

The CSU, Chico Research Foundation

California State University, Chico

Minutes for the Board of Directors
Monday, September 28, 2015, 2:00 – 4:00 pm
BMU Rm 209

MEMBERS PRESENT:

President, Paul Zingg; Interim Provost, Susan Elrod; VP University Advancement, Ahmad Boura; VP Student Affairs, Drew Calandrella; VP Business & Finance, Lorraine Hoffman; Community Member, Dan Hunt; Community Member, Mike Wiltermood; Faculty Member, Erik Bartelink; Faculty Member, Russell Shapiro

ALSO PRESENT: Research Foundation staff Catherine Thoma, Jessica Bourne, Michele Flowerdew, Kevin Kelley, and Kathy Kinsey

1. Call to Order – At 2:13 p.m. by Interim Provost Elrod. Elrod welcomed the gallery and board to the meeting.
2. Public Comments – Betsy Boyd, Academic Senate Chair – Boyd asked for clarification whether faculty representation is now one year instead of three. Elrod assured it is one year. Thoma explained that Shapiro is serving one more year so appointments can be staggered because it takes so long to come up to speed on the operations of the RF.
3. Approval of the Minutes – Elrod asked for a motion to approve minutes for the June 22, 2015 regular board meeting. Motion was made and seconded. No discussion.
Move to approve the June 22, 2015 meeting minutes (Hoffman/Hunt)
Motion carried (7-0-1)
4. President's Report
The new president will be appointed sometime in the spring, but not likely to assume the office until the end of the academic year. Zingg suggested it will be around July 1, 2016. There are currently four other presidential searches going on in the system this year. Zingg's monthly column in Inside Chico State will give some context to the new president.

Chico State has had the best budget year since 2005. The almost billion dollar loss of state revenue is slowly coming back, however, that is on the backs of students. Twelve years ago the ratio of state support to student fees was 89 percent to 11 percent, respectively. Currently it's about 49 percent to 49 percent.

Zingg introduced Boura, the new Vice President for University Advancement.

5. Administration/Provost's Report
Elrod announced Kelley as the Interim Associate Vice President for RESP. Bartelink was introduced as the new faculty representative.
The searches for agriculture and library deans are underway, and once those are complete there will be a full slate of permanent deans. Forty-eight tenure-track faculty members are being hired this year.

Academic Affairs is preparing for regional reaccreditation by WASC, the Western Association of Schools and Colleges. A good standing with WASC allows the university to give away federal financial aid to students. The last review in 2009 resulted in a full 10-year stamp of approval, which had not happened previously. Elrod suggested the board review some of the WASC standards at an upcoming meeting.

Board Retreat – Thoma confirmed the 9 a.m. to 1 p.m. October 22 board retreat at the Warren Center. Elrod would like to get the board together to think more deeply about the mission, vision, and connection to the university. There they can determine if it needs to be refined, revised, and refreshed.

6. Faculty research presentation – Shane Mayor

Elrod introduced Mayor, an assistant professor in the department of Geological and Environmental Sciences. Mayor presented his research on the Atmospheric Lidar Research Group. His instrument, which is currently at the University Farm, measures the wind through pulses of infrared radiation, and is sensitive to microscopic particles of dust as well as raindrops and snowflakes.

More than 20 undergraduates, six graduates, three faculty, five technical staff have worked on this research made possible by four National Science Foundation awards and two contracts from the Department of Defense that were passed through a small company. They have given 35 conference presentations, created six peer-reviewed journal articles, and produced three master theses. Mayor said there are currently no graduate students working in that group.

7. Business

a. Corporate Resolution 2015-1 – Proposed Bylaw Amendment

Elrod presented this resolution that was previewed at the June 22, 2015 meeting.

- 1 - Add two faculty members, which is an additional one to the current bylaws;
- 2 - Appoint two community members, which is also an additional one to the current bylaws;
- 3 - Additionally propose to change the appointment time for a board member to serve two consecutive three-year terms, have a three-year break, and then be able to serve another term of two consecutive three-year terms;
- 4 - The student member voting position will be appointed annually. The AS President makes the recommendation annually for the Student Board member. This could conceivably be the same person.

Move to approve Corporate Resolution 2015-1 (Calandrella/Hoffman)

Motion carried (8-0-0)

b. Corporate Resolution 2015-2

Elrod presented the resolution “to appoint a faculty member representative appointed by the University President and Drew Calandrella as members of the audit committee of the CSU Research Foundation.”

Shapiro offered an amendment to the motion suggesting changing the wording to: “The board of directors hereby appoints a faculty member representative appointed by the University President to join Drew Calandrella as members of the audit committee of the CSU Research Foundation.”

Move to approve Corporate Resolution 2015-2 (Hoffman/Boura)

Motion carried (8-0-0)

c. Corporate Resolution 2015-3

Elrod presented this resolution that gives Thoma, Bourne, Donnelley, and Flowerdew authority to sign any checks, drafts, or other orders for payment of money and all notes or other evidence of indebtedness issued on behalf of the CSU, Chico Research Foundation.

Move to approve Corporate Resolution 2015-3 (Calandrella/Shapiro)

Motion carried (8-0-0)

d. **Corporate Resolution 2015-4**

Thoma explained that the excess cash goes into LAIF, a Local Agency Investment Fund, and signers need to be changed since the accounting was brought in-house. The corporate resolution would be to give Thoma, Bourne, and Donnelley the authority to sign.

Move to approve Corporate Resolution 2015-4 (Hoffman/Calandrella)

Motion carried (8-0-0)

e. **Property update**

Thoma confirmed that Cal Water was transferred back to the state this year. In addition, the property that is contiguous to the parking lot of Mechoopda was purchased. It is the housing behind Nettleton Stadium. Thoma said Hoffman will transfer it in three months.

Hoffman explained that this property was purchased on behalf of the university. It will be the first house that the parking fund will own because Calandrella was reluctant to have housing buy any more of the property. When it is developed, it will be parking as well as student housing.

f. **Audit Committee**

Calandrella reported that K-Coe Isom reported a number of issues but none that are over the top. The plan, scope, and timing was such that things were late and delayed, owing to the transition of the external accounting services provided previously by the Associated Students and now transferred to the internal accounting services of the RF.

K-Coe Isom cited a couple of examples where there were uncorrected or corrected adjustments. For example, there was a misclassification of the sale of assets when the soccer stadium was sold. The RF showed a gain of \$40,000 at a point of that transaction. K-Coe Isom came back with an alternative using GAAP procedures which would have shown a \$385,000 loss. It's a matter of approach and consistency.

There were no uncorrected adjustments identified that were material. K-Coe Isom had no disagreements with management in the form of any of the accounting reporting or auditing. The representation of the management was good.

Finally, K-Coe Isom's recommendation is to strengthen the internal controls in accounting processes for year-end procedures. Other than that, the Foundation is in good shape.

Calandrella called for a vote.

Motion to accept the auditor's report (Hoffman/Boura)

Motion carried (8-0-0)

g. **Financial Report**

1. **Accounting Transition – Thoma**

Thoma confirmed the first accounting transition was completed July 1, 2015 with minimal bumps.

2. Software update – Thoma

The second transition involves the software upgrade. Some problems with accessibility had been found by Mike Schilling, and the software update should help that. Data from the Foundation will be able to be dropped into the stateside database. In addition, the report-writing tool will be the same as what the stateside is using, so that module doesn't need to be purchased. The total cost will be less than allotted at the \$311,000 including Schilling's portion.

3. Financials - Bourne

Bourne explained that the board gets to see one balance sheet a year, and they are trying to find ways to change that. Bourne does not think that they can get to a balance sheet for the bulk of the foundation because of the way the accounting is structured.

There were great efforts made last year to increase the returns for cash. The cash situation for the foundation has greatly improved. It has also reduced a lot of the administrative burden moving funds in and out and trying to get better earnings. The earnings have greatly increased with a lot less effort.

Bourne pointed out that most of the expenses for the Foundation are in public service, not research. There was a large decrease in net position, as predicted. Most of the decrease came from property transactions and not activities from the general fund. The indirect revenue of the budgeted numbers compared to the actual was fairly close.

Bourne explained that the auxiliary activities fund is a bit of an entrepreneurial fund. There was a significant correction last year of some very old money in that fund that had just carried forward. There was a negative \$100,000 carry forward from 1999. Bourne assured they will be reporting more in future meetings on those funds.

Flowerdew explained that non-governmental revenues are other revenues of Sponsored Programs and private funding. They were in 2015, \$1.8 million, about half of what they were in 2014, \$3.6 million. There was no major loss from one company, however. There was a decrease in some of the private funding.

Bourne explained that negative amounts are really coming from book transactions, such as the property that was sold to campus. The accounting transition was an expense that is anticipated to be recouped next year.

Bourne anticipates the Foundation will at least break even for next year, but some of that is associated with property transactions and the sale of property back to campus. Next year's property transactions will likely result in a gain.

Hoffman explained that institutional support is money available to the university that has been paid by the auxiliaries, so the money sits in an auxiliary account. This funding is being used to pay for the renovations of the Warren Center. \$1.5 million was set aside in anticipation of that project.

Elrod said there's about \$30 million managed in RESP, but it would be nice to know how much of that is research versus public service.

Flowerdew explained that RESP's research expenditures are at \$1.9 million. Most of the projects in Sponsored Programs is instructional. It takes students out of the classroom and puts them into training.

Kelley explained that RESP is doing an internal assessment right now. The analysts will determine what percentage of time they are spending on different projects.

Cindy Wolff, director for the Center for Healthy Communities, explained that 26 or 25 projects out of 27 are focused on service, and it is hard to get research dollars in this arena. They also have 15 research teams. Wolff believes the board would label CHC a service-oriented center, although they consider themselves research-oriented. CHC has its biggest intern class this semester at 58. 33 percent are Hispanic. About 4 to 5 students per year will be part of a publication, and the center has 38 publications now.

Elrod said it would be nice to see the number of faculty and the number of students in these categories. We can look at the money but we should also be looking at the ways to view the activities of the RF.

Thoma said Kelley could show the beginnings of that at the December meeting.

Elrod suggested for the December meeting that they review some other types of metrics to view the activities in the RF as they may relate back to the university's strategic plan and priorities.

Boyd suggested using the quantifiers the Agricultural Research Institute uses to see how research is impacting the agricultural community. It could be used for other areas of research.

h. BCCER

Jamie Visinoni, Reserves Manager, was not in attendance as she had a previous engagement. See attached report.

Thoma confirmed that faculty and student use went up significantly in the last year. Two four-wheel drive vans were purchased, and now an entire class can get down to the creek.

Elrod explained that there will be an update on the Eagle Lake Field Station at the December board meeting. The bat situation is also being worked on. Elrod said this is an opportunity to conduct research as nobody has really studied those bats yet.

i. Research & Sponsored Programs

1. Special set-ups

The contract for Alexander Fletcher is on campus right now. It's just needs to be taken across the street and it will be fully executed.

The contract for David Basset, the NSW Pathways program, is in-house now, but will be guaranteed by the dean.

Tehama County has been signed and returned to Tehama County, so once it is all fully executed it will be sent back to campus.

The next four were for Passages. Those are in-house and are currently being reviewed. The Foundation has had these for more than 25 years, according to Contracts Manager John Minor. They're state agencies and they're very conservative.

This next one is on campus. It has been signed and is being looked at. A letter of intent was received that said to go ahead and set up the project. The contract is coming.

Flowerdew explained that the ones at zero cost were just added. The letter of intent was received on June 30, 2015, and nothing has been spent out of the project yet. The grant was awarded in case questions about it sprung up.

8. Other Business

Elrod asked if there was any other business.

Thoma advised future board meeting dates are:

Monday December 14, 2015

Monday March 28, 2016

Monday May 23, 2016. This meeting was moved from June to May.

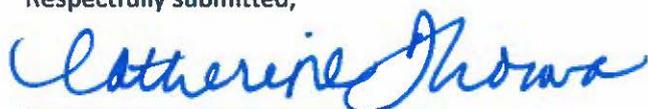
Kelley will be given a section of the agenda for the next meeting. Kelley will explain the Research Stimulation grant money. The idea is faculty can have budgets between \$5,000 and \$10,000. They will be required to submit an extra grant proposal as a result of this work. This is one portfolio of internal research grants meant to stimulate faculty research.

9. Closed Session – Elrod stated they would now be moving to the posted closed session and that only board members would remain.

Report on closed session – The result of the executive session was to review personnel issues.

10. Adjournment – The meeting adjourned at 3:50 pm.

Respectfully submitted,



Catherine Thoma, Secretary

Distributed at meeting of record

Ecological Reserves Update

September 2015

Usage Fall 2015:

- 75 CSU Students and Faculty conducting research
- 504 CSU Students and Faculty conducting classes
- 68 Public Users (faculty/staff tours, hikes)
- 339 K-12 Students (October and November)
- 57 Hunters (A-1, C-4 and G-1 Deer Hunts)
- Total Users for Fall 2015 – 1,043

Update:

- Two 15 passenger 4x4 vans purchased for transportation of CSU Chico Students around the Reserves (\$47K – purchase price, taxes and repairs).
 - o Full classes (28 students) can now be transported all the way down to the creek!
 - o Working to develop Commercial Passenger Program so that students can be transported on highway. Target for fully implemented program – end of November.
- Hired full time Field Coordinator – absorbed duties of administrative support position and Land Steward position. Full time on-site field support for research, classes and field operations. Ensures safety of students, volunteers and staff.
- Altacal Audubon Owl Monitoring – kicks off next month. The RF and Altacal worked for over a month to develop an agreement that satisfies both party's needs. Project supports stewardship and community involvement – hope to encourage CSU Chico grad student research.

Upcoming:

- House Demo – Bat Exclusion Plan and Implementation under development, demo to occur within 2 weeks of bat exclusion (weather permitting).
- BCCER History Walk – October 11th led by local historian/author, Dave Nopel
- MOU with Terra Fuego Resource Foundation
 - o TF has already donated over 600 man-hours of labor to reduce fuel load throughout Reserve!
 - o Working toward MOU that will allow us to partner with experienced fire fighters to implement a long term, landscape restoration project designed to improve habitat and restore the Chico Creek watershed through use of prescribed burns and manual fuel reduction.