

THE CSU, CHICO RESEARCH FOUNDATION

California State University, Chico

Minutes for the Board of Directors

Monday, March 12, 2018, 1:30 – 4:00 pm

BMU 210

MEMBERS PRESENT:

Debra Larson, Robbi Stivers, Ahmad Boura, David Hassenzahl, Angela Trethewey, Eric Bartelink, Russell Shapiro, Tod Kimmelshue, Tom Lando, Bob Kittredge, Alisha Sharma, Gayle Hutchinson

MEMBERS ABSENT:

Milton Lang

ALSO PRESENT:

Jessica Bourne, Russell Wittmeier, Richard Tafalla, Michele Flowerdew, Kristin Gruneisen, Stacie Corona, Jennifer Morgan, Amanda Bullock, Sandy Sheremen, Matthew Bentley, Pam Hollis, Eli Goodsell, Tom Wilder, Gretchen Bender, Randy Miller, Marsail Ford, John Unruh, Jim Forberg

1. **CALL TO ORDER** – Larson called the meeting to order at 1:32 PM and asked for introductions from the Board and gallery.
2. **PUBLIC COMMENTS** – Wilder, Executive Director of the SAP Center, shared that \$523,376 was deducted from his project on February 20th. He expressed concern that half of the SAP balance that was perceived to be part of a rollover to the next fiscal year was deducted and would like to see it returned. Larson agreed to meet with Stivers, Bourne and Tafalla to discuss the matter further.
3. **MINUTES**
 - a. **December 11, 2017 meeting**
Motion to approve the meeting minutes of December 11, 2017
(Lando/Kimmelshue)

Motion carried (12/0/0)
4. **PRESIDENT'S REPORT** – Hutchinson shared that she has been travelling with Boura to visit with alumni and that fundraising is ahead of schedule for the fiscal year. Strategic master planning and campus physical master planning will be underway this week. She joined other university presidents and the Chancellor for Advocacy Day at the state capital to show solidarity in support for the California State Universities. She will be meeting with a smaller group of presidents to talk about food and housing insecurities within the student community. A proposed increase for student health services, athletics and recreational sports and the student learning fee will be voted on by the students and then decided before the end of the semester.
5. **PROVOST'S REPORT** – Larson shared that campus is working diligently this semester to prepare for the WASC accreditation. Bill Loker, who was serving as Interim Vice Provost has taken a faculty position and the permanent Vice Provost, Daniel Grassien started February 15. There is an ongoing search for a Director of the Office of International Education and for a Dean of the College of Business which is being filled in the meantime by Ken Chapman. There will be an

interim merge of Institutional Research and Information Resources to assist with the WASC accreditation.

6. BUSINESS

a. **White paper: Refining the Research Foundation – V 2.0 -**

- i. **Review of proposed tasks from the White paper** – Larson explained that she created a document titled “Refining the Research Foundation” which presents a brief background and reviews a plan to rebuild the Research Foundation. Many items are either in progress or completed and others have yet to be addressed. She reviewed the process for the selection of the new Executive Director and confirmed that the Board will make a decision following the recommendation from the search committee. Efforts are continuously being made towards "address(ing) fund accumulations due to past practices in violation of existing policies." The Research Foundation Administration and Research and Sponsored Programs management continue to work on collaboration. Stivers added that there is a lot of work to be done to investigate historic practices and restructure the organization to be able to tie everything into the mission of the Research Foundation. As a non-campus member, Kittredge expressed concern that the line between University activities and Research Foundation activities needs to be clarified. Larson and Hutchinson echoed this sentiment and explained that untangling some of these relationships will be part of the refinement process.
- ii. **Executive Director recruitment update** – Larson shared the recruitment process.

b. **F&A distribution methodology –**

- i. **Phase I – Determine annual distribution amount – completed** – Tafalla confirmed that phase I of the process is completed.
- ii. **Phase II – Revise distribution formula to Academic Affairs** – Phase II is in process and a committee will be formed to assist.
- iii. **Phase III – Distribute accumulated reserves** – Phase II is also in process.

- c. **Ecological Reserves Ad Hoc Committee report** – Hassenzahl explained that an ad hoc committee was formed to put together proposals for future management of the Research Foundation-owned ecological reserve properties. He briefly reviewed each of the three properties, the Butte Creek Ecological Preserve, the Big Chico Creek Ecological Reserve and the Eagle Lake Field Station. Bourne added that the Research Foundation manages the business aspects of the properties and that Goodsell works very closely with Hassenzahl and other faculty to manage the academic aspects.

Goodsell shared the history, usage and various activities of the properties.

The recommendations from the ad hoc committee report are as follows:

- **Big Chico Creek Ecological Reserve**
 - The Research Foundation should continue to own and manage the property through the current memorandum of understanding with the CSU, Chico
 - The current MOU should be renewed by 2020
 - An official committee should be established to provide the Board with

- recommendations and to help create long-term sustainable funding
- Butte Creek Ecological Preserve & Eagle Lake Field Station
 - Investigate passing management and liability to another entity

**Motion to create an ad hoc committee to assist in the creation of an official committee
(Kimmelshue/ Bartelink)**

Motion carried (12/0/0)

d. Finance and Investment Committee report –

- i. **Quasi-endowments** – Bourne shared that the Research Foundation houses 4 quasi-endowments whereas the University Foundation houses over 550 endowments. Moving these 4 accounts to the University Foundation would create administrative consistency and efficiency. The Research Foundation would also like to encourage projects with excess cash and long-term objectives to consider moving a portion of their balance into an endowment account. This will significantly benefit the project as the University Foundation has a higher interest return rate. A revised Policy on Project Cash Management and Loans will be brought to the next Board meeting to reflect these changes.
- ii. **Investment Policy – Action item** – Hassenzahl presented a revised Investment Policy that allows the Research Foundation to invest excess funds using University Foundation expertise by way of a MOU. Hutchinson noted that the current Investment Policy is more specific than the revised policy. Stivers shared that funds transferred to the University Foundation for investment would be managed by their policies which are more detailed. Bourne stated that the intent was to mirror the University Foundation’s policy but not reiterate it. In addition to adopting the revised policy, Bourne proposed that the Board establish a \$3 million minimum for Operating Cash. Boura asked if this valuation is conservative and Bourne confirmed. Stivers added that any funds invested with the University Foundation are typically accessible within 48 hours if the need ever arises.

**Motion to approve the revised Investment Policy
(Kimmelshue/Hutchinson)**

Motion carried (12/0/0)

**Motion to establish \$3,000,000 as the minimum for Operating Cash with annual evaluations
(Kimmelshue/Kittredge)**

Motion carried (11/0/1)

**Motion to elect Bob Kittredge and Tod Kimmelshue to the Finance & Investment Committee
(Hutchinson/Lando)**

Motion carried (12/0/0)

- iii. **Policy on Project Cash Management and Loans** – Will be brought to the next Board meeting to be reviewed
- iv. **Financials through January 31, 2018** – Bourne shared the Research Foundation financials and noted the cash balance of \$17 million, \$12 million of which will now be invested underneath the revised Investment Policy. Flowerdew explained that much of the \$1.1 million in unbilled revenue results from Passages projects and should be received by fiscal year-end. Bourne continued that the net position for Research and Sponsored Programs is partly related to the unbilled revenue and expects to see GAAP-compliant financial reporting by June 30, 2018. The schedule of net position before transfers will be looked at more closely at fiscal year-end as it is more indicative of financial activity. Hutchinson asked why the Sponsored Programs Fund is \$(200,501) and Bourne shared that it does not reflect all the earned revenue. Flowerdew explained that \$1.1 million of the beginning balance in the Sponsored Programs Fund was transferred in February to the Board Designated Fund. Bourne reviewed the Research Foundation General Fund operating activities.

e. **Reserve Policies – proposed revision** – Bourne briefly reviewed the proposed revision to the Reserve Policies. Kittredge suggested further discussion at the Finance & Investment Committee meeting and Lando offered that a consent agenda be provided at the next Board meeting.

f. **Fringe benefit impact** – Moved to next meeting

g. **Accounting services to external entities** – Moved to next meeting

h. **NSPR MOU Loan approval – Action Item** – Moved to next meeting

i. **Alcohol and Beverage Control license for Concessions** – Cummins explained that University Public Engagements (UPE) is seeking to obtain an annual license from the California Department of Alcoholic Beverage Control (ABC) for Laxson Auditorium to avoid the cost associated with daily licenses. Lando asked about the liability. Bourne explained that the liability is covered with the Research Foundation's insurance, AORMA, however, the license requires personal information from all Board members. Kittredge requested that the required form and the insurance information be distributed to members for review prior to making a decision.

j. **Software implementation** – Bourne shared that the software upgrade is on track for the planned June 30, 2018 implementation date. Bartelink asked about training for the end-user and Bourne let him know that future training sessions will be scheduled.

- i. **Phase I – Financial system and timekeeping**
- ii. **Phase II – Integrated reporting with CSU, Chico**
- iii. **Phase III – Pre-award solution**

7. **Closed Session** – 1:10 – 1:30 PM / 4:00 – 4:05 PM

8. **Adjournment** – 4:05 PM

Respectfully submitted,



Jessica Bourne, Secretary

