

THE UNIVERSITY CORPORATION
Board of Directors
October 19, 2020

A meeting of The University Corporation Board of Directors was called to order by Chair Dianne F. Harrison at 3:02 p.m. on Monday, October 19, 2020 via Zoom Conference Call at California State University, Northridge. A quorum was present.

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| Members Present via computer video and audio: | Jacob Akopnik, Mechelle Best, Harvey Bookstein, Miya Butler, Matthew Contreras, Colin Donahue, Ronald Friedman, Dianne F. Harrison, Hamid Johari, Rose Merida, Dave Moon, Michael Phillips, Jerald Schutte, Ben Yaspelkis |
| Members Absent: | Carolos Fuentes |
| Staff Present via computer video and audio: | Heather Cairns, Rick Evans, Tim Killops, Dan Martin, Grace Slavik, Linda Turner, Karina Ward, Lih Wu |
| Others Present via computer video and audio: | Chaim Brook, Robert Carlson, Shannon Carter, Omar Galvez, Nicole Hamzaeff, Rona Kohanteb, Kylene Ott |

ITEM I PUBLIC COMMENTS

Ronna Kohanteb spoke on behalf of Isaac Shafa and that she was representing the Jewish population and community at CSUN. Ms. Kohanteb stated that there seems to be limited kosher food options for religious Jewish students to purchase at the on-campus dining locations. Ms. Kohanteb thanked the Board for the time to speak. Dr. Harrison thanked Ms. Kohanteb for address the Board and for raising her concerns, and turned to Omar Galvez, Chartwells District Manager for comment. Mr. Galvez stated that Chartwells is conducting research to ensure that they are able to offer sustainable and substantial food options for the future.

ITEM II WELCOME NEW DIRECTORS

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| <u>Faculty:</u> | Hamid Johari (Reappointed) | Three-year term (2020-2023) |
| | Dave Moon (Reappointed) | Three-year term (2020-2023) |
| <u>Community</u> | Carlos Fuentes (Reappointed) | Three-year term (2020-2023) |
| <u>Administration</u> | Colin Donahue (Reappointed) | Two-year term (2020-2022) |
| <u>Students:</u> | Maya Butler | Two-year term (2020-2022) |
| | Michael Meeks (Completing the term of Diana Vicente) | One-year term (2020-2021) |
| | Rose Merida | Two-year term (2020-2022) |
| | Isabella O'Brien | Two-year term (2020-2022) |

Dr. Harrison thanked Dr. Johari, Dr. Moon, and Mr. Fuentes for continuing on for another three-year term and Mr. Donahue for serving another two-year term. Dr. Harrison welcomed the four new student Board members and the students to introduce themselves. Miya Butler stated that her major is political science with an emphasis on law in society. Ms. Butler works for the Office of Student Involvement and Development. She is also an Associated Student (A.S.) Senator for the College of Social and Behavioral Science. Michael Meeks stated that he is a political science and religious studies double major with a minor in history. He is a senior and an A.S. Senator in Humanities. Rose Merida stated that this is her third-year service on the Board. She is a graduate student studying higher education leadership and the A.S. President for the academic year. Isabella O'Brien serves as a lower division senator and is majoring in cinema and television arts film production.

Rona Kohanteb left the meeting.

ITEM III APPROVAL OF THE JUNE 3, JUNE 22, AND JUNE 29, 2020 MINUTES

MSP (Donahue/Phillips): That the minutes of the June 3, June 22, and June 29, 2020 Board of Directors meeting be approved as circulated.

ITEM IV RECEIPT OF JUNE 24 AND SEPTEMBER 2, 2020 EXECUTIVE COMMITTEE MINUTES

The minutes of the June 24 and September 2, 2020 executive committee meeting was provided for information.

ITEM V CONFLICT OF INTEREST STATEMENTS AND DIRECTOR'S HANDBOOK

The 2020/2021 Directors Handbook and conflict of interest statement was distributed via email for signature. Changes in the Directors Handbook are noted in red.

Chaim Brooks left the meeting.

ITEM VI BYLAWS UPDATE

Rick Evans, Executive Director, stated that the Bylaws allows member of the public to address the Board of Directors. However, the Bylaws do not address a time limit nor how a member of the public notifies the Corporation their desire to speak at a Board meeting. Robert Carlson, Legal Counsel, stated that in accordance to the Brown Act the Corporation Executive Committee and Board of Directors meetings are required to be open to the public except for particular personnel items and a few other limited items. Mr. Carlson explained that the update to the Bylaw will be made to sections 8.5 and 9.4 as noted in the meeting packet. The changes define the parameters and protocols addressing when members of the public would like to speak at a Board of Directors or Executive Committee meeting.

MSP (Phillips/Schutte): That The University Corporation Board of Directors approve amending Section 8.5 and 9.4 of The University Corporation bylaws, as proposed.

ITEM VII BUDGET UPDATE – PRIMARILY VIRTUAL SPRING

Mr. Evans provided an update on the budget. Mr. Evans explained that the University will use some of the CARES funding to reimburse the Corporation for lost meal plan revenue resulting from the meal plans refunded in March 2020 as well as any deficit resulting from Chartwells Higher Education (CHE) providing a residential dining program for the fall semester and possibly also for the spring 2021 semester.

Mr. Evans also provided an updated forecast for the 2020/2021 fiscal year. Mr. Evans stated that the Corporation came in better than projection due to the multitude of measure taken to cut costs and increase revenue from Research and Sponsored Programs. Mr. Evans reviewed two scenarios showing the different deficits depending on if the University reimburses the Corporation for both fall and spring semesters or only fall semester for CHE to operate residential dining services. Mr. Evans stated that the 2020/2021 fiscal year presents a challenging environment for the Corporation, however the balance sheet remains strong and the Corporations reserves will be able to absorb the one-time deficit projected.

Dr. Jerry Schutte asked to confirm whether CARES money is available to use for taking care of the balance sheet items in auxiliaries unlike the general funds from California. Colin Donahue, VP of Administration and Finance, stated that the University is able to use CARES Act funding to reimburse campus auxiliaries for eligible expenses described within the legislation, in cases where the University has specific service agreements with the auxiliary (such as with the Corporation). Mr. Evans clarified that under this arrangement the Corporation will not be reimbursed for overhead expenses.

ITEM VIII MAJOR 3RD PARTY AGREEMENTS

Mr. Evans explained that the COVID-19 pandemic and CSUN operating in a primarily virtual mode has had a significant impact on beverage sales as well as 30% sales drop at the Campus Store. The Pepsi and Follett contracts are based on respective volume sales. Both companies have approached the Corporation with requests for contract extensions.

Mr. Evans stated that the Pepsi agreement expires in 2025. Pepsi has asked for a five-year extension. Currently there is a clause allowing for an additional five years upon mutual consent which would allow the Corporation to maintain the current terms of the contract. Mr. Evans explained that due to the pandemic, the Corporation is not receiving over \$300,000 from Pepsi in unrestricted partnership support as well as athletic scholarship money. There may be an opportunity to discuss other favorable deal points during the extension negotiations.

Mr. Evans stated that the Follett agreement expires in 2026. Follett has asked for a three-year extension. Mr. Evans explained that CSUN and Follett have a good partnership and that CSUN has the highest commission rate of any Follett store in the CSU. Follett also owes the Corporation the second \$1,000,000 signing bonus, which was negotiated 5-years ago. They have not asked to reduce either the \$1,000,000 payment nor the commission rate. Mr. Evans explained that these discussions have just begun; that it is too soon to tell if extensions for either third parties will be recommended (or not); and that he will be back with updates at the next Board meetings.

ITEM IX FOODSERVICES/CHARTWELLS UPDATE

may be possible. Mr. Evans stated that due to the COVID-19 pandemic it is more challenging to bring groups on campus. Dr. Schutte asked if there was a firm date to close the Orange Grove Bistro? Mr. Evans stated that the Bistro is closed now and there are no plans for it to reopen. Dr. Harrison commented that the design, colors, and use of the orange blossoms were impressive.

ITEM XI ANNOUNCEMENTS

Mr. Evans announced that Lih Wu, Chief Financial Officer and Director of Business Development is stepping away from her role as CFO at the end of December. Mr. Evans stated the Ms. Wu has been an incredible leader and support in helping to keep the Corporation on financially solid ground. In keeping with the goal of being conservative with the budget, the CFO position will not be filled for the foreseeable future. Dan Martin, Controller, and Cindy Ruan, Accounting Manager, will continue to oversee the financial services division. Mr. Evans thanked Ms. Wu for her work at the Corporation.

Mr. Evans stated that President Harrison will be stepping away from her role at the university as well as the Chair of the Corporation's Board at the end of December. Since this is the last Board of Director's meeting of the year, the Corporation wanted to reflect on some of the highlights that the Corporation has accomplished under the leadership of President Harrison. A presentation was shown in honor of President Harrison. President Harrison thanked Mr. Evans and the Corporation staff.

There being no further business, the meeting adjourned at 4:26 p.m.

Respectfully submitted,

Colin Donahue

Digitally signed by Colin Donahue
DN: C=US, E=colin.donahue@csun.edu,
O="California State University, Northridge",
OU="Vice President for Administration and
Finance/CFO, CN=Colin Donahue
Date: 2021.03.01 18:21:50-08'00'

Colin Donahue, Recording Secretary