

**THE UNIVERSITY CORPORATION**  
**Executive Committee**  
**February 21, 2019**

A meeting of The University Corporation Executive Committee was called to order by Chair, Dianne Harrison at 1:31 p.m. on Thursday, February 21, 2019 in University Hall Room 250, California State University, Northridge. A quorum was present.

**Members Present:** Stacey Aguila, Colin Donahue, Dianne Harrison, Michael Phillips, Ben Yaspelkis

**Staff Present:** Heather Cairns, Elizabeth Corrigan, Rick Evans, Sheree Schragar, Karina Ward,

**Others Present:** Ryan Eskin, Grace Ma, Ken Rosenthal, Mary Clare Smithson

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**ITEM 1 APPROVAL OF SEPTEMBER 6, 2018 EXECUTIVE COMMITTEE MINUTES**

**MSP (Phillips/Donahue): That the minutes of the September 6, 2018 Executive Committee meeting be approved as circulated.**

**ITEM 2 FINANCIAL STATEMENT**

Executive Director, Rick Evans reviewed the 'Net Cash Generated' schedule. As of December 31, 2018, Net Cash Generated to Replenish Reserves is a little below budget. Mr. Evans commented that foodservice is significantly under budget and will be discussed in further detail later in the agenda. The positive variance in General & Administrative as well as Real Estate is helping offset the bottom line.

Mr. Evans continued with a review of the 'Balance Sheet'. Mr. Evans noted that the variance in investments was in part due to the market drop in December.

Mr. Evans also provided a review of long term investments. There was a negative variance at the period ending on December 31, 2018. However, January and February 2019 were better months for long term investments. Grace Ma, of Northern Trust, and Dr. Mike Phillips concurred.

Mr. Evans concluded with a review of the 'Reserve Related Expenditures. The significant activity to note is the purchase of new point of sales counter for the Marketplace at Sierra Center and funds spent on the University Restaurant and Conference Center.

**ITEM 3 INVESTMENT POLICY REVISION**

Mr. Evans reported that the investment policy has been in review the past year. Dr. Phillips authored the majority of changes and updates noted. The proposed policy was revised to be clearer, in accordance with the Uniform Prudent Management Institutional Funds Act. The policy guidelines now include a discussion related to the wide range of assets under TUC's control such as real estate, which are not directly under this investment policy. An optimal asset allocation for the investment funds will consider the broader range of

all assets and will be taken into consideration when establishing the annual target allocations. The Corporation's target allocations for long- and short-term investments will be reviewed and determined each year by the Investment Committee.

Dr. Harrison asked if there are any intentional investments in the policy. Dr. Phillips replied there are not because that would require specific determinations; the current goal is to maintain the overall health of the organization. The biggest accomplishment is recognizing that the investment fund is just a portion of the assets of the Corporation. Colin Donahue, VP of Administration and Finance, commented that the significant piece is the Public Safety Building and the property is similar to a bond investment.

**MSP (Phillips/Donahue): That The University Corporation Investment Committee approve changes to the investment policy as proposed.**

(Grace Ma left.)

#### **ITEM 4 HOTEL UPDATE**

Mr. Evans provided an overview on the hotel development, project team, and key terms of the agreement. Mr. Evans also reported on the financial considerations highlighting the initial proposal versus the negotiated terms. Mr. Donahue, explained that the negotiations were done with the entire length of the term in mind. The partnership created is a financial benefit as well as being in line with the mission of the campus. The developer is interested in cultivating a relationship with the Recreation and Tourism department in the College of Health and Human Development.

Ken Rosenthal, Associate Vice President of Facilities Development & Operations, provided an overview of the Access Option Agreement requirements and the timeline.

#### **ITEM 5 CSUN RESTAURANT AND CONFERENCE CENTER UPDATE**

Heather Cairns, Director of Administrative Services, provided a review on the progress of the CSUN Restaurant and Conference Center. Ms. Cairns reported that the feasibility as well as the operations plan is close to completion.

Mary Clare Smithson, Capital Program Manager, provided an overview on the timeline for the CSUN Restaurant and Conference Center. Ms. Smithson is also the project manager for the feasibility study. She reported once the study is completed and approved, the project team will begin schematic design. Ms. Smithson explained the opening of the new restaurant and the demolition of the Orange Grove Bistro would potentially occur during the summer of 2020 with minimal service disruption. Dr. Harrison asked if the closure would impact catering services. Ms. Corrigan confirmed catering service would continue to be available during the closure.

Ms. Cairns explained the allocation being asked for is for the remaining feasibility study cost and schematic design. Mr. Evans stated the goal is to stay within the budget for the construction; with the Corporation and the university each contributing half the funding.

Dr. Harrison asked if the timeline of the Hotel development and CSUN Restaurant and Conference Center would align with the potential USU project. Mr. Rosenthal stated that CSUN Restaurant and Conference Center would be completed before the start of the potential USU project.

**MSP (Phillips/Yaspelkis): That The University Corporation Executive Committee recommend that The University Corporation Board of Directors approve an allocation of \$325,000 for the feasibility study and design services.**

**ITEM 6. RESEARCH AND SPONSORED PROGRAMS – AWARDS AND SUBMISSIONS (AUGUST, SEPTEMBER, OCTOBER, NOVEMBER, AND DECEMBER 2018)**

Mr. Evans provided some highlights from the fiscal year 18/19 year end. Mr. Evans advised that Research and Sponsored Programs activities are on budget, the indirect cost recovery (IDC) rate for the year to date is 1% higher, and the net available to campus is 40% ahead of budget.

Ms. Karina Ward passed out an updated report (Appendix A). Dr. Sheree Schrager, Managing Director of Research and Sponsored Programs, reported the submissions are down slightly compared to this time last year. However, awards and award dollar have increased. Dr. Schrager stated that the focus is to have a better success rate in grant awards and then to work on increasing submissions.

Dr. Schrager reported that the government shutdown prevented a number of high profile applications from being submitted which will impact the next quarterly report. Dr. Schrager also stated that they are still waiting on the decision for BUILD PODER 2. Mr. Evans commented that Dr. Carrie Satermoe will be presenting on BUILD PODER at The University Corporation March Board meeting.

Dr. Schrager continued with her report on the Research and Sponsored Programs Chancellor's Office audit of pre- and post-award, Institutional Review Board (IRB), and Institutional Animal Care and Use Committee (IACUC). Dr. Schrager stated that the findings are in the process of being cleared and that overall the audit was largely a clean audit.

(Ben Yaspelkis left.)

**ITEM 7. FOODSERVICE BUDGET UPDATE**

Ms. Ward passed out an updated budget sheet (Appendix B). Elizabeth Corrigan, Director of Foodservices, explained that the spreadsheet shows 6 months of FY 18/19 projections and actuals for foodservices. Ms. Corrigan stated that revenue is projected to be 5% below budget with net surplus projected to be 27% below budget. Ms. Corrigan noted a few contributing factors include: reduced enrollment, meal plan participation is down by year over year, minimum wage impact trending higher than budget, repair & maintenance expense is up 25% over prior year, and the increase of the Freudian Sip Oviatt Library profit sharing fee.

Dr. Mike Phillips asked if alcohol sales is the reason for the increase in Athletics Concessions. Ms. Corrigan stated that alcohol sales may have helped and the addition has improved the general program overall. Mr. Donahue noted that game attendance was low last year but has increased this year. Dr. Harrison extended her thanks to Associated Students in their work to help with attendance at the games.

**ITEM 9. ANNOUNCEMENTS**

The open meeting ended at 2:23 p.m. The Executive Committee went into executive session to discuss legal and personnel matters.

Respectfully submitted,



Colin Donahue, Recording Secretary