

California State University, Los Angeles Foundation

BOARD OF TRUSTEES Meeting Minutes

Thursday, January 24, 2019
11:15 a.m.

California State University, Los Angeles
Raquel Soriano Board Room

Present: Larry Adamson, Nelson Algaze, Danielle Ares-Duran, Lorraine Bradley, William Covino, Janet Dial, Christopher Koo, Alev Lewis, Dwight Nakata, Omel Nieves, Veena Prabhu, Leila Ricci, Barry Rondinella, Nilza Serrano, Joyce Williams

Absent: Lisa Chavez, Lina Hu, Sergio Gonzalez, Rosario Marin, Robert Velasquez

Staff: Robert Avalos, Associate Vice President for Principal and Planned Gifts
Susana Moreno, Fiscal Analyst, University Advancement
Mario Perez, Associate Vice President for University Advancement
Jane Rhee, Administrative Assistant, University Advancement

Omel Nieves called the meeting to order at 11:30 a.m.

President's Report – Omel Nieves, President

Approval of Minutes

The draft minutes of the September 27, 2018, Board of Trustees meeting was presented for review and approval.

Motion to approve the draft minutes of September 27, 2018, Board of Trustees meeting was made by Nilza Serrano and seconded by Veena Prabhu

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

The draft minutes of the December 6, 2018, Board of Trustees meeting was presented for review and approval.

Motion to approve the draft minutes of the December 6, 2018, Board of Trustees meeting was made by Nilza Serrano and seconded by Veena Prabhu.

University President's Report – President William A. Covino

President Covino updated the Trustees on the various building projects on campus, such as the new parking structure, the new dorm building construction, and the near completion of the LA BioSpace Incubator.

President Covino explained the university's plan to modify the admissions criteria and its relation to the budget. Currently, Cal State LA has over 5,000 unfunded students, resulting in a shortage of approximately \$30M in the budget. If granted impaction status, enrollment would decrease approximately 600 students each academic year. President Covino provided an overview of the admissions process from previous academic years, and the

California State University, Los Angeles Foundation

anticipated modifications to admissions criteria possibly beginning this fall. He shared there will be public meetings for input and feedback from the community.

Committee Reports

Audit Committee – Dwight Nakata

Audit Firm Request for Proposal Update – Mr. Nakata reported that the request for proposal is not only for the foundation, but also for the other auxiliary entities. Proposals were received from five firms. The committee will be meeting to review and discuss the proposals. All firms are nationally recognized firms and have experience with nonprofits.

990's Filing Update – Tax returns for the last fiscal year July 1, 2017 to June 30, 2018 are due on May 15th. The committee will be reviewing the 990's with MGO and will present at the next general board meeting for approval prior to submission.

Development and Gift Acceptance Committee – Janet Dial

On behalf of Rosario Marin, Dr. Dial reported more than \$6M has been raised toward the \$10M goal. Hundreds of online gifts and checks were received before December 31, 2018. At this time, more than 1,875 individual donors have given to the university. Our goal is 5,000 individual donors within the fiscal year.

Dr. Dial reported on a seven-figure gift from the Sikand Foundation that will establish a center in the College of Engineering, Computer Science, and Technology. Another seven-figure gift we received was from Hauser & Wirth, which will provide state of the art equipment to the art department, fund student apprenticeship programs and faculty support, and enhance the art department website.

Dr. Dial reported that the Silvermans attended the Board of Trustees meeting this past Tuesday to be present when the Trustees approved the naming of the Ron H. Silverman Fine Arts Gallery. The grand opening and ribbon-cutting ceremony is scheduled for May 8, 2019. There was an additional gift that will support a lecture series focusing on STEAM (science, technology, engineering, art, and math).

Other six-figure gifts received included a three-year grant from the Weingart Foundation for \$520,000 to support an acceleration initiative in the College of Engineering, Computer Science, and Technology. The Milano Foundation has funded a five-year pledge for the College of Arts & Letters. Vodafone Americas Foundation made a grant of \$133,200 for a research project in the College of Engineering, Computer Science, and Technology. The nursing program received a scholarship endowment, from a brother of a nursing alumnus for the Rongxiang Xu College of Health and Human Services, and an alumnus of the College of Natural and Social Sciences received an endowment of \$100,000.

Governance Committee – Janet Dial

Faculty Trustee Alternate – We recently learned that Andre Avramchuk was granted sabbatical the last semester of his term as faculty trustee on the board. The academic senate has nominated Robert Nissen to serve the remainder of Andre Avramchuk's term, ending June 30, 2019.

Motion to approve Academic Senate's Nominee for Robert Nissen to serve as alternate for Andre Avramchuk was made by Nilza Serrano and seconded by Barry Rondinella.

California State University, Los Angeles Foundation

Committee Appointments – The trustees were directed to review the current committee appointments. It was noted that the governance committee will need a new chair. Barry Rondinella expressed interest to serve as chair for the governance committee.

Mr. Nieves elected Barry Rondinella to serve as governance chair. Motion to approve Barry Rondinella as chair of the governance committee was made by Nilza Serrano and seconded by Veena Prabhu.

Robert Nissen expressed interest in serving on the governance committee.

Investment and Finance Committee – Alev Lewis

Portfolio Update – Ms. Lewis reported on the meeting with the Stone-Beck Group and provided an overview of the endowment portfolio, ending December 31, 2018. Overall, there was a 2% underperformance from our managers compared to the benchmark. She reported that the committee agreed to Stone-Beck Group's recommendation to replace Thornburg, due to their consistent underperformance. Thornburg will be replaced with Lazard International Select.

Since inception, the portfolio has earned 6% on an annualized basis, resulting in 13.8M investment earnings. Ms. Lewis reported on the committee's discussion with the Stone-Beck Group on the portfolio's performance in a down market. The committee will be reviewing target allocations to see how they can be reallocated to alternative investments.

Investment Policy Statement – The committee has asked the Stone-Beck Group to make additional revisions to the draft Investment Policy Statement. At this time, the committee would like to defer the approval of the draft policy statement until those revisions have been made and represented to the committee for final review. Ms. Lewis deferred the next agenda item to Dr. Dial.

Projected Distribution to Account Holders for FY 2019-2020 – On behalf of the committee, Dr. Dial presented the committee's recommendation to approve 3% distribution.

Motion to approve the committee's recommendation of the FY 2019-2020 distribution to account holders at 3% was made by Larry Adamson and seconded by Nelson Algaze.

Treasurer's Report – Joyce Williams

Unaudited Financial Statements, ending December 31, 2018 – Ms. Williams reviewed the Financial Summary, reporting total inflow of \$347,141, largely impacted by the loss of investment earnings, and total outflow of \$6.54M mostly comprised of scholarship disbursement and the biospace building construction. The ending fund balance from July 1 through December 31, 2018 was \$54.8M.

Executive Director's Report – Janet Dial

We Are LA Campaign and University-wide Updates – Dr. Dial shared with the Trustees the latest dashboard from the Chancellor's Office. These are created for each CSU campus to measure fundraising benchmarks. She elaborated on each quadrant of the dashboard sheet including funds raised, total number of donors, total number of alumni donors, endowment portfolio, and the cost to raise a dollar. Dr. Dial explained how Cal State LA moved to Tier Group 2. The indices that impact tier group membership include endowment level, total number of frontline fundraisers and total number of individual donors.

California State University, Los Angeles Foundation

Dr. Dial shared a model of a gift table and elaborated on gift levels. Dr. Dial shared some fundraising strategies and elaborated on the process of prospect management and stewardship.

Upcoming Events – Dr. Dial invited the trustees to join Cal State LA couples and President’s Associates to the upcoming “Love and Friendship” event on February 8th on campus in Golden Eagle. The other upcoming event on campus is homecoming basketball games for both men and women the evening of February 7th with an alumni reception in the University Club. Cal State LA’s first Orange County alumni event is scheduled for February 21st. Cal State LA will be hosting a book launch event for alum, George Pla, on March 20th. We will be having a panel discussion with most of the principals in his book, moderated by Pat Brown Institute’s Raphe Sonenshein. Please contact our office if you would like to attend these and any other events on campus.

Next Meeting

The next meeting of the Foundation is scheduled for April 25, 2019.

Motion to Adjourn

With no further business, motion to adjourn was made by Omel Nieves and seconded by Nilza Serrano.

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

California State University, Los Angeles Foundation

Approval of Board Minutes

As President of the Cal State LA Foundation, the draft minutes of the January 24, 2019 board meeting, as presented, have been approved.



Omel Nieves

4-25-19

Date