

CSUN | FOUNDATION

BOARD OF DIRECTORS

Minutes of Meeting

Monday, September 11, 2017
4:00 P.M.

Orange Grove Bistro

Members Present: Alan Abramson, Honey Amado, Ivan Axelrod, Maite Baur, Harvey Bookstein, Cindy Chernow, Dennis DeYoung, Colin Donahue, Earl Enzer, Chuck Gilbert, Jonathan Goldenberg, John Golisch, Robert Gunsalus, Ruth Harris, Dianne Harrison, David Honda, Zahraa Khuraibet, Mark Lainer, Cary Lefton, George Leis, Barbara Levy, Yi Li, David Malone, Patricia Maloney, Ronald Myhan, Robert Myman, Carson Schreiber, Adam Swenson, Robert Taylor, Ira Unterman, Keith Weaver, Susana Ziarati

Members Absent: Les Cutler, Bryan Green, William Griffeth, John Harris, Paul Jennings, Diane Manzella, Phil Mundy, Marc Wolf, Irving Zakheim

Staff: Justin Cabanting, Matt Rinnert

WELCOME, INTRODUCTIONS & REMARKS OF THE CHAIR

Earl Enzer, Immediate Past Chair, welcomed participants in lieu of Robert Myman, Board Chair, and called the meeting to order at 4:08 p.m. with quorum present.

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

II. **CONSENT AGENDA**

A. Minutes of May 17, 2017, Foundation Board Meeting

A motion [Myhan/Leis] for approval of the minutes from the Board of Directors meeting on May 17, 2017, as presented.

III. **UNIVERSITY PRESIDENT'S REPORT**

President Harrison welcomed members of the Board and thanked them for their continued dedication, years of service, and contributions to the University and its students.

As of the start of the Fall 2017 semester, there are currently 39,819 students with ongoing initiatives to continue the momentum of Matadors Rising. Matadors Rising is a plan to help students stay on track to take on substantive course loads in order to complete a baccalaureate degree within four (4) years. President Harrison shared the University invested \$1 million in completion grants to assist students complete their education.

President Harrison shared with the Board the generous contribution made by Younes and Soraya Nazarian to the Valley Performing Arts Center. As the largest gift to the arts in the CSU system, the Valley Performing Arts Center was officially named as the Younes and Soraya Nazarian Center for the Performing Arts (“The Soraya”, for short). President Harrison also noted that it is a priority to have all CSUN colleges named similar to the Curb, Eisner, and Nazarian Colleges.

President Harrison graciously thanked the efforts of Dr. Gunsalus and the team from University Advancement for their efforts to secure the gifts from Shigemi Matsumoto and Martin Stark for the Matsumoto-Stark Vocal Art Student Scholarship Endowment and from Harvey and Harriet Bookstein for the David Nazarian College of Business and Economics. She also shared the recognition of the University as a Tier 3 campus by the Chancellor’s Office in recognition of the growth of efforts in terms of philanthropy.

President Harrison also shared the imminent completion of Lilac Hall, which will house members of faculty from a variety of academic departments working side by side on research projects. The clusters of faculty will also enable collaboration with students across the campus.

Through the efforts of Associated Students and working with the University’s Division of Administration and Finance, CSUN will open the A.S. Sustainability Center later this semester. The Center will be the University’s first net zero building. President Harrison also highlighted the recent opening of the Student Legal Clinic created through a partnership with Southwestern Law School.

President Harrison closed her report by touching on the recent developments related to the coordination of general education requirements across the California State University. She shared her view that the University’s student body needs a comprehensive and diversified general education requirement that reflects not only the future work force. Northridge’s cross cultural competency requirement reflects not only the students but the region.

IV. FOUNDATION PRESIDENT’S REPORT

Dr. Gunsalus thanked Dr. Harrison for her report as well as the Board for their continued support in helping build up CSUN’s visibility and reputation.

Dr. Gunsalus reported the momentum and efforts in philanthropic cultivation continue in the opening months of fiscal year 2017 – 2018. CSUN is actively engaged in the evaluation and readiness for its first comprehensive campaign. The initial goal will be the engagement of a consultant to assist in the feasibility for a campaign. Dr. Gunsalus indicated that he would update the Board at future meetings.

Dr. Gunsalus shared his pride with the University Advancement team in continuing to elevate CSUN, and he would expand upon recent collaborative efforts related to 88.5 Radio after today's meeting.

V. COMMITTEE REPORTS

A. Audit Committee:

Mr. Dennis DeYoung, Audit Committee Chair, shared updates regarding the Foundation's annual audit by CohnReznick, LLP. To date, the auditors have not reported any challenges with the audit. The Committee will meet this Wednesday, September 13, to review the report with the auditors. The report will be shared with the Board of Directors following the Committee's approval.

B. Board Membership Committee:

Mr. George Leis, Board Membership Committee Chair, welcomed new members of the Board of Directors Honey Amado, Cindy Chernow, Patricia Maloney, and Keith Weaver. He also welcomed the student representatives appointed by President Harrison: Associated Students President Jonathan Goldenberg and Associated Students Vice President Zahraa Khuraibet.

Mr. Leis noted the inclusion of the Board Member Expectations in the meeting materials. He also reminded the Board members to complete their annual Conflict of Interest statement. The annual certificate of insurance, including Directors and Officers Liability, was included in the materials as information. Board member should follow-up with Ira Unterman, Foundation Chief Financial Officer, regarding both the annual Conflict of Interest statement and insurance certificate.

Mr. Leis reminded members of the Board of Directors to forward potential candidates for election to Foundation President Robert Gunsalus. The Committee will meet in November to consider candidates for recruitment.

C. Development Committee:

Cary Lefton presented the Development Committee's report in lieu of Development Committee Chair, Phil Mundy.

Cary Lefton shared that 100% of the Board made a philanthropic gift in Fiscal Year 2016 – 2017, with 75% making a gift of \$5,000 or more.

Matt Rinnert, Assistant Vice President for Development, delivered the Development Reports. Total giving increased by 11.5% compared to fiscal year 2015 – 2016 with significant percentage gains in the College of Science and Mathematics, Mike Curb College of Arts, Media and Communication, and David Nazarian College of Business and Economics. Mr. Rinnert highlighted gifts from alumni, faculty, and friends contributed to the increase. Individual donor count exceeded 16,000 for the second year in a row.

D. Finance & Investment Committee:

Mr. Robert Taylor, Finance & Investment Committee Chair, presented the report from the Finance & Investment Committee on the financial statements, investment performance report, student managed investment portfolio, and updates on investment management services.

1. Financial Statements

As a supplement to the Board packet provided, an updated version of Agenda Item V was provided to reflect the financial statements following the financial audit. Mr. Taylor shared that total assets were \$163 million, an increase of \$20 million from the previous fiscal year. Significant increases in both investments and pledges receivable attributed to the change. The Statement of Activities and Foundation Operating Results were also reviewed, noting that actual operating expenses for the Foundation were higher due to bank processing fees.

Motion (Taylor/Axelrod): **Be it Resolved, that the Board of Directors of the California State University, Northridge Foundation accepts the Financial Statements for Fiscal Year 2016 – 2017, as presented.** Motion was unanimously approved.

2. Investment Performance Reports

The investment performance reports for the period ending June 30, 2017, were reviewed by Mr. Taylor. These reports represent the final presentation by Northern Trust given the transition of investment management services. Given this transition and the impending policy change, the asset allocation will change following the meeting. The total return for Fiscal Year 2016 – 2017 was 12.38% with a three year annualized return of 3.92%. The ten year annualized return is 4.21%, which includes the investment challenges of 2008 – 2009.

Mr. Taylor reviewed the performance of the Allocated Reserves portfolio and the Student Managed Investment Fund. Both portfolios recorded positive returns for Fiscal Year 2016 – 2017. He noted that the student portfolio continues to perform well with its limited asset allocation model of exchange-traded funds. The portfolio recorded a total return of 7.1% for the twelve-month period and an overall return of 11.9% since its inception in December 2015 (nineteen months). With the new semester, a new portfolio recommendation will be made in December.

Motion [Taylor/Bookstein]: **Be it Resolved, that the Board of Directors of the California State University, Northridge Foundation accepts the Investment Performance Reports, as presented.** Motion was unanimously approved.

3. Foundation Operating Budget

Mr. Taylor shared with the Board that the operating budget for Fiscal Year 2017 – 2018 had allocated \$1 million for University Advancement. Dr. Gunsalus presented a proposal to the Finance and Investment Committee to substantiate an increase of that allocation to \$1.5 million, and after consideration, the Committee recommends the approval of the increase in the University Advancement allocation. The additional funds will be utilized by Dr. Gunsalus to increase the philanthropic and marketing efforts to assist the University in the attainment of its mission and goals.

President Harrison noted that the California State University Board of Trustees will consider a modification to its compensation policy for University Presidents at its meeting in September. This change would affect the source of funds for presidential compensation in the future. Given the Foundation's allocation for compensation, this change will affect future budgets.

Motion [Taylor/Leis]: **Be it Resolved, that the Board of Directors of the California State University, Northridge Foundation approves the amendment to the Foundation Operating Budget for Fiscal Year 2017 – 2018, as presented.**

The motion was unanimously approved.

4. Investment Management Services

Mr. Taylor shared with the Board of Directors the efforts of the Finance and Investment Committee since the last meeting in May 2017. The Committee met multiple times in May to consider the responses to the Request for Proposals related to investment management services. The Committee reviewed twenty-five submitted proposals and determined Goldman Sachs was the best firm for the Foundation. Throughout the summer, the Committee met with Goldman Sachs to plan the transition and to modify the investment policy statement to coincide with the investment philosophy of Goldman Sachs and the Foundation. Mr. Taylor also shared that staff had worked diligently to complete the necessary paperwork to initiate the services and that the assets from Northern Trust were transferred to Goldman Sachs on September 5. Representatives from Goldman Sachs will participate in the Board's March meeting as an introduction to their engagement with the Foundation.

5. Investment Policy Statement Amendment

Mr. Taylor referred Board members to the proposed amendment to the Investment Policy Statement as distributed in the packet of materials. The Committee met twice during the summer with Goldman Sachs to discuss and propose revisions to the asset allocation in the policy statement. The Committee

reviewed and recommends the approval of the revised asset allocation, which will define the investment strategy for the Foundation's Endowment and Non-Endowment portfolios. The asset allocation will also establish the benchmark for performance standards.

Motion [Taylor/Gunsalus]: **Be it Resolved, that the Board of Directors of the California State University, Northridge Foundation approves the amendments to the Investment Policy Statement, as presented.** The motion was approved unanimously.

VI. NEW BUSINESS

A. Standing Committee Assignments for 2017 – 2018

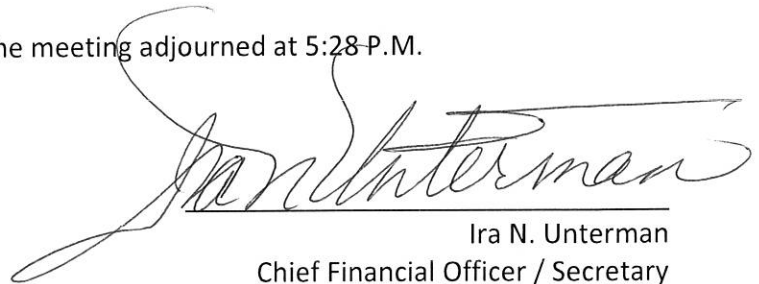
Dr. Gunsalus presented the membership of each of the Board's standing committees for Fiscal Year 2017 – 2018. Given the important work of these committees, the Board reviews and approves the membership on an annual basis.

Motion [Gunsalus/Taylor]: **Be it Resolved, that the Board of Directors of the California State University, Northridge Foundation approves the Committee assignments for Fiscal Year 2017 – 2018, as presented.** The motion was approved unanimously.

B. Special Presentation

President Harrison and Robert Gunsalus recognized Earl Enzer for his years of service as the Board Chair. They shared their thoughts and appreciation for his leadership and commitment to the Foundation and his continued service to the University. In recognition of his service, the Foundation presented Mr. Enzer with a commemorative gift in his honor.

There being no further business, the meeting adjourned at 5:28 P.M.



Ira N. Unterman
Chief Financial Officer / Secretary

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