

CSUN | FOUNDATION

BOARD OF DIRECTORS

Minutes of Meeting

Wednesday, February 27, 2019
4:00 P.M.

California State University, Northridge
Jacaranda Hall Lab 1601

Members Present: Honey Amado, Ivan Axelrod, Maite Irakoze Baur, Cindy Chernow, Dennis DeYoung, Colin Donahue, Charles Gilbert (by telephone), Wendy Greuel, Robert Gunsalus, Paul Jennings, George Leis, Barbara Levy, Patricia Maloney, Roselva Merida, Ronald Myhan, Robert Myman, Carson Schreiber, Stella Theodoulou, Ira Unterman, Milt Valera, Keith Weaver (by telephone)

Members Absent: Alan Abramson, Leslie Cutler, David Fleming, Bryan Green, John Harris, Ruth Harris, Dianne Harrison, Cary Lefton, David Malone, Diane Manzella, Beverly Ntagu, Mary-Pat Stein, Irvine Zakheim, Susana Ziarati

Emeriti Present: Robert Rawitch

Staff: Matt Rinnert, Assistant Vice President – Development
Justin Cabanting, Assistant to the Chief Financial Officer

WELCOME, INTRODUCTIONS & REMARKS OF THE CHAIR

Robert Myman, Board Chair, welcomed and called the meeting to order at 4:07 p.m. with quorum present.

Mr. Myman welcomed Roselva Merida, Associated Students Vice President, and a student representative on the Board of Directors.

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 September 26, 2018, prior to their ratification. Ms. Merida asked for the spelling of her name to be corrected in the minutes (Roselva Merida).

Motion [Greuel/Leis]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation ratify the minutes of September 26, 2018, as amended.**

The motion was approved unanimously.

III. FOUNDATION PRESIDENT'S REPORT

Robert Myman shared with the Board of Directors that Dianne Harrison, President of California State University, Northridge, was traveling on University business with the California State University delegation to alumni receptions and universities in Taiwan, Hong Kong, and Japan.

Mr. Myman introduced Robert Gunsalus, Foundation President, for his report and to share other University highlights.

Robert Gunsalus initiated his remarks with additional information regarding the President's Asia trip. The University has twenty-two (22) partnerships with Asian universities, and the President's trip will visit a couple of those universities. In addition, she will attend receptions at which CSUN alumni will be in attendance. Based on reservations, CSUN will have more alumni at the Tokyo reception on March 1 than any other campus.

Dr. Gunsalus welcomed the Board to Jacaranda Hall, the home of the University's College of Engineering and Computer Science. Interim Dean Hamid Johari will present highlights on the College at the conclusion of the meeting and the Board will then visit two laboratories funded by philanthropic gifts.

Robert Gunsalus shared with the Board of Directors that Governor Gavin Newsom's budget proposal for 2019 – 2020, his first as governor, was very favorable for the California State University. His proposal provides additional resources for increased enrollment, compensation, and deferred maintenance.

Robert Gunsalus shared the following campus highlights:

- The Younes and Soraya Nazarian Center for the Performing Arts will host the Violins of Hope, instruments which survived the Holocaust, as part of a community program during the 2019 – 2020 season. The season will begin in September with a performance by famed violinist, Itzhak Perlman.
- The University's Assistive Technology Conference will take place in mid-March in Anaheim, California.
- The University's VITA program provided assistance to over 7,500 taxpayers in 2018 and the program will expand in 2019 with more opportunities to assist taxpayers, including United States veterans.
- Jean Firstenberg, a member of the CSU Board of Trustees and the former president of the American Film Institute, recently visited the campus to meet students in Cinema and Television Arts. Ms. Firstenberg has funded scholarships for students in the program.

IV. COMMITTEE REPORTS

A. Audit Committee:

Dennis DeYoung, Audit Committee Chair, thanked members of the Audit Committee for their service. Mr. DeYoung indicated no meeting of the Committee had taken place since the last Board of Directors meeting. Management is working with CohnReznick on the IRS Form 990 and will complete the responses to the CSU Compliance Audit in the coming weeks. Members of the Board of Directors will receive a draft of the IRS Form 990 prior to filing as required under IRS regulations.

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 elect five individuals to serve as members of the Board of Directors. The Committee reviewed the nominees and recommends their election for three year terms. The Committee also recommends the appointment of John Golisch to the Audit Committee and Scott Weiss to the Finance and Investment Committee.

Motion [Leis/Greuel]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects Silvia Bizio; Andres Carrasco, Jr.; John Golisch; Robert D. Taylor; Scott J. Weiss to three –year terms effective February 28, 2019 – February 27, 2022. Be it further resolved, the Board of Directors confirms the appointment of John Golisch to the Audit Committee and Scott Weiss to the Finance and Investment Committee.**

The motion was approved unanimously.

George Leis continued his report with the recommendation from the Board Membership Committee to elect Robert D. Taylor as Vice-Chair of the Board for the balance of this fiscal year. Robert previously served on the Board for nine years, including as Chair of the Finance and Investment Committee.

Motion [Leis/ Greuel]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects Robert D. Taylor as Vice-Chair of the Board from February 28 – June 30, 2019.**

The motion was approved unanimously.

George Leis introduced the Committee's recommendation to elect former members of the Board of Directors as Directors Emeriti based on the completion of distinguished service to the Board of Directors and California State University, Northridge. The Committee also discussed the concept of an individual being both an elected director and emeritus director simultaneously. The Committee determined that the past service and the eligibility for election to emeritus status should be acted upon with the recognition that these individuals will continue their affiliation with the University for

years to come. Some may return to the Board of Directors, while others will elect to remain active in their preferred programs.

Motion [Leis/Amado]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation elects the following individuals as Director Emeritus with the rights and privileges thereof:**

Harvey A. Bookstein '70

Earl S. Enzer '83

John R. Golisch '72

William C. (Bill) Griffeth '80

David S. Honda

Mark Lainer

Philip J. Mundy, Jr. '71

Robert D. Taylor '82

The motion was approved unanimously.

C. Development Committee:

Matt Rinnert, Assistant Vice President for Development, presented the report on behalf of the Development Committee.

Mr. Rinnert thanked the members of the Board of Directors for their generosity and partnership in the philanthropic efforts of the University and the Foundation.

Mr. Rinnert shared the giving results through December 31, 2018. At that time, commitments were approximately \$10 million with notable gifts for the lighting project for Men's Baseball, a professorship in religious studies, numerous scholarship endowments, and foundation gifts to promote teacher education. Mr. Rinnert pointed out that philanthropic giving is happening across the campus as demonstrated by the giving reports. Giving by alumni continues to remain strong with the number of alumni donors up over eleven percent year over year. He also shared that endowment giving continues to be an area of strength within the campaign. He also shared that the Foundation is working with academic departments and student organizations to ensure philanthropic giving is properly recorded and acknowledged by the University and the Foundation.

Dr. Gunsalus added that the Foundation's investment in development activities can be seen in the campus-wide results. Increased engagement by both individuals and organizations has led to new gifts and projects and a culture of giving throughout the campus. He noted the comprehensive campaign will yield both philanthropic gifts and engagement, which will have a lasting impact on the University.

In terms of Board giving, Board members are providing support across campus. Over forty percent (40%) had made a gift by December 31 with 80% of the Board being members of the President's Associates.

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 December 31, 2018.

- Foundation total assets are \$181 million, a decrease of \$3 million over the previous six months – a reflection on the investment portfolio.
- The total value of the investment portfolio was \$153 million and pledges received were \$21 million.
- The University's endowment was valued at \$97 million as of December 31, 2018.
- For the first six months, philanthropic gift revenue was \$7.5 million with a net investment loss of \$5.8 million for the same period. Mr. Myhan indicated that the investment returns for January 2019 were positive and reversed the fourth quarter results.
- Mr. Myhan shared that the Foundation's operations are in line with expectations.

Motion [Myhan/Axelrod]: **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Financial Statements for the period ending December 31, 2018, as presented.**

The motion was approved unanimously.

Mr. Myhan reviewed the Foundation's Investment Reports for the period ending December 31, 2018, including the allocated reserves, non-endowment, and endowment portfolios.

- Mr. Myhan noted the Finance and Investment Committee reviewed the investment results through December 31, 2018, which was the culmination of a difficult quarter. Giving the timing of the Committee meeting, the members also reviewed results through the end of January, which provided positive returns in the portfolio.
- Allocated Reserves represents the reserves of the Foundation and the portfolio performed as expected in terms of return, risk, and liquidity.
- The student managed portfolio continues to perform within the parameters of the investment policy. The Committee heard from Idean Aminean and Sam Yaffa, students who participated in the investment class during Fall 2018. Their presentation was informative and educational for the Committee. The students have implemented a trailing stop philosophy within the portfolio to manage the volatility in the investment market. The portfolio performed better than the broader market.
- Makena Capital's portfolio is presented as of December 31, 2018. The first liquidation of this investment took place in January 2019. The Committee will continue to monitor the investment with continued valuation.
- The portfolios at Goldman Sachs had a negative return for calendar year 2018, but the results for January 2019, which were also provided, showed a positive return of 5.46%. For the first seven months of the fiscal year, the portfolios are even.

- Mr. Myhan answered questions from the members of the Board regarding the valuation of key assets and the asset allocation within the portfolios.

Motion (Myhan/DeYoung): **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, 2018, as presented.**

The motion was approved unanimously.

Mr. Myhan reported that the Finance and Investment Committee reviewed and approved changes to the Investment Policy Statement for Student Managed Funds. These changes reflect the actual processes being utilized after the first three years. The Committee recommends the approval of these amendments.

Motion (Myhan/Baur): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the modifications to the Student Managed Investment Fund Policy, as presented.**

The motion was approved unanimously.

Mr. Myhan introduced the Gift Acceptance Policy, which had been reviewed by both the Development Committee and Finance and Investment Committee in advance of the Board of Directors. The policy reflects the methodology utilized by the CSUN Foundation for many years and compiles the best practices to which the Foundation subscribes, including those practiced on the national level. Dr. Gunsalus added that the due diligence on this comprehensive policy reflects its importance and codifies the policy as the Foundation increasingly provides more resources to the University.

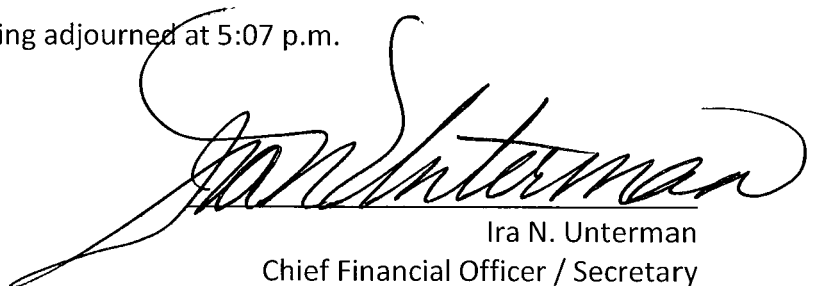
Motion (Myhan/Leis): **Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Gift Acceptance Policy, as presented.**

The motion was approved unanimously.

V. NEW BUSINESS

Robert Myman asked if there was any new business for the Board's consideration. There was none presented.

There being no further business, the meeting adjourned at 5:07 p.m.



Ira N. Unterman
Chief Financial Officer / Secretary

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