Board of Trustees Meeting Minutes

Thursday, January 29, 2015
11:00 a.m.
Raquel N. Soriano Boardroom, GE 3rd Floor

Present: Yoshiko Fong, Jeanette Gordon, Michael Hagerthy, John Paul Isaacson, William Lewis, Jorge Ramirez, Leila Ricci, Molly Talcott, Frank Saito, Mae Santos, Sasha Perez, Nancy Warter-Perez, Tony Wong, Lisa Chavez, Omel Nieves, Janet Dial

Absent With Excuse: Marlene Carney, Mongwei Wee

Staff: Thomas Leung, University Controller
      Mario A. Perez, Associate Vice President for University Advancement
      Jane Rhee, Administrative Assistant, University Advancement
      Susana Moreno, Fiscal Coordinator, University Advancement

Guest: Michelle Hawley, Director, The Honors College

Dr. Michelle Hawley, Director of The Honors College gave an introductory presentation of the college and the Early Entrance Program, sharing program highlights and student successes. She also shared some potential fundraising initiatives for the college, such as: the Medical Humanities Program; Inclusive Leadership Program (collaborative w/College of Natural and Social Sciences); Endowed Early Entrance Program Directorship; Early Entrance Learning Lab; and, Student Travel and Research Fund. Presentation concluded with question and answer time with the Trustees and information pamphlets were distributed to the Board.

John Paul Isaacson called the meeting to order at 11:18 a.m.

President’s Report
Approval of Minutes
The draft minutes of the September 25, 2014 Board of Trustees meeting was presented for review and approval.

Motion to approve the minutes of the September 25, 2014 Board of Trustee meeting, as presented, was made by Michael Hagerthy and seconded by Nancy Warter-Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Governance Committee Chair Nomination and Election
John Paul Isaacson reported that Honorable Morris Jones has submitted his resignation, creating vacancies in both the Vice President position and Chair of the Governance Committee. Mr. Isaacson proposed to elect a Trustee to the Vice President position in the new fiscal year, and there were no objections. Mr. Isaacson nominated William Lewis to serve as chair of the Governance Committee through the end of current fiscal year.
Motion to elect William Lewis to serve as Chair for the Governance Committee was made by John Paul Isaacson and seconded by Yoshiko Fong.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Purchasing Policy Revision
Susana Moreno reviewed the proposed edits to the Purchasing Policy with the Trustees, explaining that this new language will reflect the Foundation’s existing practice of following University guidelines for compliance.

Motion to approve the Purchasing Policy with proposed edits was made by Jeanette Gordon and seconded by Jorge Ramirez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Committee Reports
Audit Committee – Yoshiko Fong
990 for FY 2013-2014 – In Mongwei Wee’s absence, Yoshiko Fong reported that the committee met with the auditors, Macias, Gini and O’Connell (MGO) to review the Foundation’s Fiscal Year 2013-2014 Form 990. Subsequent to the committee meeting, there were additional changes that are reflected in the handouts. Mae Santos explained that the changes were to clarify student scholarships. Nancy Warter-Perez noted a spelling error, “Liberty” vs. “Literary”, 4A vs. 4C (Page 2). Staff noted the correction as presented.

Motion to approve Form 990 for the Foundation, fiscal year beginning July 1, 2013, and ending June 30, 2014, was made by Jeanette Gordon and seconded by Frank Saito.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Development and Gift Acceptance Committee – Janet Dial
Fundraising Report – Janet Dial reported that total private giving year to date was $6 million, which was the total amount for last fiscal year. Of these funds, $3.79M is earmarked for Foundation accounts. The second fiscal quarter highlights included donations and pledges towards: the Billie Jean King Sports Complex (naming of tennis courts and learning center); James M. Rosser Athletics Endowed Scholarship; Honors College fund; William Dermody Memorial Scholarship Fund; and the Dreamers Resource Center.

Dr. Dial also reported that Cal State L.A. is the legal owner of over 1,900 lithographs from an anonymous donor valued at $1.5M. Following the donor’s wishes, Cal State L.A. will have ownership of these lithographs for three years and then the university will have the option to sell them.

Governance Committee – John Paul Isaacson
With our new Governance chair elected, the proposed amended By-Laws and proposed Financial Policy will be deferred for approval to the April Board meeting, to allow the committee to confer and present their recommendations.

Investment and Finance Committee – John Paul Isaacson
Portfolio Update – Mr. Isaacson reported on the PIMCO manager change, as well as, noting last year’s return on assets underperformance by 1.5% below the benchmark. The committee will be meeting with the financial advisors for a manager-by-manager review and analysis at the next committee off-cycle meeting, and will report to the Board any findings.
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Endowment Level – Mr. Isaacson reported that currently, the minimum level to establish an endowed fund is $10,000. Advancement staff is requesting to increase the minimum to $25,000, effective July 1, 2015. In comparison to sister CSU campuses, the UCs and other private institutions, the increased minimum to $25,000 is still on the lower end of the range. Staff would like to increase this to ensure that the in-perpetuity distribution will be able to support the scholarships. The committee recommends the Board approve the increase, which will benefit the university, and the students.

Motion to increase the minimum level to $25,000 to establish an endowment, effective July 1, 2015, was made by Yoshiko Fong and seconded by William Lewis.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Projected Fiscal Year 2015-16 Distribution to Account Holders – The Board reviewed the various projected distribution to eligible donors for percentages between 3.0% and 4.5%. Mae Santos confirmed that the Board had approved 3.75% last year. The committee recommends the Board approve the 3.75% distribution. The actual projected distribution amount will be presented to the Board at the next meeting.

Motion to approve the projected distribution at 3.75% was made by Tony Wong and seconded by Nancy Warter-Perez. Motion passed.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

Treasurer’s Report
Unaudited Financial Statements – Mae Santos
Ms. Santos presented and reviewed the unaudited financial statements for FY 14-15, ending December 31, 2014, which includes, the Financial Summary, Statements of Financial Position, Statements of Activities, and Detail Statement of Activities – Unrestricted General Fund. The net flow (change in net assets) was $2.65M, and ending fund balance was $34.9M, and total revenue and support over expenses was $370,430.

Executive Director’s Report
Annual Chancellor’s Reports: University Advancement Plan
Dr. Dial reported that Cal State L.A. participated in the annual Chancellor’s report, which compiles the plans from the advancement divisions throughout the 23 sister campuses. The University Advancement Plans from all campuses will be accessible on the Chancellor’s Office website. Dr. Dial reviewed the three primary goals from the report: I. Rebuild the Advancement Team and Build a Culture of Philanthropy; II. Engage more alumni and prospective donors through Board Enhancements and Strategic Events; and, III. Advocacy and Communication.

Personnel and Other Updates
Dr. Dial reported on the status and progress of the division’s donor database software conversion (from Peoplesoft to Raisers Edge), noting that staff are in the midst of the data mapping process to ensure seamless data transfer from the existing database to the new software database.

The university’s first 50th reunion event for the Class of 1965 is scheduled for October 23rd-24th, to coincide with the Billie Jean King and Friends Gala event on October 24th. Please save the date in your calendars.

Dr. Dial reported that one development director will be starting tomorrow, and two more are starting in February. The division will be implementing industry standard metrics and measurements for the development team. All the colleges have been working on their short term and long term fundraising plans, such as college naming opportunities, scholarships, labs, and other special projects and there have already been meetings with the interim provost, university president and the deans. These will serve as guides for the colleges when reaching out to
potential donors and constituents. The development directors, under the leadership of Mario Perez, our Associate Vice President, will be the resource and liaisons for the colleges in achieving their fundraising goals.

Dr. Dial also reported on the President’s Council that will serve in an advisory capacity to the President. The Council is comprised of approximately 35 diverse community and business leaders and is another group that will help raise the profile of the university and support for various programs.

**Other Business**

**Upcoming Events**

Some upcoming events Dr. Dial informed the Board are the following:
- February 12th – Valentine’s Day Date Night
- March 6th – Donor Recognition Luncheon
- May 15th – Alumni Awards Gala
- Oct. 23rd-24th – 50th Alumni Reunion
- Oct. 24th – BJK & Friends Gala Dinner

Sasha Perez reported on the statewide student organization conference that Cal State L.A.’s Associated Students, Incorporated (ASI) attended, and one of the main discussion topics was divesting from fossil fuel investments, and the correlations and impacts of foundation investments on the environment. Sustainable investments will be discussed at the committee level (Investment and Finance Committee), so that this topic can be addressed with the financial advisors for a more in-depth review.

**Next Meeting**

The next CSULA Foundation Board of Trustees meeting will convene Thursday, April 30, 2015, at Cal State L.A., Raquel Soriano Board Room.

With no other business, a motion to adjourn was made by Lisa Chavez and seconded by Nancy Warter-Perez.

With no further comments, the Trustees conducted a verbal vote and the motion passed, by unanimous vote.

The meeting was adjourned at 1:15 p.m.
Approval of Board Minutes

As Secretary of the CSULA Foundation, the draft minutes of January 29, 2015 meeting have been approved as presented at the April 30, 2015 Board of Trustees meeting.

Jeanette L. Gordon

April 30, 2015
Date