

CSUN | FOUNDATION

BOARD OF DIRECTORS

Minutes of Meeting

Wednesday, May 17, 2017
5:00 P.M.

Lamb's Lounge
Orange Grove Bistro

Members Present: Ivan Axelrod, Harvey Bookstein, Colin Donahue, Christopher Erickson, Carlos Fuentes, Charles Gilbert, John Golisch, Robert Gunsalus, Dianne Harrison, David Honda, Paul Jennings, Deane Leavenworth, Barbara Levy, Yi Li, Philip Magaram, Philip Mundy, Ronald Myhan, Robert Myman, Joy Picus, Carson Schreiber, Adam Swenson, Robert Taylor, Ira N. Unterman, Susana Ziarati

Members Absent: Alan Abramson, Marla Clemow, Ralph Courtney III, Les Cutler, Dennis DeYoung, Earl Enzer, Bryan Green, William Griffeth, Ruth Harris, Mark Lainer, George Leis, Sanford Paris, Milt Valera, Irving Zakheim

Staff: Justin Cabanting
Matt Rinnert

WELCOME, INTRODUCTIONS & REMARKS OF THE VICE-CHAIR

Robert Myman, Vice Chair, welcomed participants and called the meeting to order at 5:07 p.m. with quorum present.

I. **PUBLIC COMMENT** – There were no comments offered.

II. **CONSENT AGENDA**

A. Minutes of March 2, 2017, Foundation Board Meeting

Approval of the minutes of the Board of Directors meeting from March 2, 2017

B. Signatory Authority for Fiscal Year 2017 – 2018

Approval of the annual resolution of signatory authority as recommended by the Finance & Investment Committee.

C. Financial Audit Engagement for Fiscal Year 2016 – 2017

Approval of the engagement of CohnReznick to perform the financial audit for the fiscal year ended June 30, 2017.

Motion [Fuentes/Axelrod] to approve the Consent Agenda, as presented. The motion was approved by unanimous consent.

III. FOUNDATION PRESIDENT'S REPORT

Dr. Gunsalus thanked the members of the Board for their commitment and dedication to the Foundation and to the University. He also expressed the appreciation of the University for the efforts of Robert Taylor, Ronald Myhan, Earl Enzer, and the members of the Finance and Investment Committee in the review and evaluation of proposals for investment management services for the Foundation's investment portfolios.

Dr. Gunsalus also highlighted activities within University Advancement including the continuing success of the reputation and visibility efforts, the cultivation and stewardship of alumni and friends by the directors of development, and the continued outreach by the alumni relations and government relations staff.

IV. COMMITTEE REPORTS

A. Audit Committee:

Robert Myman introduced John Golisch to provide an update from the Audit Committee.

Mr. John Golisch reported the Committee's review and recommendation of the audit engagement of CohnReznick for fiscal year 2017 – 2018, which was approved under the consent agenda. The Committee is looking forward to working with CohnReznick on this year's audit and an update will be provided at the September meeting. In addition, the Foundation's Form 990 was distributed to members of the Board earlier in the month and has been filed with the appropriate government agencies and posted on the Foundation's website.

B. Board Membership Committee:

Robert Myman introduced Phil Magaram to present the business items from the Board Membership Committee:

1. Election of Directors for 2017 – 2018

Philip Magaram, Chair of the Board Membership Committee, presented the resolution to elect eight (8) new members to the Board, which represents an initiative to diversify and engage new individuals in the Foundation.

Mr. Magaram also shared the recommendation of the Committee to elect Charles Gilbert, Robert Myman, Irving Zakheim, and Dennis DeYoung (an appointed director) to new three (3) year terms.

Motion [Taylor/Picus] to elect the eight (8) new members and re-elect Charles Gilbert, Robert Myman, Irving Zakheim, and Dennis DeYoung to the CSUN Foundation Board of Directors for a three-year term from July 1, 2017, through June 30, 2020. The motion was accepted by unanimous consent.

2. Election of Officers for 2017 – 2018

Mr. Magaram, in consultation with Earl Enzer and Robert Myman, presented a resolution to have Robert Myman to assume Board chairmanship on July 1, 2017, and Mr. Enzer to serve as Immediate Past Chair. This will provide a year of transition in which Mr. Myman and Mr. Enzer to work together.

A recommendation for a candidate to assume the Vice Chair's position will be made in the future.

Motion [Magaram/Golisch] the Foundation Board elect Robert Myman as Board Chair and Earl Enzer as Immediate Past Chair for the Fiscal Year 2017 – 2018. The motion was accepted by unanimous consent.

C. Development Committee:

Robert Myman called upon Philip Mundy, Development Committee Chair, and Matt Rinnert, Assistant Vice President for Development, to present the Philanthropic Giving Report and Board Member Giving Report as of March 31, 2017:

1. Giving Reports as of March 31, 2017

Mr. Mundy reported that development efforts have raised giving to just under \$16.9 million (15% increase compared to FY15-16).

The value of Alumni gifts is up 23% with Corporation & Foundation value of gifts remaining high with \$400,000 in new gifts since January. Gifts in Kind are lower than a year ago, but the Foundation has received significant gifts in artwork and increased the number of friends giving to CSUN.

Mr. Rinnert presented that gifts to endowment and scholarships (a University priority) have increased, which represent \$10.6 million of total giving through March 31 (a \$6 million increase from FY 2015-2016). Directors of Development will continue to close gifts as the fiscal year comes to a close, with 82 major gifts (defined as \$25,000 or greater) closed compared to last year's number of 63.

Total donor count increased by 9.67% to 8,187 donors. Efforts such as Grad Fest added an estimated 6,000 donors, who made their first gifts to the University with 360 of them upgrading to reflect total giving of \$20.17 to commemorate their graduation. Mr. Rinnert noted the Alumni count will increase by the close of the fiscal year with the graduating class of 2017.

2. Board Giving Update

76% of the Board contributed a gift to the University through the end of March and Mr. Mundy ensured that Matt Rinnert and the Directors of Development will help ensure the 100% giving by FYE 2016 – 2017.

D. Finance & Investment Committee:

Robert Myman asked Robert Taylor to present the business items from the Finance and Investment Committee:

1. Financial Statements for the Period ended March 31, 2017

Assets within the Foundation are now in excess of \$161 million. The Statement of Activities reflects revenue from gifts up and expenses maintaining consistency year over year.

Foundation operating revenue from gift fees and endowment management are ahead of budget as operating expenses are in line with budgeted expectations. He highlighted bank services charges, which are ahead of budget due to increased giving by credit card.

Motion [Taylor/Myhan] to approve the Financial Statements for the period ended March 31, 2017, as presented. The motion was approved by unanimous consent.

2. Investment Performance Review

Mr. Taylor reported that the Committee reviewed the investment performance report from Northern Trust for the nine month period ended March 31 2017. Total return for the nine-month period is 9.84%.

The Student Managed Investment Portfolio had been recently rebalanced by the students to include ETF's in emerging markets and the Standard & Poor's 500 (S&P 500). The return for the ten-month period ended April 30 was 4.50%.

Motion [Taylor/Magaram] to approve the Investment Performance Reports from Northern Trust and the Student Managed Investment Portfolio, as presented. The motion was approved by unanimous consent.

3. Foundation Reserves Analysis for Fiscal Year 2017 – 2018

Mr. Taylor presented figures based on the Foundation's Reserves Policy approved by the Board in March 2016. The Committee recommended the approval of the analysis as presented to the Board.

Motion [Taylor/Magaram] to approve the Foundation Reserves Analysis for Fiscal Year 2017 – 2018, as presented. The motion was approved by unanimous consent.

4. Foundation Budget for Fiscal Year 2017 – 2018

Foundation staff presented their request for the Foundation operating budget for Fiscal Year 2017 – 2018. Significant changes in comparison to the previous fiscal year include the addition of one accounting staff person to assist in the

increased workload in the Foundation, the increased role of credit card transactions, and the implementation of a new on-line digital communication and transactions platforms for philanthropic giving, membership, and event registration. The budget also includes annual allocations to University Advancement, the Reputation and Visibility Initiative, and the President's Designated Fund.

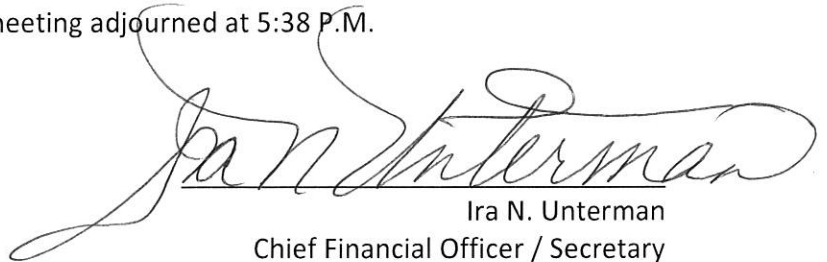
Motion [Taylor/Mundy] to approve the Foundation Operating Budget for Fiscal Year 2017 – 2018, as presented. The motion was approved by unanimous consent.

5. Endowment Spending Distribution for Fiscal Year 2017 – 2018
Mr. Robert Taylor presented the Committee's recommendation for the continuation of the 4.0% distribution rate for the upcoming fiscal year. As a reminder, the rate will be applied to the average market value of each endowment fund as of the end of the last twelve (12) quarters.

Motion [Taylor/Fuentes] to approve the 4.0% endowment spending distribution rate for Fiscal Year 2017 – 2018. The motion was approved by unanimous consent.

6. Investment Management Services Update
Mr. Taylor updated the Board of Directors on the status of the request for proposals for investment management services discussed at the March 2 Board meeting. The Foundation received twenty-five (25) proposals by the deadline in mid-March. The proposals were reviewed and evaluated by a sub-committee and the analysis presented to the Finance and Investment Committee at a special meeting in April. Interviews and presentations were scheduled with nine firms with another meeting scheduled in late May for the final analysis and decision regarding investment management services. An update will be provided at the next meeting of the Board of Directors.

There being no further business, the meeting adjourned at 5:38 P.M.



Ira N. Unterman
Chief Financial Officer / Secretary

(Copies of all documents mailed and circulated are filed in the minute book.)