans for faculty/staff and an all-access meal plan. Marketing to students living immediately across from University Housing will follow.

Lih Wu reviewed the pointed out that cash needed for projects to be undertaken within a three-year window is held in the short-term pool. She overviewed the long-term investments, stating that she invited Rich Barnett, Northern Trust Portfolio Manager, to the meeting to discuss current conditions.

Rich Barnett distributed and reviewed an advisory report. Acknowledging recent market volatility, he noted that performance over the last five-year period is positive. A factor investing (factors are size and value) approach is taken and Mr. Barnett confirmed Northern Trust's confidence in the markets and the approach, stating that over the long-term, most of the funds have out-performed the markets. The Corporation continues to enjoy exceptionally low institutional fees because of the length of the relationship.

(Ben Yaspelkis left.)

The Chair stated that the CSU Trustees are taking an active interest in how campus investments are performing.

**ITEM #10 RESEARCH AND SPONSORED PROJECTS – AWARDS AND
EXPENDITURE REPORTS (SEPTEMBER, OCTOBER, NOVEMBER,
DECEMBER 2015)**

Mr. Jahn reported that sponsored programs activity, service fees and net available to campus exceed budget; the indirect cost recovery rate is slightly below budget at 12.2%. The U.S. Department of Health and Human Services, the university's cognizant agency, has approved a three-year extension of the university's 45% F & A (facilities and administrative) rate on federal grants.

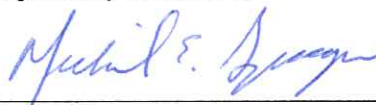
Scott Perez, Director of the university's Office of Research and Sponsored Programs added that the number of proposal submissions and awards is up for the year-to-date.

ITEM #11 ANNOUNCEMENTS

Faculty/Staff Housing. The cost of housing is once again becoming an issue for faculty and staff.

There being no further business, the meeting concluded at 4:34 p.m.

Respectfully submitted,



Michael E. Spagna, Recording Secretary



APPENDIX A

SUSTAINABLE INVESTING FUND

The University Corporation, in partnership with faculty and students in the Finance Department of the David Nazarian College of Business and Economics, has created a pilot fund to explore how long-term investments might better reflect the mission, vision and values of California State University Northridge (CSUN), in particular the university's planning priority of environmental sustainability. The Corporation's new Sustainable Investing Fund is intentionally designed to be environmentally responsible. Governed by the Corporation's investment policy, it also introduces an 'environmental' factor in selecting companies for investment.

Using \$250,000 of additional Corporation funds identified for this purpose, students in the Honors Finance class, through their research and investment decisions, will help to determine if strong returns can be sustained with inclusion of the additional environmental filter.

Under the guidance of faculty members, G. Michael Phillips and James Chong, student investment managers consider: a) strong performing companies that are included on *Corporate Responsibility Magazine's* 'Top 100' list for Corporate Responsibility, which includes sustainability, and b) the holdings of Bloomberg's 'Top 20' Socially Responsible Investing (SRI) mutual funds; then further analyze/evaluate those companies to select companies for the portfolio.

During the fall 2015 semester, the first cohort of Sustainable Investing Fund student-managers made the initial investments. In doing their review, the students independently decided to further exclude companies that primarily make/deal in tobacco, alcohol, firearms/handguns, and adult entertainment. CSUN students have also requested the additional exclusion of privately held/operated jails, prisons and correctional institutions.

Going forward, any additional non-financial filters will require the review and approval of The University Corporation Executive Director. Filters of a political nature will not be permitted; it is not the purpose of the Sustainable Investing Fund to take a position on any political issue.

The Corporation's Investment Committee will be updated regularly on the portfolio's performance. After five years, the Corporation Board will determine whether this fund will continue and if the Investment Policy will be amended.

Approved by The University Corporation Investment Committee, February 2, 2016



Crowell, Weedon & Co.
A DIVISION OF D.A. DAVIDSON & CO. MEMBER SIPC

Corporate Resolution

Account #: _____ Branch #: 1792 FA #: AD02 TRAX #: _____

I, Lih Wu, do hereby certify that at a meeting of the Board of Directors of
(Print Name of Corporation Secretary)

The University Corporation, organized under the laws of California,
(Print Name of Corporation) (Print Name of State)

duly called and held in the city of Northridge, state of California,

on the 2nd day of February, 2016, a quorum being present and voting throughout, the following resolutions, upon motion made, seconded and carried, were duly adopted and are now in full force and effect:

RESOLVED, that the corporation open an account with D.A. Davidson & Co., for the purpose of buying, selling and trading in, for the account and risk of the corporation, and in its name, stocks, bonds and other securities and contracts for commodities or securities and put and call options for cash and on margin or otherwise, including short sales and in accordance with the terms and conditions required by D.A. Davidson & Co.;

RESOLVED, that any one of the following officers of the corporation, viz.

Michael Phillips
(Print Name(s))

(Print Name(s))

and their successors in such offices be, and hereby are, and each is authorized and empowered to enter orders for purchases of securities including, but not limited to, stocks, bonds and option contracts, and to enter orders for sales, assignments or transfers of stocks, bonds or in any other securities or option contracts now owned or hereafter acquired by the corporation in its own right or in fiduciary capacity, and said officers and each of them is authorized and empowered to give instructions in every respect concerning said account with D.A. Davidson & Co., and said firm is authorized and empowered to make payment of monies and deliveries of securities and contracts to said officers or otherwise as they and each of them may order and direct, and said officers and each of them is authorized and empowered to execute any and all agreements with said firm on behalf of the corporation in connection with said account in order to conform with the rules and regulations of D.A. Davidson & Co. concerning any of the aforesaid transactions, and in all matters and things before mentioned said officers, and each of them alone, is authorized to act for the corporation and on its behalf;

RESOLVED, that the authority vested in said officers will be a continuing one and will remain in full force and effect until D.A. Davidson & Co. shall receive from the corporation a written notice of the revocation of such authority; and the persons named (and their successors) shall be presumed to be continuously the holders of such offices until D.A. Davidson & Co. receives from the corporation a written notice of the election of their successors, properly certified by the Secretary of the corporation; and

RESOLVED, that the Secretary of the corporation be, and hereby is authorized to certify to said firm the foregoing resolutions, and that the provisions thereof are in conformity with the charter and by-laws of the corporation.

Account #: _____ Branch #: _____ FA #: _____ TRAX #: _____

I do further certify that the present officers of the corporation are as follows:

Print Name(s):

Print Office Title:

Rick Evans _____

President _____

Lih Wu _____

CFO, Secretary _____

Chair _____

Dianne F. Harrison _____

Treasurer _____

Michael Phillips _____

WITNESS my hand and the seal of the corporation this 11th day of February, 2016.

X _____
Secretary of the Corporation Signature ¹

X _____
Officer of the Corporation Signature

¹ If the resolution authorizes the Secretary to act thereunder, and the Secretary, alone or in conjunction with some other officer, does so act, certification should be by another officer in addition to the Secretary.