

The CSU, Chico Research Foundation

California State University, Chico

Minutes for the Board of Directors

Wednesday March 28, 2012 3:00 pm to 5:00 pm
Kendall Hall Room 103

MEMBERS PRESENT:

Lorraine Hoffman, Paul Zingg, Richard Ellison, Drew Calandrella, Dan Hunt, Jonathan Day, Rick Coletti, Tim Colbie, Katy Thoma, Nicki McDougal

MEMBERS ABSENT:

ALSO PRESENT:

Karen Finley, E.K. Park, Carol Sager, Fred Woodmansee, Fraka Harmsen, Randy Miller

- 1. CALL TO ORDER** – President Zingg called the meeting to order at 3:00 pm and introduced student member Nicki McDougal. President Zingg explained the current Bylaws provide that the Provost serves as President of the Research Foundation Board of Directors. With the resignation of Provost Sandra Flake he, as University President, would be taking on the position until a new provost was hired. There is an agenda item later in the meeting that addresses the appointment of the officers of the Research Foundation.
- 2. PUBLIC COMMENTS** – None
- 3. MINUTES** – December 16, 2011
Motion to approve the minutes of December 16, 2011 (Ellison/Thoma)
Corrections: To page 3 paragraph 7, 3rd line "is/was," should be "is"; Reference to "Long Beach" should be changed to "Chancellor's Office" (Page 2, under University President's Report).

Motion carried with corrections (8/0/2)
- 4. UNIVERSITY PRESIDENT'S REPORT-** Paul Zingg
President Zingg spoke about the budget, enrollment, politics and the future of the University. He discussed the ballot initiative to increase the state sales tax and how it would benefit the University and the K-12 school system. It is the only option for any increase in State support. He noted the Governor is upset with the CSU and UC regarding executive compensation and fees. He also discussed the directives that the Chancellor's office has given regarding enrollment and the

limit to the number of units each student can take and how this will affect students in their progress to their degrees.

5. QUARTERLY FINANCIAL UPDATE

- a. **Budget to actual projections for 3/31/12 and significant activity-** Fred Woodmansee gave the quarterly financial update on the budget projection for 3/31/12. Total revenue for the Foundation Administration Office budget is currently at 58% of what was budgeted. The expectation would be at 75% by this point in the year. Karen Finley explained the effects the AOUI (unemployment insurance trust) refund has had on revenue projections. Subsequent to learning about the refund and including it as part of the budget projections, the Department of Health and Human Services, requested the share of the refund attributed to federal grants & contracts be returned to the Feds. Other CSU campuses did a review going back 5 years, but due to the history still available in our financial system we were able to go back 14 years and demonstrate a more accurate percentage that should be returned. Instead of refunding more than 40% of the total refund, we refunded only 33.9% of the total refund to the Department Health and Human Services. This still reduced the refund by \$216,512. Fred also explained that the LAIF interest rate is down to .38% which is affecting our interest revenue. As for expenses, the Administration Office is within 1% of the budgeted amount.

Fred Woodmansee also reviewed the RESP quarterly financial update. The budget is showing 82% of total revenue due to increased indirect and 64% of expenses which is down from what might be expected at this point in the year. Salary and payroll taxes are down due to the changes in staff.

The question was asked if there are any pending special setups and as of March 31 there are no special setups on the books. All past special setups have been funded.

6. ACTION ITEMS

- a. **Amendment to Bylaws** – President Zingg referred to the Bylaws. They currently stipulate that the Provost and Vice President for Academic Affairs serves as President of the Research Foundation and that the Vice President for Business and Finance serves as Treasurer. The proposed amendments grant the authority to the President of the University to appoint both positions. The appointment for President could, in fact, be the Provost, or someone else. This bylaw amendment proposes a little more flexibility and the possibility of bringing to this table a different individual and an opportunity to share the workload among likely individuals who could serve in this capacity as well as serve on other major boards. Similarly, the appointment of the Treasurer by the President of the University would allow

flexibility and even allows for the appointment of an individual, such as the secretary, to be both secretary and treasurer.

Motion to approve the amendment to the Bylaws as presented (Colbie/Coletti)

Motion carried. (10/0/0)

President Zingg announced that as a result of the action just taken he was appointing himself to serve as President of the corporation for this and the next meeting. He noted he asked Karen Finley, prior to the meeting, that if the Bylaws were so amended would she be willing take on the role of Treasurer in combination with Secretary and she consented. President Zingg stated his intention that upon the conclusion of the Provost search, which is well under way, he will most likely not continue in this capacity, but will consult with the new Provost about taking on this role. It is so important that someone representing academic leadership be in this capacity.

- b. **Records Retention Policy** - Karen Finley addressed the concerns mentioned in the December Board meeting regarding email retention as it relates to Sponsored Programs. Carol Sager has reviewed with staff that emails are attached to pertinent documents and are retained. Electronic and tangible documents do share the same retention period unless otherwise noted. The other item that was requested was a copy of the old policy for the board to review which was provided along with the schedule of retention periods.

Ellison asked if other entity documents that contract with the Research Foundation are being handled with the same policy. Karen stated that we do follow this same retention policy but further conversations need to be had about source documents.

It was noted that only the policy needs approval. The schedules are intended to be living documents that management can modify as needed within the framework of the policy, legal requirements and good business practices.

Motion to approve the Records Retention Policy as presented. (Ellison/Colbie)

Motion carried (10/0/0)

- c. **Procurement Policy** – Karen Finley explained the policy was being revised and reformatted in order to provide more clarity. Along with the policy revision, the Sole Source form has been revised and includes Sole Branding

and the RFQ process has been tightened up. The revised policy has also been reviewed by the stateside procurement office for their input and suggestions.

With regard to sole source/sole brand approval, Lori Hoffman asked who the authorized Foundation person is. Karen replied that the authorized person would be listed in the signature policy. Carol added that for accounts managed by RESP, she would be the signor and Karen would be for Foundation Administration managed accounts. Lori asked if it could be changed from 'approved by an authorized representative' to 'approved by an officer of the Foundation'. Karen stated concern that it would affect the speed of business, and that RESP has the knowledge about the projects it manages. Lori suggested that this might be a later discussion because Carol is a State employee who works for the Vice Provost for Research and does not answer to the Board. It was noted, however, that authority is delegated by the Board-approved Signature Policy. Hoffman felt that Karen Finley is the perfect person to sign these documents as she answers directly to the Board. Zingg suggested that it be modified to 'approved by an authorized representative with consultation with the Board president'. Finley and Sager explained the quantity of the amount of forms that are processed over \$5K and the difficulty that would be to adhere to. Dan Hunt suggested that a threshold be added and it was agreed that \$5,000 to \$100,000 be 'approved by an authorized representative' but anything over \$100,000 must be 'approved by an officer of the Foundation'. That was agreed upon and will be corrected in the policy.

Zingg asked Carol Sager to explain the sole source issue to the Board for a better understanding of the policy and form issue. Carol and Lori explained how the campus and foundation bid on all types of services and items and that this policy helps to insure all business, local and not, have the same chance to bid for items and services.

Rick Coletti asked that clerical changes be made to page 3 to reflect: A. Purchases less than \$5,000; and B. Purchases from \$5,000 to Under \$10,000. Rick Ellison asked if section three, first sentence under competitive procurement, relates to all purchases from a single vendor. Sager responded that this is a per transaction or set of goods basis, not per month or year of purchases.

Motion to approve the Procurement Policy with the revisions as discussed. Colbie /Hunt.

Motion carried (10/0/0)

- d. **Eagle Lake Extension** – Fraka Harmsen briefly explained some history of the field station along with an update on the committee's progress to determine the future liability and sustainability of the station. She also introduced Randy Miller, chair of the committee, who is going to make a brief presentation regarding the progress to date. Randy spoke about the passion that exists within the University and community to see the field station succeed. He explained the different committees and what their goals are related to their specific focus.

The facilities committee is dealing with the access issue of the roads to get to the station, building maintenance, along with utilities and security for the station. The location is remote and without someone on site the station is open to problems. One of the plans is to have an onsite steward at the location on a part-time basis to assist with maintenance and repairs, and to handle anyone who wants to utilize the facility. They would also like to recruit a team of students to deal with the access issue to the station. They would like to install a web cam for monitoring the station and to help with promotion out to other schools and groups. The group is also looking into a type of blitz build to the structures at the station.

One of the other committees is dealing with the usage issue and trying to get more groups interested in the station including trying to establish a broad consortium of universities to possibly pay a yearly fee toward the use of the field station. They would also like to coordinate with other CSU field stations to see what courses they offer and see if we can offer courses that will utilize the station. Another idea is to use it for conferences, workshops and retreats and possible youth camps.

The last committee is focused on the budget issues that surround the field station. After analyzing the past pattern and seeing that user fees are not going to be sufficient to keep the station in the black, they are now utilizing an advancement team to try to get donations to help with the costs of the facilities. A letter campaign has been sent out to help with the collection of donations. The website is also going to be reactivated to help get more people interested in using and donating to the facility.

Currently John and Tracy Crowe are renting the station from the Foundation and in charge of maintenance and care of any group utilizing the facility. They have been doing this for 2 years: the first year they were charged \$1.00 a month and made a profit; the second year the agreement was changed and they were charged \$100.00 as a leasing fee. Randy is now asking that we go back to the \$1.00 model. The Crowe's would be working there part time instead of full time. They would still handle the maintenance and be the stewards when needed. Randy also noted they would have more contact and participation with the Crowes to see what is going on up there and be able to deal with any issues that would come up. The proposal is to

maintain a relationship with the Crowes and be more engaged with them and what happens at the field station and to make sure the station is used to its full extent.

Katy Thoma asked a question about the possibility of engaging a person who has experience with these types of facilities. That idea was accepted and will be looked into. A question was asked about capacity, which is between 30-40 people at a time. Either Jay Bogiatto or John Crowe are the contacts for reservations.

Lori Hoffman requested Randy clarify what the difference is in what they are proposing and what has been done in the past. The RF is holding the bad debit on its books and we contract with the Crowes to run the facility. Miller explained the proposed model is to set up a consortium of campuses, to have a set fee to use it, seek large donations to help fund it, and upgrade the facilities.

**Motion to Approve the Eagle Lake lease extension at \$1.00 per year.
(Hoffman/Coletti)**

Motion carried (10/0/0)

7. INFORMATION ITEMS

- a. **Software Purchase:** Zingg noted he was holding this topic for more information. He wants more frame work for the software purchase, financial responsibility, service, efficiency and effectiveness. He asked Finley to provide some background. She explained that the software currently used is out of date and behind the times for what is needed to get this information out to the end users. This is on the agenda as information to the Board that we will have to purchase new software and we are in the process of determining what software is best for our needs and the related costs.

Hoffman stated that the Associated Students is the entity that actually needs to upgrade its software system not the RF/UF, but we need to make a determination to either move forward with the AS or possibly do something else. Finley adds that the AS is partnering with the RF/UF to determine what the needs are for going forward. There is an ongoing discussion regarding the AS and Foundation relationship and whether it is a partnership or client relationship.

The current software is no longer going to be supported by the vendor it was purchased from. When the RFP was sent out it was sent out with the information for AS/RF/UF.

- b. **Board Training: Upcoming budget process meeting schedule.**
President Zingg explained that this will be done at the training session that will be coming up soon. Karen explained the hand out on the fund structure of the Foundation is to better the Board's understanding of the funds in the budgets.
- c. **College Park Houses-** Hoffman shared with the Board that the first 4 houses of the 12 houses have been sold to the University Housing department. When all houses are completely sold, the University will have repaid the \$3.8 million which the Foundation originally paid for the houses.
- d. **Special Setups-** No special setups

8. ADJOURNMENT



Respectfully submitted,

Karen Finley