

THE UNIVERSITY CORPORATION
Executive Committee
December 16, 2022

A meeting of The University Corporation (TUC) Executive Committee was called to order by First Chairman Dr. Ben Yaspelkis at 1:00 p.m. on Wednesday, December 16, 2022 via Zoom Conference Call at California State University, Northridge. A quorum was present.

Members Present via computer video and audio: Colin Donahue, Paige Hajiloo, Michael Phillips, Ben Yaspelkis

Members not Present via computer video and audio: Erika Beck

Staff Present via computer video and audio: Heather Cairns, Rick Evans, Michael Lennon, Philia Militante, Cindy Ruan, Grace Slavik, Linda Turner, Lih Wu

Others Present via computer video: Robert Carlson, Bryn Hagfors

ITEM 1. APPROVAL OF SEPTEMBER 7, 2022 EXECUTIVE COMMITTEE MINUTES

MSP (Phillips/Donahue): That the minutes of the September 7, 2022 Executive Committee meeting be approved as circulated.

ITEM 2. INVESTMENT POLICY UPDATE

TUC Executive Director, Rick Evans said that every few years a comprehensive policy and procedure review is made and thanked the whole TUC team for diligently reviewing TUC's policies and procedures to ensure they are up-to-date. Mr. Evans thanked Director of Sponsored Programs Administration & Systems Improvement, Grace Slavik for shepherding the whole process. He prefaced that for this meeting there are five policies being brought to the Executive Committee for approval.

Mr. Evans stated that there are two reasons why the Investment Policy was brought forth as an agenda item for this meeting. First, DA Davison Investment compared it against the CO's model policy and although TUC's policy syncs up well against the former's model, there are some recommended minor additions. Secondly, TUC formalizes the target allocations by actually updating the investment policy itself, with those new targets annually regardless of an audit. Mr. Evans called on DA Davidson Investment Director of Business Development, Bryn Hagfors to comment on these target allocations and walkthrough the recommended changes to the policy.

Mr. Hagfors shared that reviewing the current investment policy for the audit is a healthy exercise since this will be DA Davidson's first time to do so since the company became TUC's investment manager in

August 2020. He indicated that DA Davidson reviewed the policy through three lenses: 1) DA Davidson's understanding of TUC's policy and the clarity of it to the investment manager, 2) the alignment of the policy with industry best practices, and 3) the alignment of the policy with the CO's eight best practices for auxiliary organizations.

TUC General Counsel Robert J. Carlson pointed out to the section of the policy where it states "The investment portfolios will be rebalanced to these target percentages at least annually, or quarterly if there is a five percent (5%) or greater shift," and asked "greater shift" to be further defined. Mr. Hagfors recommended deleting the word "shift" and in place typed up the phrase "variance from target".

MSP (Phillips/Donahue): That the revisions proposed on the Investment Policy be approved.

ITEM 3. RESERVES POLICY UPDATE

Mr. Evans reported that TUC is proposing that the three reserves: Operation Reserve, Working Capital Reserve and, the Unplanned Capital Replacement be combined into one reserve which will be then called "Reserve per Education Code". He explained that by combining these reserves into one will simply provide a more comprehensive and flexible reserve that still meets the requirements of the Education Code.

CSUN Finance and Financial Planning and Insurance Professor Dr. Michael Phillips commented that in case of an emergency that requires an immediate response, and TUC needs to tap into one of these reserves, the change will allow for more flexibility to move monies from one reserve to another. Mr. Evans thanked Dr. Phillips for providing a better presentation of the item and agreed that was the exact reason for the change being proposed.

MSP (Donahue/Phillips): That the revisions proposed on the Reserves Policy be approved.

ITEM 4. REAL ESTATE FUND POLICY UPDATE

Mr. Evans stated that the Real Estate Fund Policy provides guidelines and operating procedures for the Real Estate Fund. Mr. Evans reiterated that the changes being proposed are minor and are intended to make the policy more comprehensible. The changes will establish the basis for the fund and why certain real estate acquisitions next to campus are beneficial to the surrounding neighborhood and to meeting campus needs such as faculty/staff housing. He also reported that the update indicated how much real estate TUC owns, and the specific language regarding tenancy limits which will be removed as the limits are already covered in a separate policy.

MSP (Phillips/Donahue): That the revisions proposed on the Real Estate Fund Policy be approved.

ITEM 5. FACULTY AND STAFF HOUSING TENANCY LIMITS GUIDELINES UPDATE

Mr. Evans clarified that for this agenda item, the change is only for the purpose of combining the Tenancy Limit Policy for College Court and the Tenancy Limit Guideline Policy for Single Family Homes into one policy. There will be no changes to the limits.

MSP (Donahue/Phillips): That combining the Tenancy Limit Policy for College Court and the Tenancy Limit Guideline Policy for Single Family Homes into one policy be approved.

ITEM 6. HUMAN RESOURCES POLICY UPDATE

Mr. Evans relayed that the TUC Employee Handbook is almost a carbon copy of the HR policies. Going forward, TUC will maintain its Employee Handbook and HR policies as one and the same. Accordingly, when there are necessary changes to the handbook and policies, these will be brought to the Executive committee for approval. The recommended additions and edits were either prepared by Kathryn Weeks, Associate Director, Human Resources, and/or reviewed by the employment attorney which are reflected in red on the agenda packet attachment. Mr. Evans enumerated some of the highlights as: 1) Addition of the Lactation Policy, 2) Changes made in 2017 to Health Insurance for certain retiring employees, 3) Changes in Sick Pay and Jury Duty, and 4) Expanding the section on Social Media Policy. Ms. Weeks mentioned that Mr. Evans covered the major changes and added that some of the minor changes relate more so to title changes and references to food service in a sense that it is now being outsourced.

Dr. Phillips inquired if there is a need to add a telecommuting policy. Mr. Evans replied that there already exists an administrative procedure (not Board level) that addresses procedures around telecommuting. This procedure was guided by the university's policy as well as by other auxiliaries. Ms. Weeks added that the employment attorney reviewed the HR handbook for all the required policies that need to be included and did not indicate that there is a need to include that existing telecommunicating policy to the handbook.

MSP (Hajiloo/Donahue): That the revisions proposed on the Human Resources Policy be approved.

ITEM 7. WELLS FARGO BANK SIGNATURE CHANGE, D.A. DAVIDSON INVESTMENT ADVISORY FIRM SIGNATURE CHANGE & RETIREMENT PLAN COMMITTEE UPDATE

Mr. Evans shared that Chief Financial Officer Lih Wu will be leaving her position effective January 6, 2023 but will continue as Senior Financial Consultant on the faculty/staff housing project, and on selected projects that may arise. This item is included for information to be recorded in the minutes and will not require an action from the committee. The meeting packet included certain signature changes that will be made, specifically, that Associate Director, Cindy Ruan will be the administrator of the Wells Fargo accounts and will be an additional signer for the investment accounts. Messages of thanks and gratitude were given to Ms. Lih by Mr. Evans, Dr. Phillips, Mr. Donahue and Mr. Carlson.

ITEM 8. ANNOUNCEMENTS

The open meeting ended at 1:48 p.m. The Executive Committee moved into executive session to discuss legal matters.

Respectfully submitted,



01/30/2023

Colin Donahue, Recording Secretary