

THE UNIVERSITY CORPORATION
Executive Committee
February 6, 2020

A meeting of The University Corporation Executive Committee was called to order by Recording Secretary, Colin Donahue at 3:01 p.m. on Thursday, February 6, 2020 in University Hall Room 250, California State University, Northridge. A quorum was present.

Members Present: Colin Donahue, Rose Merida, Michael Phillips (via telephone)

Member Not Present: Dianne Harrison, Ben Yaspelkis

Staff Present: Heather Cairns, Elizabeth Corrigan, Rick Evans, Michael Lennon, Dan Martin, Linda Turner, Karina Ward, Lih Wu

Others Present: Harvey Bookstein

ITEM 1 APPROVAL OF SEPTEMBER 19, 2019 AND DECEMBER 3, 2019 EXECUTIVE COMMITTEE MINUTES

MSP (Merida/Donahue): That the minutes of the September 19, 2019 and December 3, 2019 Executive Committee meetings be approved as circulated.

ITEM 2 FINANCIAL STATEMENTS

Executive Director, Rick Evans reviewed the 'Net Cash Generated' schedule. As of December 31, 2019, Net Cash Generated to Replenish Reserves is favorable to budget by \$21,000. Mr. Evans noted there was a one-time savings in General & Administrative division. However, Foodservices is unfavorable to budget by \$140,000. Mr. Evans noted that a concern for the FY 20/21 budget will be the minimum wage increase to \$15/hour.

Lih Wu, Chief Financial Officer, reviewed the Balance Sheet noting that total assets increased by \$6 million. Cash and equivalents are high in anticipation for expected expenditures relating to the Orchard Conference Center. Ms. Wu also reviewed the long-term and short-term investment summaries. Investments have increased due to a strong market. Ms. Wu noted that the asset allocations on investments is in line with the investment policy target allocation.

ITEM 3 ANNUAL INVESTMENT POLICY REVIEW

Mr. Evans provided background information on the Investment Policy and thanked Dr. Mike Phillips for his work last year on updating the investment policy. The policy was rewritten to be more comprehensive, current, and in accordance with the Uniform Prudent Management of Instructional Funds Act. Mr. Evans reported that the subcommittee met and the recommendation is to continue with the same target allocation as 2019.

MSP (Phillips/Merida): That the University Corporation Executive/Investment Committee approve the 2020 target allocations as proposed.

ITEM 4 HOTEL UPDATE

Mr. Evans provided an update on the hotel. Upcoming milestones include the lease signings in the next few weeks, and the anticipated ground breaking in June 2020. Ms. Kniazewycz stated that the project timeline is still as scheduled. Mr. Donahue stated that the development team is on schedule with construction to start in summer 2020. Mr. Bookstein asked if the campus community as well as the neighboring communities were aware of the hotel project. Mr. Donahue confirmed that the campus and the surrounding neighborhoods were aware of the project. However, it would be beneficial to revisit the public relations plan for the hotel.

ITEM 5 ORCHARD CONFERENCE CENTER UPDATE

Mr. Evans reported that the Board of Directors was updated on the project at the January 7, 2020 meeting/conference call. The meeting included the following information: Chartwells as the selected operator, the decision to not have a restaurant at the Orchard Conference Center (OCC), and an overview on the deal terms which are also included in the agenda today.

Catherine Kniazewycz, Campus Architect, Director of Design and Construction, provided an update on project. The project is out to bid, with results estimated to come in by the end of February. Ms. Kniazewycz reported that plan check is complete. Construction is estimated to start early March 2020 with 12 months to completion.

Heather Cairns, Director of Administrative Services, stated that several catering policy meetings have been conducted with various campus partners since the last Executive Committee and Board of Directors meetings. Mr. Evans stated that the catering policy will need to be signed before an agreement with Chartwells will be signed.

Mr. Bookstein asked for clarification on the catering policy. Ms. Cairns explained that the catering policy will apply to CSUN colleges, departments, enterprises and auxiliary organizations with the exception of events hosted by Student Clubs & Organizations, Associated Students (AS), University Student Union (USU), and Student Housing events funded by student fees and other student fee based events. Mr. Bookstein asked who would cater events at the Hilton Garden Inn (HGI). Mr. Evans stated that HGI will cater events that are held at the hotel. Mr. Donahue noted that the hotel is excluded from catering on campus.

Elizabeth Corrigan, Director of Foodservices, provided an overview of the agreement with Chartwells. Mr. Evans stated that the academic partnerships with operators of the OCC and HGI will be beneficial to the CSUN students, especially the Recreation and Tourism Management students.

Mr. Donahue asked Mr. Evans to review the financial terms and start up investment of the agreement. Mr. Evans explained that Chartwells will be contracted and receive a management fee to operate the OCC. Ms. Corrigan stated that TUC will not be responsible for the startup investment of the OCC. Chartwells will bear the startup costs including tangible property (e.g. small wares, catering supplies, pots and pans, etc...) and transitional expenses.

MSP (Phillips/Merida): That The University Corporation Executive Committee recommend that The University Corporation Board of Directors approve, delegate, and authorize The University Corporation Executive Director to enter into a seven-year operating contract with Chartwells.

ITEM 6 RESEARCH AND SPONSORED PROGRAMS REPORT (AUGUST, SEPTEMBER, OCTOBER, NOVEMBER, DECEMBER 2019)

Mr. Evans reported that Research and Sponsored Programs activities total is at \$16.1 million, indirect cost recovery (IDC) rate is currently at 19%, and net available to campus is \$1.3 million, \$400,000 ahead of budget. Mr. Evans noted that TUC retained less than 41% of total IDC where the initial budget was 52%. Mr. Bookstein asked where remaining funds are allocated. Mr. Donahue stated that the funds are mainly allocated for faculty release time. Mr. Donahue stated that it would be beneficial to create more awareness about what IDC funds are used for, specifically to support the state facilities where the research is conducted.

ITEM 7. ANNOUNCEMENTS

Mr. Evans stated that The Executive Committee also serves as the Fraud Oversight Committee. Mike Lennon, Associate Director of Foodservices, reported on a recent fraud incident. A Meal Plan participant alerted the Meal Plan office of an unauthorized charge to the students Meal Plan card. After preliminary investigation of the incident, it appears that a foodservices employee was fraudulently purchasing Big Bash tickets using Meal Plan card numbers. The card numbers of the affected students were changed and the amounts were refunded to accounts. Mr. Lennon reported that the department has taken steps to change the number system that is used on the meal plan cards. At this time, the incident is still under investigation.

There being no further business, the meeting adjourned at 4:05 p.m.

Respectfully submitted,

Colin Donahue

Colin Donahue, Recording Secretary