

**BOARD OF DIRECTORS
Minutes of Meeting**

Tuesday, June 6, 2022

**Kurland Lecture Hall (CSUN) /
Zoom Teleconference Meeting**

Members Present (via Zoom): Dan Chernow, John Harris, Paul Jennings, Barbara Levy, Patricia Maloney, Priscilla Moyer, Kaitlyn Orozco, Milt Valera, Stuart Waldman

Members Present (in Person): Alan Abramson, Honey Amado, Ivan Axelrod, Erika Beck, Dennis DeYoung, Wendy Greuel, Ruth Harris, Nichole Ipach, George, Leis, Robert Myman, Michael Neubauer, Richard Schweitzer, Robert Taylor, Ira Unterman, Scott Weiss

Members Absent: Les Cutler, Colin Donahue, Jonathan Hay, Cary Lefton, David Malone, Diane Manzella, Ravi Sawhney, Carson Schreiber, Mary Beth Walker, Keith Weaver, Susana Ziarati

**Emeritus Members Present:
(In Person)** Phil Mundy

Guests: Matae Bitong, Felicia Conlan, Shayan Moshtael, Debbie Myman

Staff Present: Justin Cabanting, Assistant to the Foundation CFO
Thor Steingraber, Executive Director of The Soraya

Robert Taylor, Board Chair, called the meeting to order at 4:04 pm. Mr. Taylor indicated a quorum was present.

Mr. Taylor welcomed the members of the Board of Directors to the annual meeting. He expressed his continued appreciation for the support of the members of the Board to participate, both in person and virtually. The Foundation continues to make a difference for Matadors. He highlighted the recent Distinguished Alumni Awards, which was an example of alumni making a difference.

Mr. Taylor introduced Shayan Moshtael, Associated Students President, and Felicia Conlan, Alumni Association President-Elect, who will join the Board of Directors as of July 1. Mr. Moshtael was appointed by President Beck to serve as a student representative alongside Kaitlyn Orozco, who will continue to serve in that capacity. Mr. Taylor also indicated President Beck had reappointed Michael Neubauer, Faculty President, to serve as the faculty representative.

I. PUBLIC COMMENT

No public comment was shared.

II. APPROVAL OF MINUTES

Robert Taylor asked the Board to review the Minutes of the Meeting from March 1, 2022.

Motion [Axelrod/Greuel]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the minutes of the meeting from March 1, 2022, 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 was happy to see everyone just days after the successful Distinguished Alumni Awards. She conveyed her appreciation for the Board's attendance at that event. She also echoed her welcome to the faculty, student, and alumni representatives for the upcoming fiscal year.

Dr. Beck highlighted recent campus accomplishments:

- First in-person commencement exercises since 2019 featured ten ceremonies, 12,000 graduates, and 68,000 family and friends.
- Department of Cinema and Television Arts (CTVA) was named one of Variety's '30 Top Film Schools in North America' in recognition of renowned faculty, industry-standard facilities and strategic partnerships.
- Robert Taylor, Erika Beck, and Nichole Ipach visited with Helen Hoehne, President of the Hollywood Foreign Press Association, who shared their continued support of \$100,000 for CTVA and the Department of Journalism.
- The Michael D. Eisner College of Education secured a \$3.5 million, three-year grant from the Ballmer Foundation to create a new certificate program in reading and literacy. The certificate program will be implemented with teachers from the Los Angeles Unified School District.
- David Moon, Professor in the Mike Curb College of Arts, Media and Communications, was awarded the Wang Family Excellence Award in recognition of his dynamic teaching style and creative learning environments. The award is presented by the California State University Board of Trustees annually from among thousands of CSU faculty.
- Campus leadership continues to advocate for funding from the State of California alongside the Interim Chancellor and other campus representatives from the CSU.
- The California State University Board of Trustees approved our plan for the HSI Global Equity Innovation Hub, so the campus will move to the next step in the construction of this new building near Jacaranda Hall to open in Fall 2024.
- Dr. Beck, alongside UCLA Chancellor Gene Bloch, met with the Mexican Ambassador to the United States regarding educational exchange programs.

Dr. Beck expressed her appreciation to Provost Mary Beth Walker for her tireless efforts in leading the planning process for the CSUN Roadmap to the Future. Provost Walker and her task force did a terrific job of integrating the thoughts and ideas from faculty, staff, students, alumni, and community leaders into the final project. The Foundation Board will review the Roadmap in greater detail at their retreat in August. Dr. Beck also expressed her heartfelt wishes to Provost Walker on her recent decision to retire and spend more time with her family. Provost Walker has made collaboration and partnership a significant aspect of academic affairs at CSUN, and she will be missed.

IV. COMMITTEE REPORTS

A. Audit Committee

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

Mr. DeYoung acknowledged the Audit Committee's work since the last meeting. Working with CohnReznick, the Committee reviewed and approved the IRS Form 990 and California Form 199 for submission. Members of the Board of Directors received a draft copy of the IRS Form 990 for their comments prior to the Audit Committee meeting. The information returns were filed in a timely manner and the IRS Form 990 is available on our website.

The annual compliance statements for members of the Board of Directors have been reviewed by the Committee and there are reportable conflicts. Two members of the Board have not submitted their statements, so follow-up continues.

The Audit Committee met with Michael Good from CohnReznick, LLC, for the audit planning in May. Work on our annual financial audit upon the completion of the fiscal year on June 30. The Committee reviewed the plan and asked questions about the plan for this year. CohnReznick plans to utilize a hybrid model of on-campus and virtual meetings and reviews of processes utilized by the Foundation this year. The Audit Committee also reviewed and recommends the approval of the Audit Engagement Letter for Fiscal Year 2021 – 2022. The letter is similar to previous years.

On a question regarding the audit firm selection process, Mr. DeYoung shared that the Audit Committee reviewed the service of CohnReznick last September and opted to continue the relationship. Mr. DeYoung indicated it was the eighth year of CohnReznick's service to the Foundation. Mr. DeYoung shared the audit team changes from year to year in order to provide diverse perspectives in the audit process. The only consistent member since the relationship's inception is Michael Good, the partner who oversees the not-for-profit services in Los Angeles. A selection process, when appropriate, would commence in the fall to provide sufficient time to review and approve a new auditor before planning must commence. The Audit Committee will review the services again at the conclusion of the financial audit process in September.

Motion [DeYoung/Amado]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the engagement of CohnReznick, LLP, for the financial audit for Fiscal Year 2021 - 2022. The motion was approved unanimously.

B. Board Membership Committee

Robert Taylor introduced Wendy Greuel to provide the report of the Board Membership Committee on behalf of David Malone, Chair of the Board Membership Committee.

Ms. Greuel reported there are thirty-five (35) members of the Board of Directors. She reiterated the appointments by President Beck of student representatives and the faculty representative for Fiscal Year 2022 - 2023. She also shared the terms of service for Cary Lefton and David Malone will conclude on June 30 with each having served nine years. She expressed appreciation to their commitment to the Foundation and their service and dedication to the University.

Item 1 – Election of Directors

Ms. Greuel shared the Committee reviewed and recommends the election of two individuals to the Board of Directors of the California State University, Northridge Foundation. John Sinnema will be a new member of the Board of Directors. Mr. Sinnema oversees private wealth management in the State of California for U.S. Bank. Stuart Waldman will be re-elected to his second term on the Board. Stuart is the President of the Valley Industry and Commerce Association (VICA). Both will be elected to a three-year term commencing on July 1, 2022, through June 30, 2025.

Motion [Greuel/Leis]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects John Sinnema and Stuart Waldman to serve on the Board of Directors for a three-year term from July 1, 2022, through June 30, 2025. The motion was approved unanimously.

Item 2 – Election of Officers

Ms. Greuel introduced the Slate of Officers for the consideration of the Board of Directors for Fiscal Year 2022 – 2023, as follows:

- Robert Taylor, Board Chair
- Robert Myman, Immediate Past Chair
- Nichole Ipach, Foundation President
- Ira N. Unterman, Foundation Chief Financial Officer / Foundation Secretary

The Committee reviewed and recommends the election of these officers.

Motion [Greuel/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation elects the Slate of Officers for Fiscal Year 2022 – 2023, as presented. The motion was approved unanimously.

Item 3 – Committee Assignments

Ms. Greuel shared the Committee's recommendation for service on the standing committees of the Board of Directors. For Fiscal Year 2022 – 2023, John Sinnema will join the Board Membership Committee and Wendy Greuel will be chair of the Board Membership Committee. The remainder of the committee assignments remain the same. The Committee reviewed and recommends the approval of the assignments for Fiscal Year 2022 – 2023.

Motion [Greuel/Weiss]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the committee assignments for Fiscal Year 2022 – 2023, as presented. 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 for the Board for their commitment and giving to the University, including supporting the Matador Challenge Fund. She was delighted to see her former student, Felicia Conlan, join the Board and be an active member as an alumnae.

Item 1 – Giving Reports through March 31, 2022

Total giving was \$43 million as of March 31, 2022, a significant increase compared to the \$24 million produced as of March 31, 2021, in the previous fiscal year. Ms. Harris acknowledged the significant commitments for programs across campus, such as the Equity Innovation Hub (Apple) and David Nazarian College of Business and Economics (Lisa and Wayne Stelmar). In addition, several gifts of note include Lisa and Chuck Noski's gift for a professorship in the Department of Accounting, Julie and Richard Schweitzer for the Strategic Priority Fund for the David Nazarian College of Business and Economics, and Kellogg Foundation to support the extension of the Men of Color teacher credential program in the Michael D. Eisner College of Education. Herb Alpert Foundation has also indicated their continued support for the Jazz program in the Department of Music will continue for the next three (3) years.

Mrs. Harris also reviewed the giving by constituent group and purpose with giving by individuals has increased overall by 37% with a total of 10,777 donors. Of note, the participation by students increased year over year.

Item 2 – Board Giving through March 31, 2022

Ms. Harris reviewed the philanthropic giving by members of the Board of Directors, which stands at 69% for Fiscal Year 2021 – 2022 as of March 31, 2022. Eleven out of 28 elected directors have documented a planned gift. Ms. Harris thanked everyone for the continuous support of the University for a great year of giving and hopes this positive trend continues.

D. Finance & Investment Committee

Robert Taylor introduced Ivan Axelrod, Chair of the Finance and Investment Committee, to provide the committee's report.

Item 1 – Financial Statements for the Period Ended March 31, 2022

Mr. Axelrod shared Foundation Total Assets were \$332.6 million while investments under management were \$268 million as of March 31. Total assets increased by \$32 million during the nine-month period with the bulk of that increase in pledges receivable and investments. The Endowment's value stands at over \$190.5 million. The Board reviewed the Balance Sheet in greater detail through the notes.

Referring to the Statement of Activities, Mr. Axelrod shared that revenue for the nine-month period was favorable to the previous fiscal year at \$44 million compared to \$48 million. The composition of the revenue is different with more philanthropic gifts in 2021 – 2022 with less net investment income. Expenditures are higher than the previous year due to the campus' reopening from the pandemic. Net revenue in excess of expenditures as of March 31 was \$32 million, the change in total assets.

In reference to Foundation Operations, Mr. Axelrod reported enhanced revenue and controlled expenditures. The operations are within the parameters of the approved budget.

Mr. Axelrod opened the floor to questions and answers from members of the Board of Directors.

Motion [Axelrod/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Financial Statements for the nine-month period ended March 31, 2022, as presented. The motion was approved unanimously.

Item 2 – Investment Performance Report for the Period Ended March 31, 2022

Mr. Axelrod presented the Investment Performance Report for the nine-month period ended March 31, 2022, which showed \$345,000 in net investment income, a significant decrease from the \$29.9 million in the same period a year earlier. Market volatility in both equities and fixed income have impacted the Foundation's portfolios.

Mr. Axelrod reported the results of the Allocated Reserves portfolio, the Student Managed Investment Fund, and the Makena Capital investment. All of these investments performed as anticipated given the economic environment and were reviewed by the Finance and Investment Committee. He also shared the students in Finance 491, who provide management services for the Student Managed Investment Fund, made their semi-annual presentation at the Committee meeting, and their report was comprehensive and reflect their baccalaureate education in Nazarian College.

Mr. Axelrod reviewed the Goldman Sachs' report on the endowment and non-endowment investment portfolios sharing that the performance met with expectations given the market volatility. While the return for the nine-month period was 4.54% and an annualized three-year return of 9.00%. The investment managers have heard the Committee's feedback, and while the portfolio has not been changed materially, the team is actively reviewing the portfolio and ready to modify as necessary. Representatives from the Goldman Sachs' New York office were in attendance to provide additional perspectives. As a long-term investor, we have a consistent investment strategy and manage accordingly with market conditions.

Mr. Axelrod shared he created a subcommittee of the Finance and Investment Committee to consider and make recommendations regarding ESG (Environmental, Social, and Governance) options for the portfolios. Their work will be considered by the Committee and reported to the Board of Directors.

Motion [Axelrod/Leis]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Investment Performance Report for the nine-month period ended March 31, 2022. The motion was approved unanimously.

Item 3 – Foundation Operating Budget 2022 – 2023

Mr. Axelrod introduced the Foundation Operating Budget for Fiscal Year 2022 – 2023.

The Committee reviewed the budget and recommends its approval. The fee structure will remain the same with a 1.5% annualized endowment management fee and a 5.0% administrative fee. These fees have remained constant for the last eight (8) fiscal years. The revenue from fees reflects the continued success in philanthropic giving.

In terms of expenditures, Management proposed two significant changes for Fiscal Year 2022 – 2023. First, a new position within the Foundation to support the financial operations and work with campus leadership in their use of philanthropic gifts. Second, the upcoming retreat and the facilitation of our strategic plan is included in the budget. The proposed allocations for the University from undesignated, unrestricted net assets are the same as the previous fiscal year with the exception of the African American Justice Scholarship, which provides scholarships this year as opposed as the quasi-endowment created last year. The Committee reviewed and recommends the approval of the operational budget for 2022 – 2023.

Motion [Axelrod/Schweitzer]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Foundation Operating Budget for Fiscal Year 2022 – 2023, as presented. The motion was approved unanimously.

Item 4 – Foundation Reserves Analysis

Mr. Axelrod presented the Reserves Analysis required under Foundation policy. Based on the results through March 31, the allocated reserves will increase to \$7.3 million to reflect growth in the Foundation’s budget, investment portfolios, and philanthropic giving. The Committee reviewed the analysis and recommends its approval.

Motion [Axelrod/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Foundation Reserves Analysis for Fiscal Year 2022 – 2023, as presented. The motion was unanimously approved.

Item 5 – Endowment Spending Distribution Rate for Fiscal Year 2022 – 2023

Mr. Axelrod presented the recommendation from the Finance and Investment Committee as required under the Foundation’s Endowment Policy. Based on their review, the recommendation for Fiscal Year 2022 – 2023 is to maintain the four percent (4.0%) spending distribution rate. This rate is supported by the three, five, and ten-year annualized returns on the endowment portfolio.

Motion [Axelrod/DeYoung]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the rate of four percent (4%) for the Endowment Spending Distributions for Fiscal Year 2022 - 2023. The motion was approved unanimously.

Item 6 – Resolution of Signatory Authority for Fiscal Year 2022 – 2023

Mr. Axelrod presented the annual Resolution of Signatory Authority designating the University President, University Chief Financial Officer, Foundation President, and Foundation Chief Financial Officer, who collectively, can transact financial matters on behalf of the Foundation. There are no changes to this resolution from previous authorizations. The Committee reviewed and recommends approval.

Motion [Axelrod/Greuel]: Be it Resolved, the Board of Directors of the California State University, Northridge Foundation approves the Resolution of Signatory Authority for Fiscal Year 2022 – 2023. The motion was approved unanimously.

Mr. Axelrod concluded his report with the announcement of his resignation from the Board of Directors effective June 30, 2022. He shared his heartfelt sentiment as a student, alumnus, and community leader to represent the University for the past forty (40) years. He is honored to have watched the University and Foundation evolve into the institution it has become.

In the interim, Richard Schweitzer will serve as the interim chair of the Finance and Investment Committee and George Leis will chair the ESG Investment Subcommittee.

Mr. Taylor honored Mr. Axelrod with words of appreciation and encouragement for his service to CSUN, the Foundation, and the Finance and Investment Committee. Ivan demonstrated great leadership with calm and confident demeanor.

V. OLD BUSINESS

Item A – Matador Challenge Fund Update

Mr. Taylor introduced Nichole Ipach to give an update on the Matador Challenge Fund.

Mrs. Ipach reminded the Board of Directors that the Matador Challenge Fund was the result of the motion at the November 2021 meeting. The Matador Challenge Fund has raised significant philanthropic gifts for the University. The annual giving effort has raised \$360,000 out of the \$1 million allocation. The major gifts effort has had significant success with \$4.2 million out of the \$5 million allocation committed to date. With over eighty (80) commitments, the Matador Challenge Fund has impacted the University and the colleges as intended. Continual success is expected, and the full \$5 million could be committed this summer.

VI. NEW BUSINESS

Item A – Recognition of Service

Robert Taylor expressed the appreciation of the University and the Foundation to Cary Lefton and David Malone, who have completed their service to the Board of Directors with nine years of dedicated service. They will be missed as will Ivan Axelrod in the new fiscal year.

Mr. Taylor also acknowledged Dan Chernow, who served in his capacity as president of the CSUN Alumni Association. His term will come to an end on June 30, and Felicia Conlan will be assuming the presidency.

Item B – Luncheon with President Beck

The Board was encouraged to invite guests to the luncheon with President Beck scheduled for June 20, 2022. The luncheon will highlight the President's plans for the University.

Item C – Special Board Event with Jet Propulsion Laboratory

Nichole Ipach shared her plans to host a visit to the Jet Propulsion Laboratory with Nhut Ho, Professor of Mechanical Engineering and Director of the ARCS Center. More information will be shared once it is scheduled.

Item D – Foundation Board Retreat

Robert Taylor shared the Board of Directors will have a retreat on August 5 – 6 to review and discuss the collaborative relationship between the University and the Foundation. The basis will be the Road Map to the Future discussed by President Beck and Provost Walker at our meeting

in March. With the help of pro-voke, LLC, the firm with whom we contracted to facilitate those discussions. Planning has already started and will include meetings with a committee of directors and preliminary interviews with members of the Board to gain insight and perspective. Members of the Board are encouraged to be a part of the retreat as they will shape our efforts in the coming years.

There being no further business, the meeting adjourned at 5:11 p.m.



Ira N. Unterman
Chief Financial Officer / Secretary

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