



**BOARD OF DIRECTORS
Meeting Minutes**

Wednesday, June 3, 2020

Zoom Teleconference Meeting

Members Present: Alan Abramson, Honey Amado, Ivan Axelrod, Maite Baur, Silvia Bizio, Cindy Chernow, Dennis DeYoung, Colin Donahue, Chuck Gilbert, John Golisch, Wendy Greuel, Robert Gunsalus, John Harris, Ruth Harris, Dianne Harrison, Barbara Levy, David Malone, Patricia Maloney, Diane Manzella, Rose Merida, Robert Myman, Carson Schreiber, Richard Schweitzer, Robert Taylor, Ira Unterman, Milt Valera, Stuart Waldman, Mary Beth Walker, Scott Weiss, Irving Zakheim, Susana Ziarati

Emeriti Members Present: Earl Enzer, Joy Picus

Members Absent: Leslie Cutler, David Fleming, Mohammad "Qaher" Hotaki, Paul Jennings, Cary Lefton, Ravi Sawhney, Mary Pat Stein, Diana Vicente

Staff Present: Jacob Bennett, Editor/Writer of Marketing & Communications
Courtney Brubaker, Special Events Coordinator
Justin Cabanting, Assistant to the Foundation CFO
Shellie Hadvina, AVP of Development and Alumni Relations
Dominique Munoz, Senior Director of Special Events
Bryan Rodgers, Digital Marketing & Multimedia Specialist

Robert Myman, Chair, called the meeting to order at 4:04 pm.

Mr. Myman welcomed the members of the Board and guests to the meeting and expressed his appreciation for their participation given the unique situation facing our university and our country. He had originally planned to speak about COVID-19 and its impact on the University's commencement and activities, which are indeed historic, but he instead shared his thoughts on the repercussions of a senseless killing and the ensuing protests both here and across the globe.

Mr. Myman expressed his gratitude for the service of Chuck Gilbert and Irving Zakheim, for which this meeting represents the end of their nine years of service to the CSUN Foundation. He also thanked Cindy Chernow, who has served as the CSUN alumni representative during her term as President of the Alumni Association. He also shared that Dan Chernow, Cindy's husband, would join the Board as of July 1 given his recent election as President of the Alumni Association.

Mr. Myman thanked Mary Pat Stein, Diana Vicente, and Mohammad Hotaki for their service as faculty and student representatives.

Mr. Myman welcomed Barbara Levy, Ravi Sawhney, and Richard Schweitzer, the newest members of the Foundation's Board of Directors elected at the Board's March meeting. He wished them well as they serve their alma mater.



I. PUBLIC COMMENT

Mr. Myman asked for public comments; of which there were none.

II. CONSENT AGENDA

A. Minutes of March 4, 2020, Foundation Board Meeting

Mr. Myman asked the Board to review the Minutes of the Meeting from March 4, 2020.

Motion [DeYoung/Chernow]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the minutes of the meeting from March 4, 2020, as presented. The motion was approved unanimously.

B. Resolution on Signatory Authority

Mr. Myman asked the Board members to review the Resolution regarding Signatory Authority for Fiscal Year 2020 – 2021. The Resolution was reviewed and recommended by the Finance and Investment Committee. The format is identical to the previous year's resolution.

Motion [DeYoung/Chernow]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approve the Signatory Authority for Fiscal Year 2020 – 2021, as presented. The motion was approved unanimously.

III. FOUNDATION PRESIDENT'S REPORT

Robert Myman introduced Robert Gunsalus, Foundation President, for his report on the activities of the University and the Foundation.

Dr. Gunsalus welcomed members of the Board to celebrate the end of the fiscal year in this unique setting (via teleconference). He also shared that President Harrison would join the meeting later as she was in a meeting with CSU leaders regarding the current pandemic.

In response to the recent events and demonstrations surrounding the Black Lives Matter movement, the University remains committed to providing resources for meaningful reforms to ensure the safety, security, and economic resilience of our African American students, faculty, and staff. He shared the upcoming leadership transition from Board Chair Bob Myman to incoming Board Chair Robert Taylor provides consistent leadership in this area. Robert Taylor has a long history of engagement in the Los Angeles community dating back to the Los Angeles riots. He also shared that President Harrison would have more information during her report later in the meeting. He also shared that ongoing communication would be shared with the Board as the campus leadership addresses the challenges surrounding diversity in our community. Dr. Gunsalus offered to stay on the Zoom call following the meeting adjournment for Board members to discuss and share suggestions to honor the memory of George Floyd and the calls for action from the recent protests.

Dr. Gunsalus reminded the Board of Directors of President Harrison's decision to delay her retirement given the current situation, and she will continue to provide leadership through December 31. As such, the comprehensive campaign launch has been delayed until Fall 2021 to allow for the presidential transition to occur and to provide the new president with an opportunity to participate and engage in this development effort. Dr. Gunsalus shared that the campaign had raised in excess of \$118 million to date.



Dr. Gunsalus also shared the transitions necessitated by the recent departure of Matt Rinnert, AVP of Development, who accepted the position of Chief Philanthropy Officer of Providence Cedars Sinai Tarzana Medical Center. He reported the merger of the departments of Alumni Relations and Development under the leadership of Shellie Hadvina, who has demonstrated initiative and commitment to take on this collaborative effort as the AVP of Alumni Relations and Development.

IV. COMMITTEE REPORTS

A. Audit Committee

Robert Myman introduced Dennis DeYoung, Chair of the Committee, to deliver the report on behalf of the Audit Committee.

I. Audit Engagement for Fiscal Year 2019 – 2020

Mr. DeYoung introduced the Audit Engagement Letter for Fiscal Year 2019 – 2020. Mr. DeYoung reported that this will be the fifth year CohnReznick will conduct the audit services for the auxiliaries on campus. The Audit Committee met with Michael Good, Audit Partner, and Jacquelyn Richman, Senior Manager, during the Committee meeting. The Committee addressed the issues and audit procedures to be utilized in the virtual environment in which the Foundation operates. Their proposal calls for an increase in fees of 4.0%, which the Committee felt was reasonable. The Committee reviewed the qualifications of the firm and recent accounting and audit pronouncements.

Motion [DeYoung/Weiss]: Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Audit Engagement Letter for Fiscal Year 2019 – 2020, as presented. The motion was unanimously approved.

II. Audit Committee Charter

Mr. DeYoung presented the Audit Committee Charter for Fiscal Year 2020 – 2021. The Committee made minor updates in reference to risks and controls, expectations, and compliance with the Foundation's bylaws. The Committee reviews the Charter on an annual basis and recommends its approval by the Board of Directors.

Motion [DeYoung/Amado]: Be It Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Audit Committee Charter for Fiscal Year 2020 – 2021, as presented. The motion was approved unanimously.

Mr. DeYoung shared with the Board the status of the Foundation's IRS Form 990. Given the pandemic, the filing deadline for the information return was extended until July 15, 2020. Management is working with CohnReznick to finalize the data in the return. Once it is ready, the Audit Committee will review the return and approve its filing with the appropriate agencies. He reminded the members of the Board of Directors that a draft copy would be shared with them prior to filing and encouraged feedback and questions.

Mr. DeYoung also shared that the Audit Committee reviewed the Conflict of Interest Policy at their meeting, and there are no recommended changes at this time. He reminded the members of the Board of Directors that their completion of the Annual Compliance Statements would occur during the summer, and that it would be distributed electronically this year.

Mr. DeYoung expressed his appreciation to Chuck Gilbert for his service on the Committee.

B. Board Membership Committee

Robert Myman introduced David Malone, Chair of the Committee, to deliver the report on behalf of the Board Membership Committee.

I. Election of Directors

Mr. Malone reported the Board Membership Committee reviewed and recommends the election of nine individuals to the Board of Directors:

Honey Amado	Patricia Maloney
Maite Irakoze Baur	Diane Manzella
Dennis DeYoung	Robert Myman
John Harris	Keith Weaver

Each individual will be elected for a three-year term from July 1, 2020, through June 30, 2023.

The Committee also recommends the election of Susana Ziarati for a three-year term from March 1, 2020, through February 28, 2023.

All of these individuals have served the University and the Foundation ably over the last three years, and their re-election is recommended,

Motion [Malone/Chernow]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects Honey Amado, Maite Irakoze Baur, Dennis DeYoung, John Harris, Patricia Maloney, Diane Manzella, Robert Myman, and Keith Weaver to the Board of Directors for a three-year term from July 1, 2020, through June 30, 2023.

Be it Further Resolved, the Board of Directors of the California State University, Northridge Foundation elects Susana Ziarati to a three-year term from March 1, 2020, through February 28, 2023. The motion was approved unanimously.

II. Slate of Officers

Mr. Malone presented the slate of officers reviewed by the Board Membership Committee. Robert Taylor is proposed to serve as Board Chair effective July 1. Bob Myman will assume the position of Immediate Past Chair. Robert Gunsalus and Ira Unterman will serve as Foundation President and Foundation Chief Financial Officer/Secretary, respectively.

Motion [Malone/Abramson]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects the Slate of Officers, as presented. The motion was approved unanimously.

C. Development Committee

Mr. Myman introduced Ruth Harris, Development Committee Vice Chair, to provide the Development Committee's Report for the period ending March 31, 2020.

I. Giving Reports through March 31, 2020

Ms. Harris presented the Giving Reports through March 31, 2020, which totaled \$13.3 million. Philanthropic giving increased six percent (6.0%) over the previous year, and the Foundation recognized over \$5 million in new gifts during the quarter. She also shared that giving has continued during the pandemic and the final giving results would be comparable to the previous fiscal year. Ms. Harris highlighted giving to student financial aid (scholarships) and for academic purposes continue to be the primary designations by donors, which reflects the priorities of the University. Endowment giving continues to be strong.

II. Board Giving through March 31, 2020

As of March 31, sixty-seven percent (67%) of the Board of Directors had made a personal gift to the University; comparable to the previous fiscal year. Ms. Harris reiterated the Foundation's expectation of 100% participation by the end of the fiscal year. She shared that 56% of Board members have met the \$10,000 "give or get" threshold and eleven Board members have documented a planned gift, representing 34% of the Board.

III. Comprehensive Campaign Update

Ms. Harris introduced Robert Gunsalus and Shellie Hadvina to provide an update on the Comprehensive Campaign.

Robert Gunsalus thanked the Board for their support and partnership in helping attract additional support for the campaign. The comprehensive campaign surpassed the \$118 million mark and there are additional opportunities being explored between the University and donors. Dr. Gunsalus commented that giving has remained consistent during the pandemic and acknowledged some donors are taking deliberate actions to support CSUN. Recent solicitations for the MataCare Emergency Fund and CSUN Food Pantry have been well received, which has in turn provided support to the students during this difficult time.

The Campaign Leadership Committee continues to meet to review opportunities for solicitations and to prepare the campus for the public phase of the campaign.

D. Finance & Investment Committee

Robert Myman introduced Maite Irakoze Baur, Chair of the Finance & Investment Committee, to deliver the Committee's report.

I. Financial Statements through March 31, 2020

Ms. Baur presented the financial statements as of March 31, 2020. Total assets were \$187 million with investments under management at \$159 million and pledges receivable at \$17 million. As usual, liabilities were not significant, so net assets for the period ending March 31, 2020, is \$187 million – a decrease of \$10 million during the fiscal year.

Ms. Baur shared that the valuation of the investment portfolios has increased during the last two months. The portfolio was valued at \$174 million as of May 31, which reflects the rebound in the markets.

The Foundation's endowment was valued at \$103.4 million as of March 31, 2020, but it has since rebounded to \$112 million as of May 31, 2020.

Total philanthropic revenue for the nine month period was \$10 million, which was comparable to the previous fiscal year. Investment income was down for the period given the market performance during February and March. Expenditures for the year were comparable as of March 31, but expenses during the current quarter (April – June) were lower as a result of the University’s virtual environment. Both the University and Foundation continue to monitor expenses and an overall decrease is expected for the fiscal year.

Ms. Baur reported that the Committee reviewed these statements and had extensive discussion regarding their results.

Motion [Baur/Maloney]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Financial Statements for the period ending March 31, 2020, as presented. The motion was approved unanimously.

II. Investment Performance Reports

Ms. Baur continued her report with the Investment Performance Reports. She reviewed the Consolidated Investment Performance Report, which showed the net investment loss of \$12 million as of March 31. She also reviewed the Investment Portfolio Snapshot, which reflected the rebound in the valuations of the various portfolios.

The Committee met twice since the last meeting of the Board of Directors – on March 27 and then again on May 12. Extensive discussions took place with Goldman Sachs, and in the end, no changes were made to the portfolios. The Committee and Goldman Sachs continue to look for opportunities within the parameters of the Foundation’s investment policy to rebalance and enhance our investment returns.

The Foundation’s Allocated Reserves Portfolio continues to be invested in short-term, high quality investment instruments, providing a safety net for our cash flow needs. Given the reduction in interest rates and potential cash flow needs, the portfolio had additional cash available to ensure the Foundation’s needs during the closing weeks of the fiscal year. The return for the first nine months was just under 1.0%.

The Student Managed Investment Portfolio, which is managed by students in the Nazarian College’s Department of Finance, experienced similar results as the broader investment portfolios. The implementation of trading stops in their portfolio limited their loss to five percent (5.0%) for the nine month period. The students rebalanced the portfolio in April. Since the portfolio’s inception in November 2015, the annualized rate of return has been 7.0%.

The investment in Makena Capital continues to record unrealized gains and distributions during its liquidation. To date, the investment has recognized \$7.5 million in unrealized gains.

Ms. Baur presented highlights from the Goldman Sachs report showing the investment return for the nine month period as a loss of 8.44% as a result of the market’s performance during the first calendar quarter in which the portfolio recorded a loss of 13.6%.

Ms. Baur shared the Committee's recommendation to approve the Investment Performance Reports, as presented.

Motion [Baur/Chernow]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Investment Performance Reports for the period ending March 31, 2020, as presented. The motion was approved unanimously.

III. Foundation Budget 2020 – 2021

Ms. Baur presented the proposed Foundation Budget for Fiscal Year 2020 – 2021. Following the recommendation from Management, the Committee recommends the budget with reduced revenue and expenditures in light of the uncertainty surrounding the pandemic. The budget maintains the administrative fee at 5.0% and the endowment management fee at 1.50%, but it also recognizes reduced philanthropic giving and the lowered endowment valuation impacts the revenue. In addition, the allocations to University Advancement and to the Reputation and Visibility Initiative were reduced in light of investment returns.

Motion [Baur/Axelrod]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Foundation Operations Budget for Fiscal Year 2020 - 2021, as presented. The motion was approved unanimously.

IV. Foundation Reserves Analysis 2020 – 2021

Ms. Baur highlighted the Foundation Reserves Policy, which is the guidelines utilized by the Committee in its review and recommendation for the Foundation Reserves. Based on the approved budget and the valuations as of March 31, 2020, the amount of reserves for Fiscal Year 2020 – 2021 will decrease to \$5,038,263. The Committee recommends the approval of the Reserves Analysis.

Motion [Baur/Levy]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Reserves Analysis for Fiscal Year 2020 – 2021, as presented. The motion was approved unanimously.

V. Endowment Spending Distribution 2020 – 2021

Ms. Baur referenced the Foundation's Endowment Policy, which guides the decision regarding the annual endowment spending rate. The Committee carefully examined the investment returns of the endowment portfolio over the past decade during their meeting. The Committee also reviewed the performance and status of each of the individual endowments as part of their discussion. While the Committee acknowledged the volatility in the portfolio during March, the activity was one month among many, and as a result, the Committee determined the continuation of the spending rate of 4.0% was appropriate.

Motion [Baur/Malone]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Endowment Spending Distribution of 4.0% for Fiscal Year 2020 – 2021, as presented. The motion was approved unanimously.

V. NEW BUSINESS

A. Committee Membership for 2020 – 2021

Robert Myman presented the Committee Assignments for Fiscal Year 2020 – 2021 for the approval of the Board of Directors. There are no proposed changes in the assignments.

Motion [Abramson/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the committee assignments for Fiscal Year 2020 – 2021, as presented. The motion was approved unanimously.

VI. UNIVERSITY PRESIDENT'S REPORT

Robert Myman introduced Dianne Harrison, University President, and asked her to share her report.

President Harrison thanked the graduating members of the Board of Directors: Chuck Gilbert, Irving Zakheim, Cindy Chernow, Diana Vicente, Mohammad "Qaher" Hotaki, and Mary-Pat Stein for their service. She also thanked Bob Myman for his services as Board Chair over the previous three years and congratulated Robert Taylor on his election as Board Chair effective July 1.

Given the virtual environment coupled with recent protests following the murder of George Floyd, campus leadership has been dedicated to strategies to resume academic programs during the summer and fall terms while ensuring opportunities for success for students and faculty alike. Additional discussions have centered on diversity and inclusion to ensure all students can access the programs and services at the University and in the broader community as well. President Harrison intends to convene members of the campus and community in conversation to ensure the University's response to the current environment. She will also initiate communication with alumni and friends of the University as these discussions continue.

President Harrison concluded her report by acknowledging the challenges facing the University (COVID-19, projected budget cuts, race relations, among others) and her steadfast commitment to continue the academic traditions which have made CSUN the institution it is. She thanked the Board of Directors for their service and welcomed their assistance as the University moves forward.

Robert Myman thanked President Harrison for her remarks and leadership.

Robert Myman introduced Robert Taylor.

Robert Taylor offered his thoughts regarding the current challenges facing the University and the broader community and thanked the Board of Directors for their confidence in him as he begins his service as Board Chair.

There being no further business, the meeting adjourned at 5:54 p.m.


Ira N. Unterman
Chief Financial Officer / Secretary

(Copies of all document mailed and circulated are filed in the minutes book.)