



*The Foundation for
California State University, San Bernardino*

BOARD OF DIRECTORS MEETING

Thursday, December 8, 2005 - 4:00 p.m.

Foundation Board Room

MINUTES

Pursuant to notice given, the Board of Directors of the Foundation for California State University, San Bernardino convened for a regular meeting at the principal office of the Foundation, 5500 University Parkway, San Bernardino, California, on December 8, 2005 at 4:00 p.m.

Members Present:

Dr. Albert Karnig, Chairman	Dr. Otto Chang, Director
Dr. Edward Teyber, President	Dr. Dorothy Chen-Maynard, Director
Mr. David DeMauro, Treasurer	Mr. Ruben Diaz, Director
Mr. Robert Fullerton, Vice President	Mr. George Gorian, Director
Dr. William Aguilar, Director	Mr. Philip Savage III, Director
Ms. Glenda Bayless, Director	

Members Absent:

Ms. Lois Carson, Director	Mr. Charles Obershaw, Director
Dr. Louis Fernández, Director	Dr. Frank Rincón, Director
Mr. Rex Jackson, Director	Mr. Steve Saleson, Director

Others Present:

Ms. Kim Ball, Director, Bookstore	Ms. Linda Pella-Hartley, Executive Assistant
Mr. Jeff Blake, Finance Director	Ms. Cheryl Ruzak, Associate Director, Dining Services - SU
Ms. Debbie Burns, HR Director	Mr. Charles Stanley, Director, Sponsored Programs Administration
Mr. Tito Calderon, Associate Director, Dining Services – Catering/Commons	Dr. Jeff Thompson, Associate Provost, Research
Ms. Helga Kray, AVP, Student Affairs	
Dr. Greg Lehr, Exec Director, Santos Manuel Student Union	

Actions taken by the Board on the agenda items are attached. The meeting adjourned at 7:00 p.m.

Secretary

Agenda Item A – Call to Order/Introductions

Call to Order/Introductions

President Teyber called the meeting to order at 4:15 p.m. A quorum was declared. The following guests were introduced: Helga Kray, Associate Vice President for Student Affairs/Student Development; Dr. Greg Lehr, Executive Director of the Santos Manuel Student Union; and Dr. Jeff Thompson, Associate Provost for Research.

Agenda Item B – Welcoming Remarks

President Karnig provided an update on University activities:

- **State Budget**: This is a recovery year for the University. Budget allocations continue to be substantially less than a few years ago, but the direction has improved. Foundation Board members' efforts are pivotal in helping the university to have more funds.
- **Enrollment**: Enrollment figures are near target, and it is anticipated that the University will be successful in attaining enrollment goals.
- **Student Union**: It is anticipated that the Student Union facility will be ready for occupancy sometime in January. Arrangements will be made to hold the March Foundation Board meeting in the Student Union.
- **Education Building**: The groundbreaking for the new College of Education Building will occur sometime in the spring.
- **Student Recreation Center**: The Student Recreation Center is near completion
- **Palm Desert Campus – Phase III**: Fundraising efforts have been successful, and it is anticipated that full funding will be secured soon.
- **Grants and contracts**: Faculty members are working outside of the box in seeking funding for contracts and grants.
- **Nursing program**: The campus nursing staff are working with Redlands Community Hospital to implement a partnership to provide dual enrollments in the nursing program.
- **Long-term plan**: A revised long-term plan is in the development stage. A draft of the plan will be available soon and will be shared with the Foundation.
- **University Transportation Center**: Norm King has been appointed director of the University Transportation Center. Mr. King was formerly the director of SanBAG.
- **Science Museum**: The College of Natural Sciences received a full-size mammoth which was discovered at an excavation site in Irvine. It will be assembled and placed on display in the Science Museum.

- Faculty Housing: The City of San Bernardino will consider a plan at the December 19 City Council meeting to provide housing subsidies for new faculty

Agenda Item C --- Convocation Video

A short video highlighting the 2004/05 academic year was presented to the Foundation Board.

Agenda Item D --- Approval of Minutes from the September 29, 2005 Directors' Meeting

Recommendation: It is recommended that the Board approve the attached minutes of the September 29, 2005, Board of Directors meeting.

Background: The Executive Committee recommended at its November 17, 2005, meeting that the minutes of the September 29, 2005, meeting be presented to the Board for approval.

Board Action: The minutes of the September 29, 2005, Board of Directors meeting were approved as distributed. (Savage/Chang/Unanimous)

Agenda Item E – Approval to Sell Beer and Wine at Commons

Recommendation: It is recommended that the Board approve a request to apply for a license to sell beer and wine with meals served during catered events at the Commons.

Background: The Executive Committee recommended at its November 17, 2005, meeting to request an additional license from the ABC to sell beer and wine at catered events in the Commons that include food service.

Board Action: The Board approved the recommendation to secure a second license to serve alcoholic beverages at catered events in the Commons. (Bayless/Diaz/Unanimous)

Agenda Item F – Approval of Student Union Lease for Food Service Operation

Recommendation: It is recommended that the Board approve the negotiation of a new lease for the operation of Foundation services in the Student Union.

Background: The Executive Committee recommended at its November 17, 2005, meeting to approve the negotiation of a new lease for the operation of Foundation services in the Student Union. The Foundation would pay the Student Union either 50 percent of profit, or \$1,000 per month, whichever is greater.

Board Action: The Board approved the recommendation to negotiate a new lease for the operation of Foundation services in the Student Union. (Savage/Chen-Maynard/Unanimous)

Agenda Item G – Approval to Establish Loan to Purchase Food Service Equipment

Recommendation: It is recommended that the Board approve a loan not to exceed \$250,000 to purchase food service equipment, pay franchise fees, and purchase start-up supplies.

Background: The Executive Committee recommended at its November 17, 2005, meeting to approve the request to approve a loan not to exceed \$250,000 to purchase food service equipment, pay franchise fees, and purchase start-up supplies to facilitate the opening of food service venues in the Student Union facility.

Board Action: The Board approved the recommendation to secure a loan not to exceed \$250,000 to purchase food service equipment, pay franchise fees, and purchase start-up supplies. (Karnig/Chen-Maynard/Unanimous)

Agenda Item H – Foundation Status Report

Background: No action required. Foundation management furnished a status report of Foundation operations:

David DeMauro provided a report on improvements within the Foundation:

Progress is being made, as reflected in the income statements. The Foundation organizational structure has been adjusted, which is resulting in increased revenues. A number of cost-cutting measures have been implemented:

- The vacant Executive Director position has not been filled.
- In lieu of recruiting a Director of Dining Services, Cheryl Ruzak has been re-hired to serve as Assistant Director of Dining Services – Student Union food venues. Tito Calderon continues to serve as Assistant Director of Dining Services – Commons and Catering.
- The number of fulltime, benefited employees in Dining Services has been reduced. Part-time temporary employees and student assistants are utilized as needed in Dining Services.
- Sponsored Programs Administration has reduced the number of employees.
- A number of funding allocations have been eliminated, moved to other funding sources, or reduced, lowering expenses by more than \$100,000.

Additional administrative changes have been made in the Foundation, resulting in the following changes and improvements:

- Authority for scheduling events in the Obershaw Dining Room has been assigned to Tito Calderon.
- A food court featuring branded food venues will be opening in the new Student Union facility.
- The two convenience stores are operating successfully.
- Foundation operations are implementing a Balanced Scorecard quality improvement process throughout the organization.
- The antiquated accounting system is being replaced and is on a path to be fully functional by July 1, 2006.
- Senior-level employees are being empowered to make decisions

Deborah Burns provided an update on activities in progress in Human Resources operations.

Kim Ball presented an update of Bookstore operations.

Stan Stanley provided an update on activities in progress in the Sponsored Programs Office. Staff will be reviewing the administrative overhead to recommend a more accurate process to reflect changes in staffing. The cost of the Foundation to operate Sponsored Programs Administration has increased \$37,000. The Foundation Sponsored Programs Committee has expressed that it is desirable for monies to be returned to the campus, as was done in past years. The committee will be looking at ways to improve the bottom line.

Tito Calderon and Cheryl Ruzak presented information regarding the status of Dining Services operations. Recruitment of qualified, competent employees has been a challenge. Dining Services is in the process of implementing changes to reduce losses.

Jeff Blake presented a report on the status of Foundation finances. Staff are being trained to implement the conversion of the antiquated accounting system to the PeopleSoft system, which has been in place in CSUSB's state operations for several years. He also presented an overview of the audited financial statements, and endowments and scholarship activity. An unqualified opinion was received from the auditor. The Audit Committee reviewed and approved the final financial statements. The numbers presented in the audited financial reports matched the information presented in the managerial reports.

Committee Reports:

Executive Committee: David DeMauro reported the committee will meet two weeks prior to the next Board meeting to develop the agenda.

Investment Committee: George Gorian reported the committee will be receiving a breakdown of equity and fixed income projections. He also reported the status of trust activity.

Commercial Enterprises: Dorothy Chen-Maynard acknowledged the reports made by Tito Calderon, Cheryl Ruzak, and Kim Ball. Similar reports have also been presented to the Commercial Enterprises Committee. Kim Ball reported that, due to the installation of a new convenience store in the Student Union, the plan to remodel and expand the existing Bookstore has been postponed.

Sponsored Programs Administration: Stan Stanley reported on the status of negotiations for a new indirect cost rate to be implemented by July 1, 2006. Proposals submitted for awarding of grants are being received at double the rate in the prior year, with the likelihood of a similar increase in awards granted.

Audit Committee: Glenda Bayless reported that the improvements in operations and profit, the empowerment granted to senior-level employees, and the conversion to new accounting software will help to reduce costs and improve the 05/06 year-end reports.

The meeting adjourned at 7:00 p.m.