



**BOARD OF DIRECTORS
Minutes of Meeting**

Tuesday, September 28, 2021

Kurland Lecture Hall (CSUN) / Zoom Teleconference

Members Present: Alan Abramson, Erika Beck, Daniel Chernow, Dennis DeYoung, Wendy Greuel, Michael Neubauer, Kaitlyn Orozco, Thor Steingraber, Robert Taylor, Ira Unterman, Milt Valera, Mary Beth Walker

Members via Zoom: Honey Amado, Ivan Axelrod, Maite Baur, Silvia Bizio, Colin Donahue, John Harris, Ruth Harris, Paul Jennings, Cary Lefton, Barbara Levy, David Malone, Patricia Maloney, Diane Manzella, Priscilla Moyer, Ravi Sawhney, Carson Schreiber, Richard Schweitzer, Stuart Waldman, Scott Weiss, Susana Ziarati

Members Absent: Les Cutler, Jonathan Hay, Robert Myman, Keith Weaver, Scott Weiss

Directors Emeriti Present: George Leis, Phil Mundy

Directors Emeriti via Zoom: David Honda, Bob Rawitch

Staff Present: Justin Cabanting, Ryan Conlogue, Erik Greeny, Shellie Hadvina

Robert Taylor, Board Chair, called the meeting to order, at 3:37 pm. Mr. Taylor indicated a quorum was present.

Mr. Taylor welcomed the members of the Board to the in-person/Zoom hybrid meeting and expressed his appreciation for their participation and commended President Beck, directors, directors emeriti, and staff for their service to the University.

I. PUBLIC COMMENT

No public comment was shared.

II. REVIEW OF MINUTES FROM PREVIOUS MEETING

Robert Taylor asked the Board to review the Minutes of the Meeting from June 2, 2021.

Motion [Greuel/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the minutes of the meeting from June 2, 2021, as presented. The motion was approved unanimously.

III. UNIVERSITY PRESIDENT'S REPORT

Robert Taylor introduced Dr. Erika Beck, University President, for her report.

Dr. Beck welcomed everyone in attendance and expressed her excitement to see campus life revitalized with faculty, students, and staff. She also welcomed George Leis, Director Emeritus, to the meeting, with whom she worked when he served as the chair of California State University, Channel Islands Foundation.



Dr. Beck expressed her gratitude to Thor Steingraber for his efforts as Interim Vice President for University Relations and Advancement and Foundation President. Mr. Steingraber will serve in both capacities until the vice presidential search can be conducted for this position. This appointment is expected to be made by January 2022, and she thanked Colin Donahue, Vice President for Administration and Finance; Michael Neubauer, Faculty President, and Jonathan Jay, Associated Students President; for their service on the Search Committee. Dr. Beck noted the importance of the position given the University's plans for the future.

Dr. Beck shared recent developments regarding the Equity Innovation Hub, which is moving forward with both funding and planning. The \$25 million allocation from the State of California coupled with the recent announcement from Apple of \$25 million in programming and equipment has created momentum, both locally and nationally. She will travel in October to meet with United States Senators Alex Padilla (California) and Robert Menendez (New Jersey) regarding opportunities for national investment in the project. She will also participate in programs and share our success at conferences from Excelencia in Education and the Hispanic Association of Colleges and Universities. The campus is actively pursuing philanthropic and government support to help fund this project.

Dr. Beck shared an update on the follow-up to her 100-Day Listening Tour, which is the creation of a "Road Map" for the campus. She recognized the efforts of Mary Beth Walker, Provost and Vice President for Academic Affairs, who is leading the campus-wide initiative.

Dr. Beck expressed her gratitude to Milt and Debbie Valera, whose generosity will be commemorated after the meeting and others who have helped the University through the years. She also shared information about other allocations to the campus for the new CSU ethnic studies requirement and basic needs as well as HERFF funds. All of these philanthropic gifts and allocations have made it possible to balance our budget. Dr. Beck commended University staff for "moving mountains" to assist students and faculty in the post-pandemic recovery, making labs and music courses accessible via learning pods as we continue to utilize hybrid learning.

Dr. Beck concluded her report with an update on the campus' vaccination and testing protocols.

IV. FOUNDATION PRESIDENT'S REPORT

Robert Taylor introduced Thor Steingraber to provide the Foundation President's report.

Mr. Steingraber thanked Mr. Taylor and President Beck for the opportunity to serve as Interim Foundation President. He noted it had been a busy three months since his appointment.

Mr. Steingraber shared his work with the Foundation, including the recent Financial Audit. With assets in excess of \$300 million, he shared that the Foundation has \$147 million in 582 distinct endowment funds, and he is working with campus colleagues regarding the \$12 million available in endowment working accounts.

Mr. Steingraber shared details on the campus' first comprehensive campaign. Total giving was \$193 million as of August 31, and new commitments in September exceed \$31 million. Alongside President Beck and David Nazarian, they continue to analyze the results with our campaign counsel, Bentz Whaley Flessner, to determine the impact the campaign has had on the campus and in stimulating donors to give. The intention is to share more information at the Board's next meeting.

Mr. Steingraber closed his report by sharing the success of the recent Construction Management Golf Classic with over 100 golfers and encouraged members to join The Soraya as it prepares for its reopening in mid-October. He also encouraged those in attendance to join President Beck for the Valera Hall Dedication after the meeting to commemorate the Valera's generous contributions to the University.

V. COMMITTEE REPORTS

A. Audit Committee

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

Item 1 – Audit Report for Fiscal Year 2020 – 2021

Dennis DeYoung shared that the Committee met via Zoom on September 14, 2021, and thanked the members for their service and expertise. The Committee continues to work with our colleagues at CohnReznick on the annual audit. The Foundation's report has an unmodified opinion letter signed by the auditors, the highest level of assurance. The audit report is available through our website and provides donors with the information they need to make their philanthropic decisions. In addition to the financial statements, the footnotes provide significant information regarding the Foundation's policies and detailed schedules on key assets.

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

Mr. DeYoung closed his report by sharing that Annual Compliance Statements for Fiscal Year 2021 – 2022 were distributed via mail and AdobeSign. He encouraged members of the Board of Directors to respond by either method so the annual process is completed in a timely manner.

B. Board Membership Committee

Robert Taylor introduced David Malone to deliver the report on behalf of the Board Membership Committee.

Item I - Election of Directors

Mr. Malone apologized for his inability to join the meeting in person given business commitments. He acknowledged the importance of the campus reopening and acknowledged the Valera's generosity.

Mr. Malone shared that the Board Membership Committee met on September 8 and reviewed the items to be presented at the meeting. There are currently 36 members with Jonathan Hay and Kaitlyn Orozco serving as the student representatives and Dr. Michael Neubauer continues to serve as the faculty representative.

Mr. Malone shared that the Committee reviewed the recommendation to elect George Leis to the Foundation's Board of Directors. George previously served until June 2019 and has distinguished record of business and volunteer success. The Board Membership Committee recommends his election to a three-year term from September 29, 2021, through September 28, 2024.

Motion [Malone/Valera]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects George Leis to the Board of Directors for a three-year term from September 29, 2021 through September 28, 2024. The motion was approved unanimously.

C. Development Committee

Robert Taylor introduced Ruth Harris, Development Committee Chair, to provide the update from the Development Committee.

Mrs. Harris thanked the Board for their leadership and philanthropic support.

Item I - Giving Reports through June 30, 2021

Mrs. Harris presented the Giving Reports through June 30, 2021, which showed philanthropic gifts totaled \$72.5 million. She acknowledged the generosity of Mackenzie Scott and Dan Jewett to ensure a record year of philanthropic support.

Mrs. Harris acknowledged several gifts of note, including a gift from Andrew Anagnost to provide funds for the Equity Innovation Hub, a gift from Dr. Rick Ratcliffe, former dean of the College of Engineering and Computer Science, who left 40% of his estate for a scholarship endowment in the College of Engineering and Computer Science, a contribution from the Eisner Foundation for the Michael D. Eisner College of Education, and a gift from Dale Sipma to support scholarships in the Department of Nursing.

Mrs. Harris noted the number of individual donors decreased given the pandemic and reduced annual giving activities. Total individual donors was 11,600 during the fiscal year.

Item II – Board Giving through June 30, 2021

Mrs. Harris reported that as of June 30, 2021, thirty-two (32) out of 36 Board members made a gift in Fiscal Year 2020 – 2021 with 82% making or obtaining the \$10,000 expectation. Philanthropic giving by the Board members demonstrates the leadership role we play in the University's fulfillment of its mission and the importance of giving to the University's future.

Mr. Taylor shared heartfelt remarks regarding Dr. Ratcliffe given his relationship with him during his undergraduate education at CSUN. He was honored to have met and worked with him during their time at the University.

D. Engagement Committee

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

Ms. Greuel shared that the Engagement Committee is looking to expand and engage in discussions to refocus its work to benefit the University as a whole. She shared an amendment to the Engagement Committee Charter to reflect this additional effort.

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

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 March 31, 2021

Maite Irakoze Baur presented the Financial Statements as of June 30, 2021. Total assets were \$300.9 million, an increase of \$96 million year over year. She highlighted the significant changes in the Balance Sheet as a result of this increase. Ms. Baur shared a comprehensive schedule on pledges receivable, which was created to provide the Board and Finance Committee with more information regarding this particular asset. She also reminded the Board of the write-off of the pledge from MLB-MLBPA Youth Development Foundation.

The Statement of Activities reflects revenue from philanthropic gifts of \$65.6 million, an increase of \$50 million from the previous fiscal year. Net investment income was \$40.3 for the year. Overall, revenue for the year was \$109 million. Expenditures decreased by \$1.5 million to \$13.5 million. This decrease is attributable to the pandemic's impact on the campus.

The Foundation's operations showed revenue of \$2.3 million from fees and \$13 million in net investment income. Operating expenses for the year were \$650,000 and allocations to the University were \$1.95 million. Net proceeds were \$12.5 million.

Motion [Baur/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Financial Statements for the year ended June 30, 2021, as presented. The motion was approved unanimously.

Item II - Investment Performance Reports

Ms. Baur reviewed the Investment Performance Reports starting with the Investment Summary Report, which details the investment activities for the various portfolios. She noted the net investment income of \$40.3 million correlates to the figures on the Financial Statements. She also reviewed the asset allocation as of June 30, which were in compliance with the Foundation's Investment Policy with the exception of cash, which was enhanced due to the philanthropic gift of \$40 million received in late June.

Ms. Baur reviewed the Foundation's Allocated Reserves Portfolio with an investment return of \$51,000 or approximately 1.0%. The portfolio is both liquid and risk averse.

The Makena Endowment Portfolio (MEP) was discussed. The return for the fiscal year was approximately 20%, which reflects a significant rebound from the initial months of the pandemic. Distributions have continued to be received quarterly given our decision to liquidate this investment. She highlighted that cash distributions on the non-endowment portfolio's investment have exceeded the original investment, so future distributions will reflect realized gains. Ms. Baur shared it is anticipated the endowment portfolio's investment will recognize its full realization with the next distribution. The Committee continues to monitor this investment to ensure its positive impact on the overall strategy.

The Student Managed Investment Fund recorded a net investment return of 21% for Fiscal Year 2020 – 2021 and an annualized return of 10% since its inception in November 2015.

Ms. Baur presented the highlights from the Goldman Sachs report for both the Endowment and Non-Endowment portfolios. The portfolios had returns of 21.4% for the fiscal year (July 2020 – June 2021), which results in annualized returns of 10% for both three and five years, respectively, which is more than the target of 7.0%.

The Committee reviewed all of the investment performance reports in detail. No changes were made to the investment strategies and the Committee recommended the approval of the Investment Performance Reports.

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

Item III – Creation of Quasi-Endowment

Ms. Baur presented a resolution to create a Quasi-Endowment fund with the Mackenzie Scott and Dan Jewett gift. Ms. Baur reminded the Board that a quasi-endowment functions like an endowment, but it is created by the Board of Directors and the corpus or principal will be available throughout the term. University Leadership presented their plan, including a ten-year cash flow, and the Committee endorsed this strategy. Ms. Baur also reported that the Finance and Investment Committee has approved an investment strategy of equities and fixed income for this quasi-endowment. No alternative investments will be utilized and Goldman Sachs will provide investment management services. This endowment will be reported separately on our Financial Statements.

Motion [Baur/Leis]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the creation of a quasi-endowment fund with the unrestricted philanthropic funds received from Mackenzie Scott and Dan Jewett. The motion was approved unanimously.

Ms. Baur concluded her report with the announcement of her resignation from the Board of Directors. She expressed appreciation for her time with the Foundation and her leadership of the Committee. Mr. Taylor expressed the Foundation's appreciation for her service.

VI. NEW BUSINESS

Mr. Taylor announced a special meeting of the Board of Directors will take place on **Wednesday, November 3, at 4:00 p.m.**

There being no further business, the meeting adjourned at 4:47 p.m.



Ira N. Unterman
Chief Financial Officer / Secretary

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