

# CSUN | FOUNDATION

## BOARD OF DIRECTORS

### Minutes of Meeting

Wednesday, September 26, 2018  
4:00 P.M.

California State University, Northridge  
Orange Grove Bistro

**Members Present:** Alan Abramson, Ivan Axelrod, Maite Irakoze Baur, Cindy Chernow, Dennis DeYoung, Colin Donahue, Chuck Gilbert (by phone), Bryan Green, Wendy Greuel, Robert Gunsalus, Dianne Harrison, Paul Jennings, Cary Lefton, George Leis, David Malone, Patricia Maloney (by phone), Diane Manzella, Rosalva Merida, Ronald Myhan, Robert Myman, Mary-Pat Stein, Stella Theodoulou, Ira Unterman, Irv Zakheim (by phone)

**Members Absent:** Honey Amado, Leslie Cutler, David Fleming, John Harris, Ruth Harris, Barbara Levy, Beverly Ntagu, Carson Schreiber, Keith Weaver, Susana Ziarati

**Staff:** Matt Rinnert, Assistant Vice President – Development

**Guests:**

#### **WELCOME, INTRODUCTIONS & REMARKS OF THE CHAIR**

Robert Myman, Board Chair, welcomed and called the meeting to order at 4:08 p.m. with quorum present.

Mr. Myman commented on his involvement with the Department of Cinema and Television Arts and the recent announcement regarding Steve Rabuchin, Vice President of Amazon Alexa. It is great to see his alma mater engaged in his daily work.

**I. PUBLIC COMMENT** – No public comments were offered.

#### **II. CONSENT AGENDA**

Mr. Myman asked the Board members to review the Minutes of the Meeting from May 16, 2018, prior to their ratification.

Motion [Leis/Weaver]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation ratify the minutes of May 16, 2018.**

The motion was approved unanimously.

### **III. UNIVERSITY PRESIDENT'S REPORT**

Robert Myman introduced Dianne Harrison, President of California State University, Northridge.

President Harrison expressed her appreciation to the Board of Directors for their continued engagement with the University and the Foundation

President Harrison followed-up on an e-mail distributed to the campus and to members of the Board of Directors regarding general education requirements. She reiterated that the goal is to standardize the structure of the requirements, not mandate the courses to be offered. The challenge is the incorporation of CSUN's Section F on multicultural competency is not replicated on other campuses. After significant discussion with the Chancellor's Office, the section will be preserved. Nonetheless, there are concerns on the campus that there will be challenges and drops in course enrollment. She will continue to work with faculty and administrators to ensure student success.

President Harrison encouraged members of the Board to participate in the University's 60<sup>th</sup> Anniversary celebration on October 13, 2018.

In reference to enrollment, President Harrison announced there were 10,000 new students to maintain University enrollment at 38,800 students. There were 11,500 graduates in 2018.

President Harrison announced new campus administrators since the last meeting:

- Yan Searcy, Dean of the College of Social and Behavioral Sciences
- Michael Izzi, Director of Intercollegiate Athletics
- Stella Theodoulou, Interim Vice President for Academic Affairs/Provost

In reference to fundraising activities, President Harrison highlighted 2017 – 2018 giving in excess of \$35 million, a gift from Easton Sports Development Foundation for \$1.5 million, a gift from the Modi Family for an endowed professorship in the Jain religion, and her recent meetings with Steve Rabuchin from Amazon and Andrew Anagnost of Autodesk.

### **IV. FOUNDATION PRESIDENT'S REPORT**

Robert Myman introduced Robert Gunsalus for his report to the Board of Directors.

Robert Gunsalus shared that with the \$31 million raised in Fiscal Year 2017 – 2018, the average giving over the last five years (2013 – 2018) is over \$22.8 million annually compared to \$12.7 million during the previous five years (2008 – 2013). He shared this trend will be helpful as the University and Foundation contemplate a comprehensive campaign based on the continued growth within the colleges and other strategic areas of the campus.

Robert Gunsalus shared the success of a Young Professional Organization (YPO) event the previous day with over one hundred corporate leaders and their spouses on the CSUN campus. The event introduced the campus, including The Soraya, to Los Angeles' business leaders.

He also highlighted the upcoming event with Michael Grillo, Executive Producer for Marvel, who will speak in the Nazarian College.

## V. COMMITTEE REPORTS

### A. Audit Committee:

Dennis DeYoung, Audit Committee Chair, thanked members of the Audit Committee for their service. Mr. DeYoung reviewed the audit report approved by the Audit Committee earlier in the month. The audit received an unqualified opinion and the mandatory correspondence from CohnReznick, the Foundation's auditors, was included in the Board Meeting materials. Mr. DeYoung shared that the auditors had expressed no concerns during the Executive Session of the Audit Committee.

Motion [DeYoung/Axelrod]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation accept the audit report for Fiscal Year 2017 – 2018, as presented.**

The motion was approved unanimously.

Mr. DeYoung reminded members of the Board of Directors of the annual compliance statements under the Foundation's Conflict of Interest Policy. Copies were available for those members who had not completed the statements. He shared that Management would be working on the IRS Form 990, which will be shared with the Board of Directors prior to distribution.

### B. Board Membership Committee:

George Leis, Board Membership Committee Chair, provided the report on behalf of the Board Membership Committee.

George Leis introduced the recommendation of the Board Membership Committee to amend the Foundation By-Laws in reference to elected directors. Term limits were originally approved in October 2006, but the By-Laws do not reference whether Board members can return to the Board after a hiatus. The Committee with Management's assistance reviewed best practices and the recommended amendment allows Board members to return after a ninety-day hiatus, adds for volunteer officers (Chair, Vice Chair and Immediate Past Chair) to serve longer for continuity, and rewrites the By-Law to be clearer. Board members asked for clarification regarding the hiatus period and the fact that Board members could be elected at any regular meeting of the Board of Directors.

Motion [Leis/Malone]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation amends the By-Laws, as presented.**

The motion was approved unanimously.

George Leis introduced the motion to elect Milton Valera to the Board of Directors for a three-year term. Mr. Leis asked members to refer to the biography provided in the materials. Mr. Valera remains an active member of the campus community and will be an integral part of the Board of Directors.

Motion [DeYoung/Chernow]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects Milton Valera to a three-year term from September 27, 2018, through September 26, 2021.**

The motion was approved unanimously.

**C. Development Committee:**

Cary Lefton, Chair of the Development Committee, presented the report on behalf of the Development Committee.

As a follow-up to Dr. Gunsalus' comments regarding the comprehensive campaign, Mr. Lefton shared the Development Committee discussed the Comprehensive Campaign and the appropriate role of the Board of Directors. The Committee reviewed the expectations for Board members and recommends the give or raise commitment currently at \$5,000 per fiscal year should be increased to \$10,000 effective July 1, 2019.

Motion [Lefton/DeYoung]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the increase in the give or raise expectation for Board members to \$10,000 effective July 1, 2019.**

The motion was approved unanimously.

Cary Lefton and Matt Rinnert presented the results of the Fiscal Year 2017 – 2018. Total commitment were \$31.8 million. The gift from Y & S Nazarian Family Foundation to benefit the performing arts center was the highlight of the fiscal year as it encouraged a host of other gifts to the University. Contributions were received across the campus in every college and unit and were divided between gifts to the endowment and for current use. Individual donors once again surpassed 16,000, which has become the new normal and placing us second in the California State University. Mr. Rinnert noted that 97.5% of Board members made a gift to the University as of June 30, 2018. Giving by elected Board members at the \$5,000/year expectation was at 85%.

**D. Finance & Investment Committee:**

Ronald Myhan presented the report on behalf of the Finance & Investment Committee.

Mr. Myhan reviewed the Foundation's Financial Statements, including the Balance Sheet, Statement of Activities, and Foundation Operations Report for the period ending June 30, 2018.

- Foundation total assets are \$184 million, an increase of \$20 million year over year. The increase is in both investments and pledges receivables reflecting philanthropic gift payments, new philanthropic commitments, and investment returns. Given the minimal amount of liabilities, net assets are also \$184 million.
- The University's endowment was valued at \$100.3 million as of June 30, 2018.
- Total revenue for the Foundation was \$35.4 million with philanthropic support representing 23.8 million and net investment income was \$11.5 million. Expenditures for the year were \$17 million driven by the needs of the University's units and colleges.
- Foundation operating revenue exceeded the approved budget and expenditures were at the expected levels for Fiscal Year 2017 – 2018.
- Mr. Myhan referred to the Investment Income Report to delineate the \$11.5 million in net investment income among the various investment portfolios.

Motion [Myhan/Axelrod]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation accepts the Financial Statements for the period ending June 30, 2018, as presented.**

The motion was approved unanimously.

Mr. Myhan reviewed the Foundation's Investment Reports for the period ending June 30, 2018, including the allocated reserves, non-endowment, and endowment portfolios.

- Allocated Reserves represents the liquidity within the Foundation and the portfolio performed as expected given the interest rate environment.
- Makena Capital represents the Foundation's investments in alternatives. The investments continue to appreciate in value with a cumulative unrealized gain of \$6.8 million as of June 30, 2018.
- The portfolio managed by the students in the Department of /finance continues to perform well. Mr. Myhan reminded the Committee that the portfolio is limited to ETF funds. The return for Fiscal Year 2017 – 2018 was 13%, and the students continue to utilize the portfolio to apply their classroom education to the realities of the investment markets.
- Goldman Sachs' management of the Foundation assets from September 2017 through June 30, 2018 had a 5.3% return. The Committee continues to discuss the asset allocation model to ensure an appropriate risk and return among the portfolios.

Motion (Myhan/Baur): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation accepts the Investment Performance Reports for the period ending June 30, 2018, as presented.**

The motion was approved unanimously.

## VI. NEW BUSINESS

Robert Myman referred the Board to the Committee Assignments for Fiscal Year 2018 – 2019. The standing committees meet throughout the year to provide guidance to the Board of Directors and to move the Foundation's work to new levels. These Committees

have the ability to transact business on behalf of the Foundation, so the Board approves the assignments.

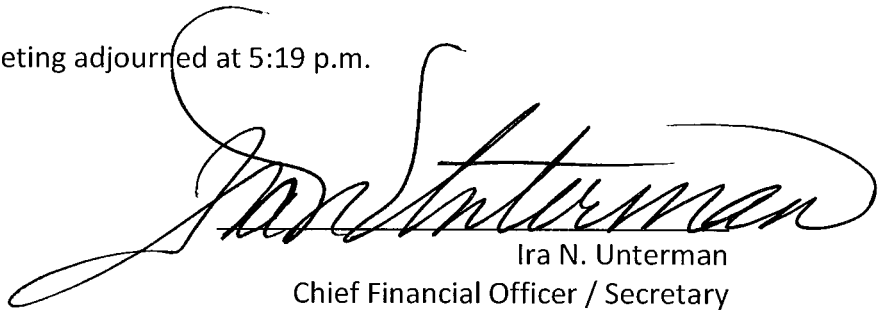
Dr. Gunsalus shared his goal to reinstitute the Engagement Committee during Fiscal Year 2018 – 2019 to help the Foundation and the University advocate with government and regional agencies to partner with the institution. Recruitment of new members of the Board of Directors will assist in this endeavor as well as enhance our Committee memberships on the other standing committees.

Motion (Lefton/Malone): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation adopts the Committee Assignments for Fiscal Year 2018 – 2019, as presented.**

The motion was approved unanimously.

Robert Myman reminded the members of the Board of the 60<sup>th</sup> Anniversary Celebration on Saturday, October 13, and the next Board of Directors meeting will be held on Wednesday, February 27, 2019.

There being no further business, the meeting adjourned at 5:19 p.m.



Ira N. Unterman  
Chief Financial Officer / Secretary

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