

CHICO STATE ENTERPRISES

Board of Directors' Meeting Minutes

Monday, June 8, 2020, 1:30 – 4:00 pm

https://csuchico.zoom.us/j/93659002_28?pwd=d3lpSS8xSDIyL1hQRHhWVjJkRURUJiUT09

Password: 090461

MEMBERS PRESENT: John Unruh, Debra Larson, Bob Kittredge, Angela Trethewey, Gayle Hutchinson, Ann Sherman, Ahmad Boura, Ben Seipel, Tod Kimmelshue, David Stachura

MEMBERS ABSENT: Sandy K. Parsons-Ellis

ALSO PRESENT: Mary Sidney, Natalie Carter, Vance Kelly, Michele Flowerdew, Russell Wittmeier, Julie Jessen, David Hassenzahl, Elizabeth Squire, Pam Hollis, Tom Wilder, Eli Goodsell, Rachel McBride

I. **Call to order** – Larson called the meeting to order at 1:37 PM.

II. **Approval of minutes from April 29, 2019**

Motion to approve the minutes as amended from the Board of Directors meeting on December 9, 2019

(Kittredge/Lando)

Motion carried (10/0/0)

III. **Public comments and announcements**

- A. Dave Hassenzahl shared that Dr. Hyewon Pechkis has been awarded the Outstanding Early Career Faculty Award, recognizing her as one of the top young physicists in the world, and providing her with funding for multiple years to pursue her research. He added that it indicates how successful Chico State has been at supporting researchers, and that it would be hard to receive this award if there was not infrastructure in place to support her.

IV. **Reports**

- A. **President's Report** – President Hutchinson shared the University's support of Black Lives Matter. She shared an update that the CSU system will be predominantly virtual for Fall 2020. She shared that the Emergency Operations Center (EOC) has identified some courses that will be offered in-person in the Fall for the purpose of experiential learning and lab courses. She added that the residence halls will be populated at approximately 46% of the usual student population, that additional plans to increase the number of people on campus are under review, and that University's top priority is community public health. Lastly she addressed coming budget reductions, and the universities

current efforts, including plans for reductions over the coming years.

- B. **Provost's Report** – Provost Larson shared that for the fifth year funding has been renewed for the Chico STEM Connections Collaborative (CSC²), which offers support, resources, and opportunities to Chico State's underrepresented students majoring in engineering, computer science, construction management, natural sciences, and agriculture. She shared about the Go Virtual Summer Institute, which will offer faculty support in preparing for virtual instruction. Lastly, she shared that Patrick Johnson and Sharon Ruggirello have been working to improve and update Human Subject and Animal Care Policies, and that David Stachura has been selected to serve for the Animal Care Chair while Patrick Johnson will continue as the Human Subjects Chair for the Institutional Research Board (IRB).

- C. **Audit Committee Report** – Kittredge shared that the Audit Committee met and reviewed the audit process with the auditing firm. He shared that this year's audit is planned to be conducted remotely, due to COVID-19, and that dialogue has focused on plans to ensure on how to complete the audit on schedule. He added that the audit completion deadline has been extended by the Chancellors Office.

- D. **Finance and Investment Committee Report** – Kimmelshue shared that the Finance and Investment Committee had reviewed the newly combined (Research Foundation and Research and Sponsored Programs) budget for the coming fiscal year. He added that an additional budget proposal has been made for improvements to 25/35 Main. He shared the committees support for the proposed budget. Kimmelshue added that the Committee is working on an aging report to review account receivable activity.
 - 1. **Congratulations to Vance Kelly, Director of Finance** – Sidney extended Congratulations to Vance Kelly, the newly appointed Director of Finance.

 - 2. **FY20-21 Budget Proposal** – Sidney reviewed the budget proposal. She shared that in the process of establishing the year's budget, strategic priorities were identified and considered in projecting necessary expenses. Sidney highlighted a reduction in costs that resulted from a reevaluation of ITSS services and CSE's needs. She shared that overall the net change in the budget is an increase of \$128,000.

 - 3. **Proposed Funding for Special Facility Improvements** – Sidney shared about needed improvements at 25/35 Main Street, and the associated costs of approximately \$131,000. She shared that the funds will come from the Professional Development Fund, and allow for improvements in security around the perimeter of the buildings, as well as deep cleaning efforts.

Sidney shared that the budget does not currently reflect a complete financial picture for CSE. She explained that there is activity in the board discretionary funds that staff are still working to identify, and that OneSolution is not currently allowing for the easy extraction of comprehensive data relating to the funds. As a result, distributions and allocations are pending until a more comprehensive picture is available.

Trethewey asked about the purpose of the Professional Development funds. Sidney shared that the use of the fund has been broad, and that she has the goal of identifying a clear purpose for each fund. Hutchinson suggested a conversation with Brooke Banks, the Presidents Chief of Staff to clarify any items relating to the President’s Discretionary Fund.

Lastly, Sidney shared a recent update that the University Foundation is in the process of revising the current agreement, which could significantly impact coming fiscal year’s revenue.

**Motion to approve the proposed Budget, including the additional request for facility improvements to 25/35 Main Street.
(Kittredge/Kimmelshue)
Motion carried (10/0/0)**

E. Ad-Hoc Committee on Governance Report

- 1. Proposed revisions to CSE Bylaws** – The committee identified a number of proposed changes to the CSE Bylaws. She highlighted proposed changes to the Board Membership, including the removal of the Vice President of Student Affairs as an ex-officio Board Member, the addition of two Community Board Members, and a change in the minimum and maximum number of Board Members (from 10-15, to 12-19).

Kittredge asked about changes to the language for the hiring process identified for the Chief Executive Officer (CEO) and the Board agreed that adding language on this would be helpful. Article V, Section 4 should clarify the Board will advise the Board President in the hiring of the CEO. Sidney shared that changes were made to allow for more flexibility relating to term limits, notifications, meetings, and membership. She added that all changes will undergo legal review to ensure compliance with the State and Chancellors Office. Hutchinson identified an inconsistency in the language regarding “board member” and “director.” Also, need to remove Article V, Section 6 as there are not “elected officers”, they are “ex-officio” and Article VII.

Larson asked for review of the Articles of Incorporation

Boura suggested that the Bylaw review process consider allowing CSE to explore new possibilities to expand financial capacity.

Sidney shared that once agreement is reached on final proposed revisions, she will need to send out a notice of a 30-day period for final review of any Bylaw changes, which can then be voted on and approved at the next Board meeting.

- 2. Response to Chico State Academic Senate Chair** – Sidney shared an inquiry from the Chiara Ferrari requesting that the term appointments of the current Faculty Board Members be staggered. Sidney explained that the actions taken

by the Board, with regards to term limits, have been consistent with the Bylaws. The Bylaws allow for the President of the University to determine the length of the first term for members not serving ex-officio, and that the first Faculty Member term may be one, two, or three years. Larson suggested that language relating to term limits and reappointments be revised to allow for more continuity on the Board. Kittredge suggested a maximum number of terms for those that were not ex-officio. Boura added the University Foundation has resource to share relating to Board Member continuity and a pipeline for identifying potential Board Members.

- 3. Recommendation for Standing Committee on Governance** – Sidney shared that at this time the Governance Committee felt that the committee would be best utilized by continuing as an ad-hoc committee. Kittredge suggested that board membership could be an additional item the Governance Committee could address on a regular basis. Sidney agreed to discuss further with the committee.
- F. **Chief Executive Officer’s Report (oral)** – Sidney shared that rents in 25 and 35 Main Street had been paused earlier in the year to evaluate and provide clarity to the Center’s, relating to rent calculations. She added that the evaluation was complete, and that the information had now been provided to the Centers, which will allow rents to resume.
- 1. Update Audit Extension Request** – Sidney referenced the earlier report from the Audit Committee. She added that a detail plan had been developed to ensure that the Audit is completed on schedule.
 - 2. Update on technology improvements**
 - a. OneSolution** – Sidney shared a chart used to track the top four priority issues being completed as part of the ongoing correction and completion of the implementation of OneSolution. She added that each task will allow for improvement in the way that OneSolution is being utilized.
 - b. Cayuse Implementation** – Sidney shared the CAYUSE implementation has been put on hold to allow for the top priority issues to be completed for OneSolution, with the exception of some components related to proposal development that are not impacted by OneSolution.
 - 3. Update on real property activity**
 - a. Possible sale - 6th and Cedar (The Railroad Property)** – Sidney shared that early feedback from an adjacent property owner indicates that the outright sale of the property is preferable to a lease.
- G. **Big Chico Creek Ecological Reserve – Action Item**

1. **Draft MOU** – Larson shared the proposed MOU, related to mutual access and use of the reserve properties between the Reserved and Mechoopda Indian Tribe of the Chico Rancheria. She added that the Tribal Council and Cabinet had each met, and were in favor of the proposed MOU. Goodsell shared that the Ecological Reserves were excited and in full support of the MOU. McBride shared that the MOU was the result of numerous collaborative discussions, allowing for a working relationship that would provide for the exchange of information and use of the Reserve properties by the two entities.

Motion to accept the MOU as presented.

(Hutchinson/Trethewey)

Motion carried (9/0/0)

Butte Creek Ecological Preserve – Goodsell shared that in 2017 a committee was formed to make recommendation relating to the future ownership of the Big Chico Creek Ecological Reserve (BCCER), Butte Creek Ecological Preserve (BCEP), and Eagle Lake Field Station. At that time it was identified that disposition of the BCEP to the Mechoopda Indian Tribe of the Chico Rancheria. He described the Butte Creek property as having no infrastructure following the 2018 Camp Fire, he added that half of the property is accessible by vehicle and that it has primarily been used for educational field trips. He continued to share that the hope is that access to the property for educational and research purposes would remain as part of an agreement. Goodsell shared that the initial purchase was less than \$1,000.00, that expenses associated with the property are low, and that since the Camp Fire there has been a lack of staff presence on the closed preserve. McBride shared that the property is located on ancestral lands of the Mechoopda.

Motion to explore transfer of the Butte Creek Ecological Preserve to the Mechoopda Indian Tribe of the Chico Rancheria.

(Hutchinson/Lando)

Motion carried (10/0/0)

H. Adjournment at 3:35pm

V. Closed Session at 3:29pm

Respectfully submitted,

Mary Sidney

Mary Sidney, Secretary