

CHICO STATE ENTERPRISES

Board of Directors' Meeting Minutes

Monday, October 12, 2020, 2:00 – 4:30 pm

<https://csuchico.zoom.us/j/89636056891?pwd=SU1uMVNWWXkxT1Nxc29pK1BRUktUdz09>

Telephone: US: +1 669 900 6833 - Webinar ID: 896 3605 6891

Passcode: 927448

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

MEMBERS ABSENT: Sandy K. Parsons-Ellis, Tod Kimmelshue, John Carlon, Tom Lando

ALSO PRESENT: Natalie Carter, Vance Kelly, Michele Flowerdew, Russell Wittmeier, Julie Jessen, Tom Wilder, Gloria Quintero, Jerry Fieldsted, Kristin Gruneisen, Tim Sailsbery

I. **Call to order** – Larson called the meeting to order at 2:17 PM following some technical difficulties with Zoom.

II. **Approval of minutes from June 8, 2020 and August 27, 2020**

Motion to approve the minutes from the Board of Directors meeting on June 8, 2020 (Hutchinson/Kittredge)
Motion carried (9/0/0)

Motion to approve the minutes as amended from the Board of Directors meeting on August 27, 2020 (Trethewey/Unruh)
Motion carried (9/0/0)

III. **Public comments and announcements** – none

IV. **Reports**

A. **Provost's Report** – Larson shared that more than 4000 individuals participated in EDX Chico. Larson shared that on October 3rd, a signing ceremony was held to finalize the MOU between the Mechoopda and the Big Chico Creek Ecological Reserves.

Larson expressed congratulations to CSE for reaching the 1-year anniversary milestone. She shared the proposal activity has rebounded since the beginning of the pandemic, and that compared to the previous fiscal year, expenditures are up slightly, which is an indication of increased activity and a testimony to the hard work of the PI's and the CSE admin team.

B. **President's Report** – Hutchinson shared about the alumni and family weekend, as well highlighting EDX Chico, Hosted by Provost Larson, with faculty giving virtual presentations on why they are so passionate about their areas of expertise. She also shared about a virtual tasting of the Sierra Oro Farm Trail box, and highlighted Chico

State's collaboration with the local community.

Hutchinson shared that following the Camp Fire and COVID-19 pandemic, enrollment is projected at 16,600 students, down from 17,500 at the time of the Camp Fire. She expressed her appreciation for staff's enhanced admission and recruitment outreach efforts, resulting in only a modest decrease in enrollment. Hutchinson shared that Chico State will remain primarily virtual through the Spring 2021 semester.

Hutchinson shared that more than 30 Chico State Faculty and Staff members had canvassed the student housing neighborhoods with non-partisan voter registration and general election information, and that Chico State is striving to promote and encourage voting in the General election. She shared that Chico State is working to help the virtual campus community get stable and secure internet connectivity, and that state and local efforts are being targeted at ensuring broadband connectivity for all. Lastly, Hutchinson shared about efforts to support the mental health of the Campus community.

C. Audit Committee Report

- 1. Report on Annual Financial Audit** – Kittredge shared that the committee had met with the auditors to review the outcome of the recent audit. He shared that the audit had been conducted remotely due to the COVID-19 pandemic. He shared that the audit report was clean for the first time in the last several years, adding that there were no major issues identified, and that all deadlines had been met. Kelly thanked the Board and CSE team for their efforts and contributions.

D. Finance and Investment Committee Report

- 1. FY19-20 General Fund Year-End** - Kelly reviewed the organizations financials as of June 30, 2020 in comparison to the budget. Overall there was a slight increase in indirect cost recovery, however investment income was lower than anticipated due to the COVID-19 pandemic. He noted that investment income has rebounded in the first quarter of the new year. Overall revenue was \$621,000 more than budgeted. Kelly shared that liabilities related to postemployment benefits had increased due to the COVID pandemic, and highlighted costs related to software maintenance and contract services to support the implementation of OneSolution as well as to prepare for the recent audit.

Kelly noted that the overall net change in the CSE General Fund Balance was an increase of \$269,000, bringing the General Fund balance to 4.4 million. Kelly shared about changes in assets and liabilities. He highlighted a significant reduction in unbilled revenue, and an increase in cash and investments. He also pointed to an increase in unearned revenue from CARES Act funding received at the end of the fiscal year.

Trethewey asked about the F&A distribution methodology. Kelly shared that a new F&A methodology is being proposed, as well as plans to socialize the new methodology with stakeholders. Larson added that the team is working to elucidate the existing methodology for comparative purposes.

- 2. FY20-21 Financials and General Fund Budget Update** – Kelly shared preliminary

financial statements for the first quarter of the 20-21 fiscal year. He noted that investment income increased, and that total liabilities have decreased due to collection efforts and the realization of unearned revenue. Kittredge praised Kelly and the accounting team's efforts to improve the organizations financial reporting. Kelly shared that collaborations with the sponsored programs team had helped to significantly improve accounting operations.

- 3. Incentive Distribution Update** - Larson lauded the efforts of the accounting team to adapt to during the organizational restructuring, ongoing implementation of OneSolution, and the timely completion of a clean audit. She identified the F&A distribution methodology as a top priority. Kelly shared that the 19/20 distribution will utilize the existing methodology with the hopes that a new methodology will be developed and socialized for the 20/21 distribution.

E. Ad-Hoc Committee on Governance Report – Sherman reminded the board that the committee had been established to navigate the reorganization. She advised that Mary Sidney, David Hassenzahl, Ben Seipel, and Sherman were currently on the committee. Larson shared that an updated description of the committee's role should be distributed in advance of the next meeting to allow for a vote.

- 1. Final proposed revisions to CSE Bylaws** – Sherman referenced a summary table of proposed bylaw changes in the packet and proceeded to walk the Board through each item. She noted a change to the language describing the qualifications of the Student Member; a proposed increase in the number of Faculty members from two to three; and adding language to ensure staggered appointments of directors to the extent possible; Kittredge noted a reference to the "Executive Director" in item 7 needing to be removed; Sherman noted proposed changes to provide consistency; and the addition of language to allow for the creation of additional officers deemed necessary by the Board. She also noted the addition of language to allow for advisory members who are not board members to serve as voting committee members. Kittredge questioned increasing the number of Faculty members. Larson shared that comparison of the governing bodies of similar organizations had contributed to the decision to increase the Faculty representation. There were no further proposed revisions.
- 2. Recommendation for Standing Committee on Governance** – Sherman shared the committee's perspective that establishing a standing governance committee that meets annually was appropriate. Tasks were identified relating to board appointments and membership, as well as corporate document review. Larson expressed support for establishing a standing committee. Boura suggested that the committee could assist with evaluating the needs of the Board in order to identify desirable potential candidates.

F. Chief Executive Officer's Report (oral)

- 1. Welcome new CSE Controller Tim Sailsbery** – Kelly introduced and welcomed new CSE Controller Tim Sailsbery. Sailsbery shared his excitement to join the team.
- 2. NSPR Transition** – Wittmeier shared that NSPR employees were officially separated from CSE, and that all but two employees transitioned to CAP Radio

effective October 1, 2020.

3. **CSE Operations Update** - Wittmeier shared that the Return to Work process is ongoing, noting that CSE and CSE programs are following the same process as the rest of the campus community.
4. **Update on Technology Improvements**
 - a. **OneSolution** - Wittmeier shared a Gantt chart being used to track the ongoing OneSolution implementation. He highlighted completed tasks, some currently in progress, and others that are planned in the future. Kelly shared that building custom standardized reports was a top priority.
 - b. **Cayuse Implementation** - Wittmeier shared that Cayuse implementation has begun and reminded the board that the software will integrate with both OneSolution and People Soft. He noted that some OneSolution issues were being prioritized to allow for smooth implementation.
- G. **Proposed sale - 6th and Cedar (The Railroad Property)** – Wittmeier reviewed the property on the corner of 6th and Cedar. He shared that there are zoning restrictions on the property, a set-back due to the adjacent railroad track, and that there have been reoccurring issues with debris and illegal dumping. He shared that the estimated list price is approximately \$135,000. Kittredge asked for discussion at a future meeting about the use of any funds generated for the sale of the property

Motion to approve disposition of the property at 6th and Cedar at the discretion of the CEO.

(Hutchinson/Sherman)

Motion carried (9/0/0)

Motion to review CSE property inventory and current or planned uses at a future meeting.

(Boura/Hutchinson)

Motion carried (9/0/0)

V. Meeting adjourned at 3:53pm

Respectfully submitted,

Mary Sidney

Mary Sidney, Secretary