

## BOARD OF DIRECTORS Minutes of Meeting

Wednesday, September 30, 2020

Meeting held by Zoom Teleconference

<b>Members Present:</b>	Alan Abramson, Honey Amado, Ivan Axelrod, Maite Irakoze Baur, Silvia Bizio, Daniel Chernow, Dennis DeYoung, Colin Donahue, John Golisch, Wendy Greuel, Robert Gunsalus, John Harris, Dianne Harrison, Cary Lefton, Barbara Levy, David Malone, Patricia Maloney, Diane Manzella, Roselva Merida, Robert Myman, Michael Neubauer, Carson Schreiber, Richard Schweitzer, Robert Taylor, Ira Unterman, Milt Valera, Stuart Waldman, Scott Weiss, Susana Ziarati
<b>Members Absent:</b>	Leslie Cutler, David Fleming, Ruth Harris, Paul Jennings, Ravi Sawhney, Deion Turner, Mary Beth Walker, Keith Weaver
<b>Emeriti Members Present:</b>	Bob Rawitch
<b>Staff and Guests Present:</b>	Courtney Brubaker, Special Events Coordinator Justin Cabanting, Assistant to the Foundation CFO Shellie Hadvina, AVP of Development and Alumni Relations Heather Lake, Senior Director of Development – Engineering & Computer Science Nate Micinski, Assistant Director of Development – Engineering & Computer Science Dominique Munoz, Senior Director of Special Events Houssam Toutanji, Dean, College of Engineering and Computer Science

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

Mr. Taylor welcomed the members of the Board and guests to the meeting and expressed his appreciation for their participation. He commended everyone for their flexibility to adapt and work in a virtual setting. He thanked everyone for always finding time to dedicate to the University.

Mr. Taylor welcomed Faculty President Michael Neubauer to his first meeting as Faculty Representative. He also welcomed Roselva Merida back to the Board as the Student Representative having previously served on the Board in that capacity. He encouraged them to participate in the meetings and the work of the Foundation given its impact on the University's students and faculty.

### I. PUBLIC COMMENT

Mr. Taylor asked for public comments.

Mr. Malone shared his thoughts during these "unprecedented times" to which the world is currently struggling to adapt. He hopes individuals will exercise their freedom to express opinions

in positive, non-violent, ways. He also hopes the Board will encourage University students and faculty to express their independent beliefs and opinions in peaceful ways.

Dr. Gunsalus agreed with Mr. Malone's comments and shared how campus leadership has been unified in their voice of support for calm discourse and to avoid the violent behavior exemplified in the media, which will not be tolerated, at the University.

President Harrison shared the University's Emergency Operations Group had met previous to the Foundation's meeting and have initiated discussions to ensure calm on the campus in the weeks leading up to the election and afterwards as well. She shared the campus had been the scene of a vocal, not violent, demonstration during the summer. She welcomed the continued engagement of the campus in community affairs in this positive manner.

## II. APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING

Mr. Taylor asked the Board to review the Minutes of the Meeting from June 3, 2020. He asked for a motion to approve and any comments.

**Motion [Lefton/Abramson]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Minutes of the Meeting from June 3, 2020, as presented.** The motion was approved unanimously.

## III. UNIVERSITY PRESIDENT'S REPORT

Robert Taylor introduced President Dianne Harrison, University President, for her report.

Dr. Harrison congratulated Robert Taylor on his first meeting as Chair of the Board, and she acknowledged Robert Myman's service over the last several years.

With enrollment surprisingly stronger, despite the impact of the COVID-19 pandemic, Dr. Harrison expressed her gratitude to faculty, staff, and students for their incredible resilience and grace to the virtual environment – thriving in the face of great challenge for success.

Dr. Harrison highlighted the campus' implementation of "CSUN as One," an on-line resource to share the extensive COVID-19 health and safety plan developed by the campus and to inform students, faculty, staff, and visitors about the protocols in place. A screening tool has also been developed for those who visit the campus to minimize the risk of exposure and the spread of COVID-19.

She shared the news of the appointment of Joseph I. Castro as the next Chancellor of the California State University. Dr. Castro is the first California native and first Mexican American to lead the 23-campus system. He will succeed Timothy White, who has served since 2012 as Chancellor. Dr. Harrison shared her excitement of Dr. Castro's appointment as they have worked together over the last seven years (Dr. Castro is president of Fresno State University), and he brings a proven commitment to students and faculty to his new role.

Dr. Harrison also shared that the search for her successor was proceeding as planned with an expected appointment in November.

The University picked up a few accolades over the summer, including placing 6<sup>th</sup> on Money Magazine's "Most Transformative Colleges" and The Wall Street Journal ranked CSUN #2 in the nation for diversity. In addition, she shared the impending award to CSUN of the Economic Development & Community Engagement Activities award from APLU & UEADA in recognition of the extensive community service to the San Fernando Valley and its constituents.

National and local events over the summer motivated CSUN to redouble its efforts in the area of racial justice on the campus, including the launch of a ten-point action plan to improve the climate for Black students, faculty, and staff, in furtherance of CSUN's core value of respect for all people and our campus priority of diversity and inclusion.

Dr. Harrison closed her report with the announcement of an anonymous gift of \$3 million to the Armenian program in the form of both academic support and scholarships for students in this important subject area.

In addition, Dr. Harrison was pleased to announce the generous commitment of \$11 million by Milton and Debbie Valera to support various program across campus, including Resilient Scholars, The Soraya, and scholarships in various colleges. The gift was extremely meaningful to President Harrison given their history with CSUN and the programs to which they have invested their philanthropic support. In light of their gift, she will recommend to the CSU Board of Trustees to rename University Hall, where the administrative offices are located, to Valera Hall, and to name the Resilient Scholars program in their honor. This action will take place at the November meeting.

President Harrison asked Milt and Debbie Valera to share their thoughts with the Board.

Milt Valera shared how he and Debbie are very fortunate to be a part of CSUN family at this point in their lives and they hope their actions can motivate others to support our University. He paid tribute to David Nazarian and Harvey Bookstein for their own generosity and example of giving. He also saluted President Harrison for her leadership and the differences she has made on the campus during her presidency. He also thanked Robert Gunsalus for his patience and diligence in making their commitment a reality.

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

Robert Taylor introduced Robert Gunsalus, Foundation President, for his report.

Dr. Gunsalus welcomed members of the Board to this first meeting of the fiscal year. He acknowledged the generous commitment of Milton and Debbie Valera again and his pleasure to work with them to realize their goals.

Dr. Gunsalus shared CSUN is one year away from the public launch of its first comprehensive campaign, which will transform the trajectory of giving on the campus. He thanked everyone for their gracious investments and looks forward to sharing more on the campaign's development as we move toward Fall 2021.

CSUN will host once again a mega-voting center for the County of Los Angeles. The center will provide a COVID-19 safe environment for residents to cast their ballots in the upcoming election in

November. In addition, CSUN plans to host a debate in the 25<sup>th</sup> Congressional District election, similar to the one in February.

Dr. Gunsalus shared that the update of the CSUN website has been initiated, and information will be shared in the coming year on this important aspect of outreach to our constituents and community.

Dr. Gunsalus shared the upcoming schedule of briefings by the College Deans and select program directors across campus of their programs and priorities. He hoped members would participate in the live briefings, as time allowed, or view the archived presentations on the website. Houssam Toutanji, Dean of the College of Engineering and Computer Science, will share his briefing with the Board following the meeting.

## V. COMMITTEE REPORTS

### A. Audit Committee

Robert Taylor introduced Dennis DeYoung, Chair of the Audit Committee.

#### Audit Report for Fiscal Year 2019 – 2020

Mr. DeYoung introduced the Audit Report for Fiscal Year 2019 – 2020. He reported CohnReznick, LLP, conducted the audit in coordination with the staff in this virtual environment. They issued an “unqualified” opinion and completed the audit in a timely manner. The financial statements are in accordance with current accounting principles and policy. The report is available on the Foundation’s website alongside previous fiscal years. The Audit Committee met with the auditors and reviewed the report at that time. The Committee approved them as presented.

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

Mr. DeYoung also reminded the members of the Board of Directors of the annual Conflict of Interest compliance statements. To date, 31 of the 37 members have completed their annual statement.

### B. Board Membership Committee

Robert Taylor introduced David Malone, Chair of the Board Membership Committee.

#### Committee Assignments

The Committee did not meet since the last Board of Directors meeting, however, there are two committee assignments for which the Board’s approval is required. The recommendation is to appoint Dan Chernow to the Engagement Committee and Diane Manzella to the Board Membership Committee.

**Motion [Malone/Schweitzer]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the assignment of Dan Chernow to the Engagement Committee and Diane Manzella to the Board Membership Committee.** The motion was approved unanimously.

## C. Development Committee

Mr. Taylor introduced Cary Lefton, Development Committee Chair.

### Giving Reports through June 30, 2020

Mr. Lefton presented the Giving Reports for Fiscal Year 2019 – 2020, which totaled \$22.1 million, an increase over the previous year. Cash receipts reached almost \$21 million, which was a record for CSUN and provided much needed cash resources for the University and its programs. Mr. Lefton thanked the Board for their individual commitments and their outreach to other alumni and friends. He noted the final quarter had its share of success with major gifts from both individuals and organizations to support the campus.

Mr. Lefton shared the change in the individual donor count reflects the pandemic, the loss of annual giving activities, and the University's decision to provide lifetime alumni memberships to the Class of 2020.

### Board Member Expectations

Mr. Lefton reviewed the Fundraising Section of the Board Member Expectations policy.

1. Make a personal gift to CSUN each year – 95% of the Board members made their annual gift last fiscal year.
2. Inclusive of that personal gift, Board members commit to give or get a gift of \$10,000 every year – 84% of Board members met the \$10,000 giving threshold.
3. Document a planned gift or bequest intention – eleven board members have documented their planned gift.

Mr. Lefton shared there have been occasions when a Board member has made a significant gift, which could be utilized to meet the annual giving requirement over a period of years. After discussion in the Committee, the following amendment to the policy is proposed for Fundraising Point #2:

*Inclusive of the annual personal gift, each Board member will give or raise on average at least \$10,000 annually during their term on the Board of Directors. This commitment reflects the realization of the leadership role the Board plays in fund development and the importance of annual participation.*

The Board discussed and reviewed the motion.

**Motion [Lefton/Maloney]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the amendment to the Foundation Board Member Expectations, as presented.** The motion was approved unanimously.

### Comprehensive Campaign Update

Mr. Lefton presented an update on the Comprehensive Campaign through September 15, 2020. Giving to date exceeds \$126 million and the Campaign Leadership Committee congratulated President Harrison and the Foundation in surpassing the \$125 million goal ahead of schedule. Mr. Lefton shared that giving continues to be strong and there are opportunities for additional engagement across campus. Marketing consultants have initiated their work with the colleges and programs to develop materials, and the kick-off event planning for Fall 2021 has begun. Mr. Lefton reiterated Dr. Gunsalus' comments about the upcoming briefing

and highlighted the schedule. He shared that the presentation by William Watkins on Student Affairs was informative, and he looked forward to the Engineering and Computer Science presentation at the conclusion of the meeting.

#### **D. Engagement Committee**

Mr. Taylor introduced Wendy Greuel, Chair of the Engagement Committee.

##### Committee Charter

Ms. Greuel shared that the Engagement Committee had its inaugural meeting and discussed their mission and purpose in light of the University's mission. The Committee reviewed and recommends the approval of the Committee charter as presented in the materials.

**Motion [Greuel/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Committee Charter of the Engagement Committee, as presented.** The motion was approved unanimously.

Ms. Greuel shared the Committee's intention to engage government and community representatives in discussions regarding the University and its plans for the future. Advocacy on behalf of the University will be a priority.

#### **E. Finance & Investment Committee**

Mr. Taylor introduced Maite Irakoze Baur, Chair of the Finance & Investment Committee.

##### Financial Statements through June 30, 2020

Ms. Baur presented the Financial Statements as of June 30, 2020. Total assets were \$204.7 million with investments under management at \$176 million and pledges receivable at \$17 million. As usual, liabilities were not significant, so net assets for the period ending June 30, 2020, is \$204.5 million – an increase of \$7 million during the fiscal year. Ms. Baur reiterated these financial statements are the basis of the financial audit discussed by the Audit Committee.

The Foundation's endowment was valued at \$116.6 million as of June 30, 2020, an increase from \$108 million a year earlier. This valuation is the result of new gifts to the endowment, net investment returns, and the spending distribution for Fiscal Year 2019 – 2020.

Total philanthropic revenue for the Fiscal Year was \$14.4 million, a decrease from the previous year. Net investment income was down for the Fiscal Year at \$5 million. Overall, revenue and support for the Fiscal Year was \$22.5 million versus \$28.5 million in the previous fiscal year. Expenditures for the year were down \$750,000 given the University's virtual environment during the fourth quarter (April – June). For the year, as previously reported, net assets increased \$7 million.

For the Fiscal Year, Foundation operations met its revenue projection and experienced reduced expenditures to report an excess of revenue over expenditures of \$467,000.

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

**Motion [Baur/Axelrod]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Financial Statements for the Fiscal Year 2019 - 2020, as presented.** The motion was approved unanimously.

#### Investment Performance Reports

Ms. Baur continued her presentation with the Investment Performance Reports. She reviewed the Consolidated Investment Performance Report, which showed net investment income of \$5 million for the Fiscal Year. Overall, the investment portfolio grew from \$167.7 million (June 30, 2019) to \$176.9 million as of June 30, 2020 – an increase of \$9 million. The increase is the summation of net investment income and philanthropic gifts.

Ms. Baur reported that all of the investment portfolios were in compliance with the Foundation's Investment Policy Statement as of June 30, 2020, in relation to asset allocation.

The Foundation's Allocated Reserves Portfolio continues to be invested in short-term, high quality investment instruments to ensure a source for cash flow requirements. For the Fiscal Year, the portfolio had a return of 1.8% with the required liquidity and asset quality.

The investment in Makena Capital recorded a loss for the quarter (April through June) based on the valuation of the underlying assets given the economic conditions in February and March 2020. For the twelve month period, the investment recorded an unrealized loss of \$230,000. The investment provided \$2.3 million in distributions given our continued liquidation of this particular investment vehicle.

The Student Managed Investment Portfolio, which is managed by students in the Nazarian College's Department of Finance, reported net investment return of 1.5% for the Fiscal Year.

Ms. Baur presented highlights from the Goldman Sachs report showing the investment return for the Fiscal Year was 3.30%, which includes a negative return for the period from January – June 2020 of -2.50%. The Committee discussed with the investment managers the current market conditions and the Foundation's investments during their meeting, and no changes were recommended.

Ms. Baur shared the Committee's review recommends approval of the report.

**Motion [Baur/Malone]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Investment Performance Reports through the period ending June 30, 2020, as presented.** The motion was approved unanimously.

#### Foundation Fee Policy

Ms. Baur presented the proposed Foundation Fee Policy. Following the recommendations from Management, the Committee reviewed the updated policy, which was originally adopted by the Foundation Board in September 2001. The policy sets forth the manner in which the fee is implemented with definitions, processes, and guidelines. The Foundation will continue to set the rate as part of the annual budget process each spring. The policy, once adopted, will be posted on the Foundation's website.

**Motion [Baur/Axelrod]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Foundation Fee Policy, as presented. The motion was approved unanimously.**

**VI. NEW BUSINESS**

Robert Taylor asked the Board for any other business.

Milt Valera asked the University leadership if there was a strategy in which the Foundation could help sustain the Orange Grove on the campus. Colin Donahue indicated the grove is being maintained throughout the year, and he is available to answer questions regarding opportunities in this regard.

President Harrison addressed a question regarding African American enrollment in the California State University in general and the efforts, both locally and nationally, to engage and retain African American students in higher education. She noted the challenge is indeed national, and that it is one of the action items the campus is addressing at this time alongside other campuses, who have also seen these challenges. She believes the current efforts will help alleviate the challenge.

Robert Taylor thanked the Board of Directors for their input and attendance. He encouraged the members to remain on-line for the presentation by Houssam Toutanji, Dean of the College of Engineering & Computer Science.

There being no further business, the meeting adjourned at 5:27 p.m.



Ira N. Unterman  
Chief Financial Officer / Secretary

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