

CSUN | FOUNDATION

BOARD OF DIRECTORS

Minutes of Meeting

Thursday, March 1, 2018
4:00 P.M.

Special Collections and Archives Room (Second Floor)
Delmar T. Oviatt Library

Members Present: Alan Abramson, Ivan Axelrod, Maite Baur, Harvey Bookstein, Cindy Chernow, Les Cutler, Dennis DeYoung, Colin Donahue, Earl Enzer, Chuck Gilbert, Jonathan Goldenberg, John Golisch, Robert Gunsalus, Bryan Green, Dianne Harrison, John Harris, David Honda, Paul Jennings, Zahraa Khuraibet, Mark Lainer, Cary Lefton, Patricia Maloney, Diane Manzella, Philip Mundy, Ronald Myhan, Robert Myman, Carson Schreiber, Adam Swenson, Robert Taylor, Ira Unterman, Susana Ziarati

Members Absent: Honey Amado, William Griffeth, Ruth Harris, George Leis, Barbara Levy, Yi Li, David Malone, Keith Weaver, Irving Zakheim

Staff: Justin Cabanting, Shellie Hadvina, Ellen Jarosz, Patrick Osburn, Matt Rinnert, Luann Rocha, Mark Stover, Steven Vail

Guests: Jeffrey Hilperts, Bentz Whaley Flessner
Karl Miller, Bentz Whaley Flessner
Jason Silletti, Goldman Sachs, Inc.
Ashlie Woods, Goldman Sachs, Inc.

WELCOME, INTRODUCTIONS & REMARKS OF THE CHAIR

Robert Myman, Board Chair, welcomed and called the meeting to order at 4:12 p.m. with quorum present.

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

II. **CONSENT AGENDA**

A. Minutes of September 11, 2017, Foundation Board Meeting

A motion (Bookstein/Taylor) for approval of the minutes from the Board of Directors meeting on September 11, 2017, as presented.

III. **UNIVERSITY PRESIDENT'S REPORT**

President Dianne Harrison thanked Robert Myman and the Committee for their attendance and ongoing efforts to elevate the University.

President Harrison was proud to announce the appointment of Chandra Subramaniam, Ph.D., as the new dean of the David Nazarian College of Business & Economics, who has valuable experience and credentials in physics, accounting, and business from various accredited universities. He will offer new leadership and perspective for the College and the University. Dr. Harrison also commented on her efforts to engage faculty and staff with alumni to ensure varied perspectives in the pursuit of the academic mission.

President Harrison shared her excitement of the approval to present two honorary doctorates at the upcoming commencement ceremonies to Judy Baca and Younes Nazarian. Both candidates are being recognized for their outstanding leadership in their respective professions and in the broader community. Additionally, Ivor Weiner in the Michael Eisner College of Education was awarded the prestigious Wang Family Excellence Award for outstanding community service and academic success. Five awards are presented annually at the CSU Board of Trustees meeting after a rigorous selection process from among the system's faculty and staff.

President Harrison shared highlights from back-to-back events from February at which CSUN shined. First, a joint press conference with representatives of Citibank at which the University's Volunteer Income Tax Assistance (VITA) clinic launched a new initiative targeted toward veterans and their eligibility for the Earned Income Tax Credit (EITC). Professor Rafi Efrat, who directs the Bookstein Institute, joined President Harrison for this announcement. Following the press conference, President Harrison unveiled "Unbound," a sculpture created by Soraya (Sarah) Nazarian, which is now on display adjacent to Bookstein Hall. Soraya (Sarah) Nazarian was in attendance for the ceremony of the original piece, which portrays the limitless value and potential of higher learning.

Athletes and contributors to the University received their moment of appreciation and regard during the CSUN Athletics Hall of Fame which took place on February 18, 2018, and through the Association of Public and Land Grants. The Athletics Hall of Fame brought support and moments of high regard for many CSUN athletes and alumni who got a chance to relive their accomplishments during their education at the University. CSUN was recognized by the Association of Public Land Grant Universities (APLU) as an organization excelling in economic development and innovation for helping serve its student body and neighboring communities.

IV. FOUNDATION PRESIDENT'S REPORT

Dr. Gunsalus thanked President Harrison for her report and her commitment and insight to further the University.

Dr. Gunsalus shared a list of various awards presented to CSUN's Marketing & Communications team for their work on behalf of the University. Many of the awards were as a result of the Reputation and Visibility Initiative and the digital, print, and out of home campaigns developed by the team.

Dr. Gunsalus shared the continued efforts to advance the 88.5 Radio program across Southern California. Pat Osburn, 88.5 Director of Underwriting, provided information regarding underwriting and sponsorship opportunities on the station, which can be heard from Orange County to Ventura County.

Dr. Gunsalus shared the initiation of feasibility and readiness studies in preparation for a comprehensive campaign on behalf of the University. The University has engaged Bentz Whaley Flessner to serve as the campaign consultant. Dr. Gunsalus introduced Karl Miller and Jeffrey Hilperts from Bentz Whaley Flessner, who will share information later in the meeting.

V. COMMITTEE REPORTS

A. Finance & Investment Committee:

Robert Taylor presented an update on behalf of the Finance & Investment Committee.

Financial Statements through December 31, 2017

- Mr. Taylor reviewed the Foundation's Financial Statements, including the Balance Sheet, Statement of Activities, and Foundation Operations Report for the six month period ended December 31, 2017. Foundation assets increased to \$184 million. Pledges receivables increased from \$11.9 million at June 30 to \$20.4 million at December 31, 2017, as a result of the philanthropic success during the first six months, including the gift from Younes and Soraya Nazarian Foundation. The University's endowment was valued at \$99.3 million as of December 31.
- Gift revenue for the six-month period was \$16 million, up from \$12 million in the previous fiscal year. Investment income was also up from \$6.2 million to \$9.4 million to reflect the result of investment activities. Expenditures were in line with the previous fiscal year.
- Foundation operation revenue for the six month period was within the budget projection at 54.7% of the budget. Foundation expenditures are also in line with the approved budget.

Motion (Taylor/Gunsalus): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation accepts the Financial Statements for the period ending December 31, 2017.** The motion was approved unanimously.

Investment Performance Reports

- Mr. Taylor reminded the Board members that the transition from Northern Trust to Goldman Sachs took place during the first fiscal quarter with the bulk of the assets transferred on September 5, 2017. As of December 31, Goldman Sachs is managing all investment assets of the endowment and non-endowment portfolios with the exception of the Makena position.

The return on those portfolios managed by Goldman Sachs was 7.53% for the four month period.

- In reference to the Foundation's investment through Makena Capital, the valuation was \$22.25 million as of December 31. Mr. Taylor shared with the Board that the original investment with Makena was made in July 2013 with \$9 million from the endowment portfolio and \$5.5 million from the non-endowment portfolio. An additional investment of \$2 million was made in December 2014. The unrealized gain through December 31 was \$5.8 million. The investment with Makena is a diversified portfolio.
- Mr. Taylor reported the redemption paperwork for our Makena investment was initiated in December to consolidate the portfolio under a single investment manager. There is a one-year period, so the Foundation will recognize its first redemption in January 2019.
- The Student Managed Investment Portfolio continues to perform well under the auspices of the student and faculty in the Department of Finance. During the Committee Meeting on February 13, 2018, students made a presentation to the Committee regarding their analysis and work with the portfolio. The portfolio had a return of 5.92% for the six month period. Since its inception in November 2015, a 25-month period, the reported rate of return is 25.2%.

Motion (Taylor/Myman): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation accepts the investment performance reports for the period ending December 31, 2017, as presented.** The motion was approved unanimously.

Investment Management Services

- Mr. Taylor introduced Jason Silletti and Ashlie Woods from Goldman Sachs. Both Mr. Silletti and Ms. Woods thanked the members of the Board for the invitation to attend today's Board meeting and for the opportunity to manage the Foundation's investment portfolios in pursuit of the University's mission and long-term goals.

B. Audit Committee:

Dennis DeYoung, Audit Committee Chair, shared updates regarding the Foundation's annual audit by CohnReznick, LLP. The Committee approved the Audit Report in September and copies of the report were distributed to the Board of Directors and posted to the Foundation's website. The auditors expressed no concerns with the Foundation's internal controls or financial operations.

C. Board Membership Committee:

Dr. Gunsalus, Foundation President, provided the report in lieu of George Leis, Board Membership Committee Chair.

Dr. Gunsalus shared the Committee reviewed the recruitment and cultivation process at their meeting in November. The process is ongoing with a goal of new directors being considered at each meeting.

The Committee also reviewed and recommended two candidates for election to the Board of Directors for a three-year term from March 1, 2018, through February 28, 2021:

- David Fleming
- Carson Schreiber

Motion [Enzer/Abramson]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects David Fleming and Carson Schreiber to the Board of Directors for a three-year term from March 1, 2018, through February 28, 2021.** The motion was approved unanimously.

Dr. Gunsalus also presented the Committee's work with the Policy on Emeritus Status. The Committee reviewed recommendations from staff and adopted recommendations to amend the By-Laws and the policy statement to reflect current standards and best practices for Directors Emeriti. The Committee recommended the adoption of the proposed changes.

Motion [Enzer/Gilbert]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation amends the By-Laws of the Foundation and amends the Policy on Emeritus Status, as presented.** The motion was approved unanimously.

In light of the modifications to the Policy, the Committee reviewed recommendations for six (6) directors to be elected as directors emeriti. Each of the individuals meet the criteria for election. As such the Committee recommends the designation of director emeritus to the following individuals:

- David Fleming
- Philip Magaram
- Sandy Paris
- Joy Picus
- Bob Rawitch
- Milt Valera

Motion [Abramson/Enzer]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects the designated individuals as Director Emeritus.**

D. Development Committee:

Phil Mundy and Matt Rinnert presented an update on behalf of the Development Committee for the six-month period ended December 31, 2017:

- Total fundraising increased 64.14% this year from \$13.8 million to \$22.7 million as the University continues to celebrate the gift by the Nazarian family to name the Younes & Soraya Nazarian Center for the Performing Arts.

- Planned giving increased year over year as did pledge fulfillment.
- The number of Individual donors continues to increase with renewed efforts in annual giving and alumni engagement. Another area of success was in faculty and staff giving driven in part by a specialized effort during November.
- Mr. Rinnert also shared the designation of philanthropic gifts by purpose for the University's colleges and programs. Donor designation is an important aspect of the philanthropic efforts. Mr. Rinnert highlighted the capital projects being funded by donors on behalf of Athletics and The Soraya.

Board Giving Update

- Mr. Mundy reported that 70% of the Board of Directors had fulfilled the expectation to make a gift to the Foundation. The goal is for 100% of Board members to make a gift each year.

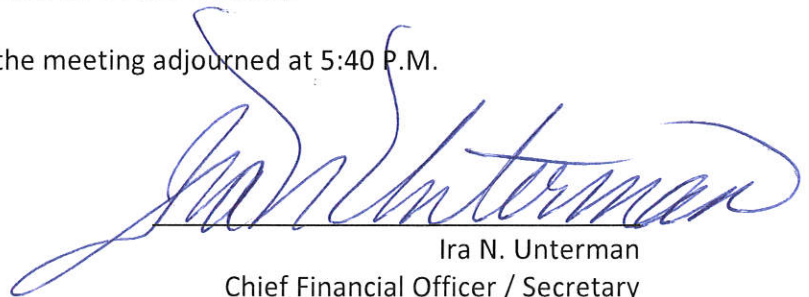
VI. NEW BUSINESS

A. Special Presentation

Robert Gunsalus introduced Karl Miller and Jeffrey Hilperts from Bentz Whaley Flessner, who are working with University Advancement personnel on the feasibility and readiness studies. He also highlighted the draft campaign prospectus distributed to the Board of Directors with the meeting materials.

Jeffrey Hilperts and Karl Miller provided insight and perspectives given their past professional experiences and efforts to increase philanthropic giving for other college institutions. The evaluation of the University and the opportunities for a comprehensive campaign started in February with a goal of completion in June. The efforts center around data collection on donors and past giving from the University and the Foundation coupled with interviews and focus groups with alumni and friends of the University. The reports will be shared with President Harrison, Dr. Gunsalus, and the Campaign Task Force. The goal of a comprehensive campaign will promote the inclusive nature of the institution, the culture of philanthropy, and the objective to build and strengthen programs and facilities for the University. The Campaign will allow the University to prosper and expand to introduce opportunities and promote engagement to further academic excellence and visibility.

There being no further business, the meeting adjourned at 5:40 P.M.



Ira N. Unterman
Chief Financial Officer / Secretary

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