

CHICO STATE ENTERPRISES
California State University, Chico
Minutes for the Finance and Investment Committee
Friday, September 13, 2019, 1:30 – 3:30 pm
25 Main St. First Floor Conference Room

Committee Members Present: Bob Kittredge, Tod Kimmelshue, Annabel Grimm, David Stachura

Members Absent: None

Other Board Members Present: Debra Larson, Ann Sherman

Also Present: Vance Kelly, David Hassenzahl, Natalie Carter, Bobby LaCour

1. **Call to Order** – Kimmelshue called the meeting to order at 1:30 pm.
2. **Approval of Minutes from May 5, 2019 – Action Item** – Minutes not distributed with enough notice for approval, will be presented for approval at the next meeting.
3. **Public comments - None**
4. **Reports**
 - a. **CEO Search update** – Hassenzahl shared that the second of two candidates is interviewing today, the first candidate's interview was on Monday. Both candidate's CVs are available on the website. The first candidate, Mary Sidney, has a background in research management, led several innovations, also worked with San Jose State University's equivalent of Chico State Enterprises (CSE), as well as Lawrence Berkley Laboratory. The second candidate, Michael Nichols, has grant administration background with a number of universities. Both candidates have significant qualifications. Kittredge asked about candidates' ability to interface with the academic community and Hassenzahl expressed confidence in both candidates' experience and ability to relate to the overall mission. A meeting of the Selection Committee is scheduled Tuesday September 17.

Larson shared that CSU, Chico has committed to provide funding to support the administrative services related to sponsored program administration through a transitional period. Larson was optimistic that the planned salary range would be acceptable to both CEO candidates. Kittredge inquired about the new CEO being meaningfully engaged with the CSU, Chico and having more open communication than has been in place previously given the opportunity to implement a successful transition and generate more effective communication. Larson shared that the CEO will sit on the Provost's Leadership Team and that improved communication is a top priority. Hassenzahl shared that his time serving as interim has provided an opportunity by building a better understanding of where conversations are and are not happening between the University and Chico State Enterprises.

- b. Reorganization updates** – Hassenzahl shared that some relocations have occurred within the building. Some downsizing, and hiring has occurred. Envisioning three directors under the CEO: Director of Development, Director of Business Services, and Russ Wittmeier will continue as Director of Human Resources and Payroll. Looking at new software for pre-award, funded through Professional Development Fund. New furniture for 25 Main Conference Room. Moving forward with search for Jessica Bourne’s replacement.
- c. Investment and banking update** – Hassenzahl shared that this was a carry-over item from the previous year. No further discussion was needed.
- d. Sponsored programs net assets review** – Kittredge stated that this item was tied to items discussed at the Audit Committee. All Finance and Investment Committee (FIC) Members were in attendance at the Audit Committee meeting, as such this item was not discussed further.
- e. Update on AR/billing efforts** – Kimmelshue expressed that this was also discussed during the Audit Committee meeting. Kittredge discussed the required Management Discussion and Analysis, a narrative that serves as an explanation and description of the financial statement. The intention was shared to have this included in future financial statement as a GASB required document. Kelly shared that the statement was not included due to time constraints.

Kimmelshue asked about the 403(b) audit process. Kittredge shared that the required 403(b) audit was primarily to ensure that third-party administrator’s data was consistent with personnel records and systems. Currently the third-party administrator’s information has not been consistent with internal records.

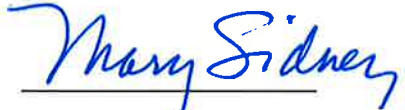
Kittredge asked about the CSU, Chico funding support for sponsored program activities, as historically this was administered by a CSU position. Larson shared that of the four administrative positions that were state side, one left due to relocation, the other two went to different state side positions, and the final position was eliminated. Reorganization has resulted in additional positions, some downsizing, and consolidations. Hassenzahl will prepare a summary of personnel changes for a future meeting. CSU, Chico has committed to provide funding to support activities previously funded by the University that are now under CSE. Kittredge noted that in the minutes from the previous FIC meeting, CSU, Chico had committed to five years of transition funding. Larson shared that the MOU between CSU, Chico and CSE was currently under revision and review, she then suggested that the process be started with CSE. Kittredge asked about potential cash flow alternatives to ensure organizational solvency and stability. Larson requested that Kelly investigate potential cash flow options. Kittredge asked for a discussion regarding lines of credit/cash flow issues informed by risk profile relative to employee costs at the next FIC meeting.

Kittredge brought up current challenges with OneSolution, and what may need to be done to resolve issues and challenges. Kelly shared that he is meeting with Jim Forberg to evaluate current issues and progress in resolving them. Kittredge asked that this be discussed at the next meeting.

Kittredge asked about financial documents included in packet. Kelly shared that these documents were provided as an informational update of the Budget to Actuals for Fiscal Year 2018-19. Updated or revised budget will be brought to next meeting for review, possible modification, and recommendation, prior to next Board Meeting.

5. **Next meeting - Wednesday, December 4, 2019 in 25MST Conference Room at 10:00am**
6. **Closed Session – 2:16PM**
7. **Adjournment – 2:40PM**

Respectfully submitted,



Mary Sidney, Secretary

