

THE UNIVERSITY CORPORATION
Board of Directors
November 7, 2016

A meeting of The University Corporation Board of Directors was called to order by Chair, Dianne F. Harrison at 3:05 p.m. on Monday, November 7, 2016 in the Sierra Center Colleagues Room, California State University, Northridge. A quorum was present.

Members Present: Sevag Alexanian, Toren Arusi, Harvey Bookstein, Ana Cristina Cadavid, Ronald Friedman, Dianne F. Harrison, Nicholas Jackson, Hamid Johari, Kenia Lopez, Dave Moon, Michael Phillips, Bob Rawitch, Jorge Reyes, Louis Rubino, Isaac Simon, Michael Spagna, Benedict Yaspelkis

Staff Present: Heather Cairns, Elizabeth Corrigan, Susan Dickman, Rick Evans, Georg Jahn, Tim Killops, Elizabeth Kioussis, Peter Kund, Michael Lennon, Philia Militante, Linda Turner, Lih Wu

Others Present: Amy Berger, Dina Mokhnatkin, Ken Pegram, Ken Rosenthal, Derek Schuckman

ITEM I WELCOME NEW DIRECTORS

Chair Dianne F. Harrison welcomed the following new directors:

Faculty: Hamid Johari One-year term (2016-2017)
To complete the term of Jennifer Matos

Students: Toren Arusi Two-year term (2016-2018)
Nicholas Jackson Two-year term (2016-2018)

Dr. Harrison congratulated Jorge Reyes on his appointment to the California State University Board of Trustees.

ITEM II SPONSORED PROGRAMS PRESENTATION

Executive Director, Rick Evans introduced Prof. Dina Mokhnatkin, College of Humanities, Liberal Studies Program. Prof. Mokhnatkin described the Russian language and culture immersion program she has directed under a grant from the National Security Agency. Over seven years, students have studied in Russia under an agreement between CSUN and the Russian State University for the Humanities in Moscow. Over 200 students have successfully completed the program and have used their Russian language skills in a variety of functions, such as teaching English in Russia, working with the Peace Corps in Russia, and translating at the Sochi Winter Olympics.

The Board thanked Prof. Mokhnatkin for her presentation.

(Sevag Alexanian left. Bob Rawitch arrived.)

ITEM III APPROVAL OF JUNE 2, 2016 MINUTES

MSP (Friedman/Rawitch): That the minutes of the June 2, 2016 Board of Directors meeting be approved as circulated.

ITEM IV CONFLICT OF INTEREST STATEMENTS AND DIRECTORS HANDBOOK

The 2016/2017 Directors Handbook was distributed with the meeting materials. The conflict of interest statements were distributed at the meeting for signature.

ITEM V RESOLUTION – CALIFORNIA DEPARTMENT OF REHABILITATION

Director of Sponsored Programs, Georg Jahn advised that the resolution was required to accompany a grant proposal to provide vocational services through the CSUN Disability Resources and Educational Services Department. The proposal requests \$653,000 per year for three years.

MSP (Phillips/Reyes): That The University Corporation Board of Directors approve the resolution required to accompany the grant proposal to the California Department of Rehabilitation. (Appendix A)

ITEM VI RECEIPT OF SEPTEMBER 12, 2016 EXECUTIVE COMMITTEE MINUTES AND CONSIDERATION OF ACTION ITEMS

The minutes were received.

Consent Agenda:

- A. Bank Resolutions: That The University Corporation Board of Directors approve the resolutions required by Wells Fargo and Northern Trust Banks to provide signature authority to The University Corporation Controller. (Appendices B, C)
- B. Audit Committee Charter: That The University Corporation Board of Directors approve the audit committee charter, as proposed. (Appendix D)

MSP (Phillips/Simon): That The University Corporation Board of Directors approve the Consent Agenda.

Information Items:

- C. Hotel Project: Mr. Evans introduced Ken Rosenthal, CSUN Associate Vice President of Facilities Development & Operations. Mr. Rosenthal reviewed the progress to date, beginning with a market study by PKF Hotel Consulting, which supported a select service hotel, with a restaurant and conference space. Five firms responded to the Request for Qualifications (RFQ), four of the respondents were interviewed, and two of the firms received the Request for Proposal (RFP). One development proposal was received. The potential developers propose constructing a hotel with 148 rooms, a restaurant, conference space and parking, at their cost of \$64 million. The

project will likely be scaled down. Real estate advisors, JLL are reviewing the proposal, and outside counsel has been retained. Mr. Evans thanked Corporation Director, Harvey Bookstein for his input and advice on the project. Mr. Rosenthal continued that there are many steps that must be taken and issues yet to be resolved, including due diligence, financial return to the university, and ensuring a high-quality, third-party restaurant. An environmental impact study may be needed to include the hotel on the university master plan.

Mr. Bookstein commented on the importance of ensuring that the developer has the financial backing and the guaranteed support to protect the university financially. Mr. Rosenthal added that the quality of architecture and construction is also critical to ensure viability over a long-term (sixty years) period. Mr. Bookstein replied that the agreement would be more complicated than a typical land lease; adequate protections have to be included, since owners have a right to sell and there could be several owners during that time. George Reyes asked that it be clearly communicated to students that no university funds will be used for the project, given that a possible tuition increase is under consideration. Dr. Harrison advised that the neighborhood councils have been informed of the proposed hotel and the community is supportive.

Administrative Services Director Heather Cairns reported that the campus catering program will continue during construction and once the hotel is open, but there will be no dining room. The current plan is for a catering kitchen to be installed at the rear of the CSUN Campus Store. Web pages will be updated accordingly.

- D. Reseda Blvd Office Building: Linda Turner, Associate Director of Real Estate shared slides of the building, before and after renovations. Installation of the elevator is ongoing; it is expected to be operational in late January. Second-story offices are occupied by the Los Angeles Clean Tech Incubator and the Center for Evaluation, Research and Assessment. University Advancement and Alumni Relations will occupy the ground floor.

ITEM VII PROJECTS UPDATE

Tim Killops, Associate Director of Facilities, provided an overview of projects that were completed over the summer, including: a) installation of seating and umbrellas at Matador Mercado-Student Housing; b) installation of signage/wayfinding at Geronimo's; c) purchase of a refrigerated delivery van for the Corporation's *Grab & Go* program; d) RFP process for a new trash hauler to take food waste to a composting plant; e) installation of new bins at the Matador Bookstore Complex to separate trash; f) upgrade of bathrooms at Geronimo's; g) changes to Marketplace for new poke and ramen food concept, *Aloha Fusion* to replace Bamboo Terrace; and h) initial steps of the Matador Bookstore Complex air handler replacement so that the new system can be installed over the winter break.

Marketing Manager, Susan Dickman reported that Pepsi has put Matador graphics on eleven delivery truck backs and has collaborated with Matador Athletics for in-store promotions. Ms. Dickman gave a slide presentation of the renovations that transformed the Matador Bookstore into the *CSUN Campus Store*, as well as the grand opening event.

ITEM VIII FOLLETT HIGHER EDUCATION GROUP

Mr. Evans introduced CSUN Campus Store Director, Amy Berger, and Follett Sales and Operations representatives, Ken Pegram, Group Vice President, and Derek Schuckman, Regional Manager. Mr. Pegram reported that Follett now operates 1250 campus bookstores in the United States and Canada, with over \$3 billion in sales and is focused on leading the industry. He described Follett as values-based, seeking to mirror the values of the institutions it serves.

Mr. Schuckman discussed Follett Discover, their newest tool to assist faculty in searching and selecting academic materials for their classes, including digital and open educational resources. The tool is available on the university's learning management system. Students can see the cost of their materials when registering for classes, which keeps the university compliant with Higher Education Opportunity Act (HEOA) requirements. Students can also order their materials during registration.

Affordability. Follett's affordability efforts include the textbook rental program, which was piloted at CSUN, and the used books program. Follett has been involved with the CSU Affordable Learning Solutions program since its inception. Follett's newest affordability effort is *Direct Digital Access (DDA)*, in cooperation with academic publisher, Pearson. Once implemented, DDA students will have their Pearson e-text at no cost for two weeks beginning on the first day of class. If a student elects to keep the e-text, the student's account is billed; if a student decides not to keep the e-text, access ceases after the free trial period. The goal is to pilot the DDA program at CSUN in fall 2017.

Mr. Schuckman noted that the campus store has special events, book signings and promotional events, including Apple events, and is involved in campus events, such as GradFest. The CSUN Campus Store is an Apple authorized reseller, which allows for academic pricing on Apple products.

ITEM IX CSUN DINING

This item was postponed to a future meeting.

ITEM X ANNOUNCEMENTS

Bookstein Gift. The Board joined Mr. Evans in applauding Harvey and Harriet Bookstein's \$5 million gift to the David Nazarian College of Business and Economics.

Congratulations. Mr. Evans added his congratulations to Jorge Reyes for being selected by Governor Brown to serve as a CSU student trustee.

There being no further business, the meeting adjourned at 4:40 p.m.

Respectfully submitted,

Handwritten signature of Michael E. Spagna in blue ink, dated 11/30/17.

Michael Spagna, Recording Secretary



BOARD RESOLUTION

WHEREAS The University Corporation shall continue to operate and provide services to the State of California;

WHEREAS authority to contract with funding sources shall be needed in order for The University Corporation to continue its operation;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of The University Corporation hereby authorizes

Crist Khachikian Associate Vice President, Research and Graduate Studies;
Scott Perez, Director, Research and Sponsored Projects; and
Shirley Lang, Senior Grants Specialist, Research and Sponsored Projects

to act on behalf of The University Corporation in entering into any agreement with the California Department of Rehabilitation; and to sign for and perform any and all responsibilities in relation to such agreement.

Approved on November 7, 2016

SECRETARY'S CERTIFICATE

I, Lih Wu, Secretary of The University Corporation (the "Corporation"), hereby certify that the foregoing is a full, true and correct copy of the resolution duly adopted at a meeting of the Board of Directors of the Corporation duly and legally held at Northridge, California, on November 7, 2016.

IN WITNESS WHEREOF, I have executed and delivered this certificate on the date set forth below.

November 7, 2016

Lih Wu, Secretary

Wells Fargo Securities, LLC

Corporate Resolution






I, Lih Wu, being the duly authorized Secretary or Assistant Secretary of The University Corporation, a corporation organized and existing under and by virtue of the laws of the State of California (hereinafter the "Corporation"), do hereby certify that the resolutions set forth below were duly adopted by the Board of Directors of the Corporation on November 7, 2016; that said resolutions are now in full force and effect; and that said resolutions are in conformity with the By-laws or Charter of the Corporation:

RESOLVED that each of the Authorized Individuals listed below is hereby fully authorized and empowered to: (1) establish and maintain one or more accounts ("the Accounts") with Wells Fargo Securities, LLC ("WFS" or "you") on behalf of the Corporation for the purpose of purchasing, investing in, selling, transferring, exchanging or otherwise disposing of, and generally dealing in and with any and all forms of securities and other financial instruments; (2) transfer, convert, endorse, buy, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by the Corporation; (3) make, execute and deliver, under the corporate seal of the Corporation, if any, any and all written instruments of assignment and transfer necessary or proper to effectuate such assignment and transfer; (4) deposit, withdraw and transfer funds; (5) vote proxies or take any other action with respect to securities; and (6) take any other action on the Corporation's behalf with respect to the Accounts or other dealings with you. You shall be entitled to act in reliance upon the instructions of the Authorized Individuals with respect to the foregoing matters without further inquiry, investigation or obligation to verify the instructions.

Authorized Individuals

I hereby certify that the Corporation has duly authorized and empowered each of the following individuals to individually act on its behalf with respect to the Accounts, and that the following are their true signatures:


1. Signature		Print Name	Title/Position
X		Lih Wu	CFO
2. Signature		Print Name	Title/Position
X		Rick Evans	Executive Director
3. Signature		Print Name	Title/Position
X		Peter Kund	Controller

FURTHER RESOLVED that the Corporation hereby agrees to indemnify and hold you harmless from any and all claims, liabilities and disputes resulting from you acting upon the instructions of the Authorized Individuals and it further agrees to promptly pay you upon demand any and all losses, debit balances or amounts due as the result of those instructions.

FURTHER RESOLVED that the Secretary or an Assistant Secretary of the Corporation then in office is hereby authorized to: (1) execute a certificate from time to time setting forth these resolutions and stating that they are in full force and effect and certifying that the persons named therein are then officers of the Corporation and duly authorized and empowered to act on its behalf; and (2) annex or cause such certificate to be annexed to an instrument of assignment and transfer executed pursuant to and in accordance with the foregoing resolution.

FURTHER RESOLVED that the authority and indemnity set forth herein are continuing in nature and shall remain in full force and effect until you receive a written notice of revocation.

Authorized Signature

X		Lih Wu	CFO	November 7, 2016
Signature		Print Name	Title	Date

Corporate Seal

If no Corporate Seal, indicate "No Corporate Seal": _____

Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, a member of NYSE, FINRA, NFA and SIPC, Wells Fargo Prime Services, LLC, a member of FINRA, NFA and SIPC, and Wells Fargo Bank, N.A. Wells Fargo Securities, LLC and Wells Fargo Prime Services, LLC are distinct entities from affiliated banks and thrifts.



RESOLUTION of the BOARD OF DIRECTORS

WHEREAS, it is deemed for the best interests of the Corporation that the care and custody of securities belonging to the Corporation be lodged with The Northern Trust Company ("Northern Trust"), a state bank existing under the laws of the State of Illinois, and that the agreement hereinafter described be entered into by the Corporation with said Northern Trust,

BE IT RESOLVED that,

1. Rick Evans - President, Lih Wu - Chief Financial Officer, and Peter Kund - Controller be and they are hereby authorized and directed to enter into, execute and deliver, in the name of the Corporation, the investment management or custody agreement with Northern Trust effective May 1, 2013 (the "Agreement"). The Corporation agrees to the terms and conditions of the Agreement.
2. The officers listed below are hereby authorized and directed to deposit in an account, or accounts, with Northern Trust under the provisions of said Agreement (the "Account"), such of the securities and property belonging to the Corporation as they in their sole and absolute discretion may deem advisable from time to time, and to take from time to time all such action under such Agreement on behalf of the Corporation as may be necessary to carry out the intent and meaning of said Agreement.
3. The officers, and delegates, listed below, are authorized to give written instructions to Northern Trust regarding the securities and property held in the Account, including instructions to disburse or wire funds from the Account, regardless of by whom or by what means the facsimile signature/s may have been affixed so long as they resemble the facsimile signature specimens listed below. The number of authorized signatures required for this purpose is two. Northern Trust may rely on written instructions received via facsimile transmission that it reasonably believes to be authorized.
4. All transactions, if any, with respect to any deposits or withdrawals by or on behalf of the Corporation with Northern Trust prior to the adoption of this resolution are hereby ratified, approved and confirmed.
5. Northern Trust shall be entitled as against the Corporation to conclusively presume that the persons listed herein continue to have the authority stated herein until otherwise notified in writing.

Name and Title

Rick Evans President

Lih Wu, Chief Financial Officer

Peter Kund, Controller

Signature Specimen

BE IT RESOLVED, FURTHER, that this resolution shall be in full force and effect and binding upon the Corporation until it shall have been repealed and until written notice of such repeal shall have been delivered to Northern Trust.

November 7, 2016

Lih Wu, Secretary

**THE UNIVERSITY CORPORATION
NORTH CAMPUS-UNIVERSITY PARK DEVELOPMENT CORPORATION**

**AUDIT COMMITTEE
CHARTER**

Role

The audit committee (the 'committee') oversees proper external review of the audited financial statements of The University Corporation and the North Campus-University Park Development Corporation (collectively, the 'auxiliaries'), as well as the organizations' risk management, including monitoring the internal control environment. The committee coordinates with other board committees and maintains strong, positive working relationships with management, independent auditors, outside legal counsel, and other committee advisors.

The Audit Committee is governed by the California Nonprofit Integrity Act of 2004.

Membership

The committee will consist of at least three members, including at least one member from each of the two auxiliary boards, appointed by the President of California State University, Northridge (the 'university') and approved by the boards of the auxiliaries. Committee members will elect a committee chair.

Neither the chair of either board, the treasurer of either board, nor any member of management of the auxiliaries may serve on the committee. Neither the committee chair nor more than forty-nine percent (49%) of the members of the committee may also serve on the finance or investment committee of either auxiliary.

Committee members must be free of any relationship that in the opinion of the auxiliary boards would interfere with their exercise of independent judgment. Committee members must have: 1) knowledge of the primary activities of the auxiliaries; 2) the ability to read and understand nonprofit financial statements; and 3) an understanding of key operational and financial risks and related internal controls and control processes. At least one committee member must have accounting or financial expertise.

At least one member, preferably the chair, should be literate in nonprofit financial reporting and control, including:

- knowledge of exempt organizations;
- knowledge of tax and regulatory requirements;
- understanding of generally accepted accounting principles and financial statements;
- the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- experience in preparing, auditing, analyzing or evaluating financial statements that present the breadth and complexity of accounting issues generally comparable to issues reasonably expected to be raised by the organization's financial statements;
- understanding of internal controls and procedures for financial reporting;
- understanding of audit committee functions.

Committee members are expected to attend meetings as needed, particularly those in connection with the audit.

Operating Principles

Communications: The committee will maintain an open avenue of contact with senior management and others, as necessary, to strengthen the committee's knowledge of relevant organization issues.

Meeting Attendees: The committee may ask members of management, outside legal counsel, and independent auditors to participate in committee meetings. The committee may meet in private session at the committee's discretion. It is understood that independent auditors or outside legal counsel may at any time request a meeting with the committee or committee chair, with or without management attendance.

Meeting Frequency: The committee will meet at least annually, and as many additional times as the committee deems necessary.

Meeting Agendas: The committee chair will set meeting agendas, with input from management and committee members.

Expectations and Information Needs: The committee will communicate expectations and the nature, timing and extent of information needs to management, independent auditors, and other relevant parties.

Education/Orientation: The committee may develop and participate in a process for review of important financial and operating topics; management will assist in the planning and delivery of these sessions. Committee members may wish to participate in relevant and appropriate educational opportunities to ensure understanding of the organization's activities and risks.

Committee Responsibilities

In the execution of its responsibilities, the committee may access internal and external resources. The committee may have access to its own counsel and other advisors at the committee's sole discretion.

Financial Reporting including the Single Audit

- Review and assess the audited financial statements before they are released to the public or filed with regulators.
- Review and assess key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related independent auditors' views, and the basis for audit conclusions.
- Advise financial managers and independent auditors that they are expected to provide timely analysis of significant current financial reporting issues and practices.

Independent Auditors:

- Recommend the selection of the independent auditors for approval by the board of the auxiliaries.
- Instruct the independent auditors that they are responsible to the board of the auxiliaries and the committee as representatives of the organization. Confirm that the independent auditors will report all relevant issues to the committee in response to agreed-upon expectations.
- Review the performance of the independent auditors.
- Obtain a formal written statement from the independent auditors as to their independence. Discuss

- with the auditors any relationships or non-audit services that may affect their objectivity or independence.
- Consider, in consultation with the independent auditors, their audit scope and plans to ensure completeness of coverage, reduction of redundant efforts, and effective use of audit resources.
 - Review and approve requests for any consulting services to be performed by the independent auditors, and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter.
 - Review with management and independent auditors the results of the annual audit and related comments, in consultation with other committees as necessary, including any difficulties or disputes with management, any significant changes in the audit plans, the rationale behind adoptions and changes in accounting estimates requiring significant judgments.
 - Provide a medium for the independent auditors to discuss with the committee the quality and acceptability of accounting principles and financial disclosure practices used or proposed to be adopted by the auxiliaries.

Review of Federal Form 990 and California Form 199:

- Review the completed annual IRS Form 990 and California Form 199 and related schedules, prior to submission.
- Request copies of relevant detailed work papers and/or meet with the preparer, if the committee deems it necessary.
- Provide a report of such meeting to the relevant auxiliary board.

Other:

- Recommend to the boards of the auxiliaries revisions to the Audit Committee Charter.
- Review the triennial compliance audit undertaken by the CSU Office of Audit and Advisory Services.
- Review any other CSU Office of Audit and Advisory Services compliance audit involving the processes and/or procedures of the auxiliaries.
- Conduct or authorize investigations into any matters within the committee's scope of responsibility. The committee may at its discretion retain independent counsel and other professionals to assist in conducting any investigation.

Approved by The University Corporation Board of Directors, November 7, 2016