



*The Foundation for
California State University, San Bernardino*

**BOARD OF DIRECTORS
2ND QUARTER MEETING
December 7, 2006 --- 4:00 p.m. *
Foundation Board Room**

PROPOSED AGENDA

- | | | |
|----|-----------------------------|--------|
| A. | Call to Order/Introductions | Teyber |
| B. | Welcoming Remarks | Karnig |

ACTION ITEMS

- | | | |
|----|---|---------|
| C. | Approval of Minutes from September 21, 2006 Directors Meeting | Teyber |
| D. | Approval of Revised Articles of Incorporation | Burns |
| E. | Approval of Palm Desert Loan | DeMauro |
| F. | Endorsement of Allocation to the Congressman Jerry Lewis
Endowed Scholarship in Water Resource Studies | DeMauro |
| G. | College Bookstore Consulting | Burns |
| H. | Endowment Fund Transfer | DeMauro |

INFORMATION ITEMS

- | | | |
|----|--|---------|
| I. | General Manager's Report | Burns |
| J. | Committee Reports*
Investment Committee | DeMauro |

- | | | |
|----|---|---------|
| K. | Fundraising Activities | Aguilar |
| L. | Palm Desert Health Sciences Building Report | DeMauro |

* In lieu of committee presentations, minutes of Foundation Standing Committees are provided with the agenda.

Hors d'oeuvres will be served

Distribution: Aguilar, Bayless, Carson, Chen-Maynard, Conley, DeMauro, Fernandez, Fullerton, Gorian, Jackson, Karnig, Obershaw, Rincon, Savage, Stoner, Teyber, Ball, Burns, Calderon, Ruzak, Stanley, Iannolo, Takehara

Agenda Item A --- CALL TO ORDER

Call to Order/Introductions

Dr. Ed Teyber, Board President, will conduct introductions of Board members and guests.

Agenda Item B--- WELCOME

Welcoming Remarks by Chairman Karnig

Chairman Karnig will provide a report to the Board on current issues regarding the Foundation and the University.

Agenda Item C --- ACTION

Approval of Minutes of September 21, 2006 Directors Meeting

RECOMMENDATION:

It is recommended that the Board approve the attached minutes of the September 21, 2006 Board of Directors meeting.

Approval of Revised Articles of Incorporation

RECOMMENDATION:

It is recommended that the Board approve a request to revise the dissolution clause of the Foundation Articles of Incorporation.

BACKGROUND:

Pursuant to procedures established by the Chancellor for the California State University, internal compliance/internal control review of auxiliary organizations are conducted on a triennial basis. The most recent audit was conducted from March 6-April 14, 2006. The draft final audit report dated September 21, 2006, indicates that the Foundation Articles of Incorporation contain an improper dissolution clause relative to the distribution of net assets, other than trust funds, to a successor. The Board is requested to approve the revised language in Article V of the Articles of Incorporation.

The Executive Committee recommended at its November 30, 2006, meeting to approve the request to revise the dissolution clause of the Foundation Articles of Incorporation.

Approval of Palm Desert Loan

RECOMMENDATION:

It is recommended that the Board approve a request to enter into an agreement with the Berger Foundation to borrow funds for construction of the fourth building at the Palm Desert Campus.

BACKGROUND:

The planning phase and schematic designs of the fourth building at the Palm Desert Campus have been completed. Funding agreements for all of the money needed to construct the building have been executed. However, some of the anticipated funds are committed over periods of time beyond the construction start date, which is anticipated early in 2007. Per CSU requirements, funds must be in place before construction of the building can begin. In order to begin construction in January 2007, it will be necessary to borrow money and pay it back as the funds are received per the donor agreements. The Berger Foundation has agreed not only to lend the money but to also assume the risk should any of the donor cities, foundations, or individuals fail to provide the funding as stipulated in executed agreements. Prior to entering into the agreement with the Berger Foundation, approval to accept the loan is needed from the Foundation for CSUSB Board of Directors and, subsequently, from the CSU Board of Trustees.

The Executive Committee recommended at its November 30, 2006, meeting to approve the request to enter into an agreement with the Berger Foundation to borrow funds for construction of the fourth building at the Palm Desert Campus.

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Endorsement of Allocation to the Congressman Jerry Lewis Endowed Scholarship in Water Resource Studies

RECOMMENDATION:

It is recommended that the Board endorse a decision to allocate \$10,000 toward the Congressman Jerry Lewis Endowed Scholarship in Water Resource Studies.

BACKGROUND:

Congressman Jerry Lewis has been a tremendous supporter of the university and its programs for an extended period of time. He has provided funding support for many programs, including the Water Resources Institute, distance learning initiatives, National Center for Excellence in Distance Learning, and many others. Congressman Lewis was presented with the Lifetime Achievement in Water Resources Award in a recent ceremony at CSUSB on November 4, 2006. It was deemed appropriate that the campus provide funding toward endowed scholarships in Congressman Lewis's name in the amount of \$10,000. The Foundation Board of Directors is requested to endorse that decision.

The Executive Committee recommended at its November 30, 2006, meeting to endorse a decision to allocate \$10,000 toward the Congressman Jerry Lewis Endowed Scholarship in Water Resource Studies.

College Bookstore Consulting

RECOMMENDATION:

It is recommended that the Board approve a recommendation for the Bookstore to enter into an agreement with College Bookstore Consulting to conduct an assessment of Bookstore operations.

BACKGROUND:

Based upon a recommendation to assess the feasibility of contracting out Bookstore operations, Bookstore management has entered into discussions with College Bookstore Consulting. This consulting firm is highly recommended by several CSU campuses. The consultant would assess internal operations, financial trends, and service levels, and would provide a comprehensive assessment of performance and an analysis of the value and merit of continuing to self-operate the Bookstore vs. contracting with an independent company to operate the Bookstore. A summary of the consultant's proposal is included with this agenda item. The assessment would be conducted over a period of approximately four months at a cost of \$28,800, plus travel, courier and printing expenses.

The Executive Committee recommended at its November 30, 2006, meeting to approve the recommendation to enter into an agreement with College Bookstore Consulting to conduct an assessment of Bookstore operations.

Endowment Fund Transfer

RECOMMENDATION:

It is recommended that the Board endorse a decision by the Foundation Investment Committee to move \$400,000 from the Foundation's current investment profile to NWF Advisory.

BACKGROUND:

In an effort to achieve increased earnings on endowed funds, the Investment Committee, at a meeting on November 1, 2006, approved a recommendation to move a portion of the endowed funds into a fund of stocks managed by NWF Advisory. This fund is unique in that a pool of fifteen top performing funds is used. NSW Advisory conducts a monthly analysis of the performance of the fund and replaces the lowest performer with a higher performer, maximizing the opportunity to achieve increased earnings. Investment Committee members acknowledged the value of this investment strategy and voted to immediately move \$400,000 into this fund.

The Executive Committee recommended at its November 30, 2006, meeting to endorse the decision of the Investment Committee to move \$400,000 into a fund managed by NWF Advisory.

Agenda Item I – INFORMATION

December 7, 2006

General Manager’s Report

BACKGROUND:

No action required. Deborah Burns, Interim General Manager, will provide an overview of the Foundation’s financial status, commercial enterprises, and other Foundation activities.

Agenda Item J -- INFORMATION

Committee Reports

BACKGROUND:

No action necessary. In lieu of standing committee reports to the Board of Directors, drafts of all minutes of all Foundation Standing Committees are provided with the agenda for review.

David DeMauro, Treasurer, will provide information regarding recent activities of the Foundation Investment Committee.

Agenda Item K -- INFORMATION

Fundraising Activities

BACKGROUND:

No action required. William Aguilar, Vice President for University Advancement, will provide an update on the status of development and fundraising activities.

Agenda Item L-- INFORMATION

Palm Desert Health Sciences Building Report

BACKGROUND:

No action required. David DeMauro, Treasurer, will provide a report of the status of fundraising activities for the fourth building – the Palm Desert Health Sciences Building -- at the Palm Desert Campus.