

CSUN | FOUNDATION

BOARD OF DIRECTORS Meeting Minutes

Wednesday, March 3, 2021

Zoom Teleconference Meeting

Members Present: Honey Amado, Ivan Axelrod, Maite Baur, Erika Beck, Daniel Chernow, Dennis DeYoung, Wendy Greuel, Robert Gunsalus, Cary Lefton, Barbara Levy, Patricia Maloney, Diane Manzella, Rose Merida, Robert Myman, Michael Neubauer, Carson Schreiber, Richard Schweitzer, Robert Taylor, Ira Unterman, Milt Valera, Stuart Waldman, Mary Beth Walker, Scott Weiss, Susana Ziarati

Emeriti Members Present: Joy Picus, Bob Rawitch

Members Absent: Alan Abramson, Silvia Bizio, Leslie Cutler, Colin Donahue, John Harris, Ruth Harris, Paul Jennings, David Malone, Ravi Sawhney, Deion Turner, Keith Weaver

Staff Present: Courtney Brubaker, Special Events Coordinator
Justin Cabanting, Assistant to the Foundation CFO
Shellie Hadvina, AVP of Development and Alumni Relations
Genevieve Evans-Taylor, Chief of Staff, Office of the President

Robert Taylor, Chair, called the meeting to order at 3:04 pm.

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

Mr. Taylor welcomed Erika Beck, CSUN's new president, to her first Board of Directors meeting, and he acknowledged the important efforts she has made in her initial weeks. He shared that President Beck would participate in a conversation at the end of the meeting.

I. PUBLIC COMMENT

No public comment was shared.

II. CONSENT AGENDA

A. Minutes of September 30, 2020, Foundation Board Meeting

Mr. Taylor asked the Board to review the Minutes of the Meeting from September 30, 2020. Mr. Taylor proposed a change to the record in regards to the President's remarks:

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.

The Board concurred with the addition.

Motion [Greuel/Neubauer]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the minutes of the meeting from September 30, 2020, as amended. The motion was approved unanimously.

III. FOUNDATION PRESIDENT'S REPORT

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

Dr. Gunsalus shared his enthusiasm in his work with the new University President – Dr. Erika Beck. They have met with alumni and donors, and her positive energy has inspired renewed engagement. Additional meetings and receptions are planned in the coming months to introduce her and to engage in conversations as part of her initial listening tour.

Dr. Gunsalus shared that philanthropic giving continues to be positive with a hope of \$30 million in gifts by fiscal year-end. He also shared the initial focus groups have started to explore the redesign of the University's website.

IV. COMMITTEE REPORTS

A. Audit Committee

Robert Taylor introduced Mr. Ira Unterman, Foundation Chief Financial Officer, to deliver the report on behalf of the Audit Committee.

Mr. Unterman shared that he is working with CohnReznick on the Foundation's IRS Form 990. He reminded the Board members they will have an opportunity to review and comment on the draft return prior to its submission.

Mr. Unterman confirmed the Committee's review of the annual Conflict of Interest statements, and no conflicts had been reported to date. Management continues to ensure all of these are submitted annually as required by law.

B. Board Membership Committee

Robert Taylor introduced Dr. Gunsalus to deliver the report on behalf of the Board Membership Committee.

Dr. Gunsalus reported that John Golisch had resigned from the Board in November and David Fleming has decided not to seek re-election to the Board. Both had served previously for many years and will continue as Directors Emeriti.

Item I - Election of Directors

Dr. Gunsalus presented the two candidates for election to the Board of Directors for three-year terms: Carson Schreiber and Priscilla Moyer.

Motion [Gunsalus/Amado]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation re-elects Carson Schreiber to the Board of Directors for a three-year term from March 1, 2021, through February 29, 2024.

Be it Further Resolved, the Board of Directors of the California State University, Northridge Foundation elects Priscilla Moyer to the Board of Directors for a three-year term from March 4, 2021, through February 29, 2024. The motions were approved unanimously.

Item II - Election of Directors Emeriti

Dr. Gunsalus presented the two candidates for election as Directors Emeriti as a result of their distinguished service and leadership to the Foundation and the University. The Board Membership Committee recommends the election of Charles Gilbert and Irving Zakheim.

Motion [Gunsalus/Valera]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects Charles B. Gilbert and Irving Zakheim as Directors Emeriti. The motion was approved unanimously.

C. Development Committee

Mr. Taylor introduced Cary Lefton, Development Committee Chair, to provide the update on the work of the Development Committee.

Mr. Lefton thanked the Board for their continued generosity and contribution and reported that many others are stepping up inspired by the mission of the University to support its students.

Item I - Giving Reports through December 31, 2020

Mr. Lefton presented the Giving Reports through December 31, 2020, the six-month period, which showed philanthropic gifts totaled \$21.8 million. For Fiscal Year 2019 – 2020, the results were \$22 million. It is evident CSUN will raise in excess of \$19 million for the eighth consecutive year.

Mr. Lefton thanked Milt and Debbie Valera for their transformational gift. He also highlighted an anonymous gift of \$3 million to further Armenian Studies on the campus. Mr. Lefton shared that there had been two gifts of \$500,000 and thirteen (13) gifts of \$100,000 or greater during the first six months.

Mr. Lefton also shared that while the dollars are greater year over year, the number of donors has decreased as a result of the pandemic and the curtailment of the University's calling program and senior class gift. Plans are being explored to initiate the calling program in April and a unique program to encourage the graduating class to give will be launched later this month.

Item II – Board Giving through December 31, 2020

Mr. Lefton reported that as of December 31, 2020, more than 69% of the members had made a contribution to CSUN. Fifty percent (50%) had made the \$10,000 commitment this year. He encouraged Board members to demonstrate their leadership and to discuss their philanthropic giving with University representatives.

Item III - Comprehensive Campaign Update

Mr. Lefton reported that the comprehensive campaign had raised \$144.2 million as of February 19, 2021. University staff is working with the marketing consultants to develop the campaign materials for the public launch, which will include individualized options for each college and unit. He also thanked members of the Board for their participation in the focus groups related to the website redesign, which will be an important aspect of the campaign launch.

D. Engagement Committee

Mr. Taylor introduced Wendy Greuel, Engagement Committee Chair, to provide the update on behalf of the Committee.

Mrs. Greuel shared the discussions which took place at the Committee's meeting, including:

1. CSUN is one of five Los Angeles County vaccination sites, and its operation has been seen as efficient and effective in the first six weeks.
2. Dr. Beck and the University hosted the California Briefing on 25 Years of Hispanic Serving Institutions to Accelerating Latinx Student Success. U.S. Senator Alex Padilla joined the briefing to share his thoughts.
3. Governor Newsom shared his preliminary budget in January, and since then, President Beck and others have met with California legislators to advocate for increased funding for the California State University.
4. Locally, the Committee is reviewing its role in the Fernando Awards, which recognizes leadership in the San Fernando Valley, and the University's opportunities to engage with community and regional organizations to strengthen relationships between the University and the organizations' leadership.

E. Finance & Investment Committee

Robert Taylor introduced Maite Irakoze Baur, Chair of the Finance & Investment Committee, for the Committee's report.

Item I - Financial Statements through December 31, 2020

Ms. Baur presented the financial statements as of December 31, 2020. Total assets were \$238.6 million, an increase of \$34 million compared to June 30, 2020. She highlighted other aspects regarding the assets of the Foundation. Of note, the Foundation's endowment was valued at \$134.7 million as of December 31, the result of philanthropic gifts and investment income.

The Statement of Activities shows revenue from philanthropic gifts of \$14.3 million and net investment income of \$23.8 million. Expenditures were down year over year by about \$1 million, reflective of the virtual environment on campus. The excess of revenue over expenditures was \$34 million, an overall increase in total assets.

The Foundation's operations are within expectations for both revenue and expenses.

Ms. Baur reported that the Committee reviewed and discussed these statements.

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

Item II - Investment Performance Reports

Ms. Baur reviewed the Investment Performance Reports starting with the Investment Summary Performance Report, which showed the net investment income for the period at \$23.8 million. These results are allocated between the Foundation's various portfolios with \$15.6 million in the endowment portfolio and \$8.1 million in the non-endowment portfolio.

The Foundation's Allocated Reserves Portfolio had nominal investment income of \$37,000 given its investment strategy of liquidity and low-risk. The portfolio is in compliance with the policy.

The Makena Endowment Portfolio (MEP) reported unrealized gains of \$1.3 million for the six-month period. To date, the investment has recognized over \$8 million in unrealized gains since its inception in 2013.

The Student Managed Investment Fund reported a return of 10.3% for the six-month period.

Ms. Baur presented the highlights from the Goldman Sachs report for both the Endowment and Non-Endowment portfolios. For calendar year 2020, the portfolios had returns of 10.7%. For the six-month period (July – December), the return is 13.5%. Our annualized return for the last three years is 7.89%. Asset allocation continues to be in compliance with the Foundation's policy.

Ms. Baur also reported that the Committee met with Marene Jennings, who oversees fund analysis at Goldman Sachs, and Abigail Pohlman, who oversees the ESG strategy option at Goldman Sachs, as part of the Committee's ongoing oversight of the investment portfolios.

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

Investment Policy for Student Managed Investment Funds

Ms. Baur presented the amendment to the Investment Policy for the Student Managed Investment Funds proposed by the Committee. The amendment clarifies the prohibited asset classes for that particular fund.

Members of the Board discussed the amendment, including the limitations. Ms. Baur reminded the Board of the educational nature of the fund and the amendment does not change the parameters of the investments that have been in place since November 2015.

Mr. Valera inquired about the Foundation's financial situation compared to other CSU campuses. Dr. Gunsalus confirmed that CSUN compares very well with our endowment's valuation in sixth place as of June 30. He also shared the Foundation's annual participation in the NACUBO Endowment study, which provides additional insight to the Finance and Investment Committee and the Foundation as to investment returns, asset allocation, and governance.

Motion [Neubauer/Axelrod]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation amends the Investment Policy for the Student Managed Investment Funds, as presented. The motion was approved unanimously.

V. NEW BUSINESS

There was no additional business that was discussed.

VI. A CONVERSATION WITH THE UNIVERSITY PRESIDENT

Robert Taylor introduced University President, Dr. Erika Beck.

Dr. Beck introduced herself and shared her initial thoughts since her appointment. She also introduced Genevieve Evans Taylor, her Chief of Staff, who joined her from Channel Islands.

Dr. Beck shared that the pandemic continues to be a focus, and she has established a Tactical Repopulation Task Force to coordinate and advise on the campus' strategies to bring students and faculty back to campus and to re-start campus programs and activities like athletics and cultural arts.

Dr. Beck discussed her 100-day Listening Tour, which had commenced in January, and her goal to meet with students, faculty, staff, alumni, donors, and community leaders to listen and gain perspectives from those closest to the University. Her goal continues to be the mission of the University to educate and engage students and to ensure their connection to the University and the broader community. She plans to share her thoughts upon the conclusion of the Listening Tour.

Members of the Board shared their thoughts and anecdotes during the conversation.

There being no further business, the meeting adjourned at 4:49 p.m.



Ira N. Unterman
Chief Financial Officer / Secretary

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