



*The Foundation for  
California State University, San Bernardino*

## **BOARD OF DIRECTORS MEETING**

Thursday, September 29, 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 September 29, 2005 at 4:00 p.m.

**Members Present:** Dr. Albert Karnig, Chairman  
Dr. Edward Teyber, President  
Mr. David DeMauro, Treasurer  
Mr. Robert Fullerton, Vice President  
Mr. Charles Obershaw, Secretary  
Dr. William Aguilar, Director  
Ms. Glenda Bayless, Director  
Ms. Lois Carson, Director  
Dr. Otto Chang, Director  
Dr. Dorothy Chen-Maynard, Director  
Mr. Ruben Diaz, Director  
Dr. Louis Fernandez, Director  
Mr. George Gorian, Director  
Mr. Rex Jackson, Director  
Dr. Frank Rincon, Director  
Mr. Philip Savage III, Director

**Members Absent:** Mr. Steve Saleson, Director

**Others Present:** Ms. Kim Ball, Director, Bookstore  
Mr. Jeff Blake, Finance Director  
Mr. Tito Calderon, Associate Director, Dining Services  
Ms. Debbie Burns, Human Resources Director  
Mr. Charles Stanley, Sponsored Programs Administration Director  
Dr. Jeff Thompson, Associate Provost, Research  
Ms. Linda Pella-Hartley, Executive Assistant

Actions taken by the Board on the agenda items are attached. The meeting adjourned at 7:45 p.m.

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Secretary

**Agenda Item A – Closed Session**

Board members met in closed session to discuss confidential matters. Minutes for this agenda item will be retained in a confidential location.

**Agenda Item B - Call to Order/Introductions**

President Teyber called the meeting to order at 4:30 p.m. A quorum was declared. New Board member, Ruben Diaz, was introduced. Mr. Diaz is the 2005/06 President of the Associated Students, Inc. Dr. Jeff Thompson, Associate Provost for Research, attended as a guest.

**Agenda Item C – Welcoming Remarks**

President Karnig expressed appreciation to the members of the Foundation Board for their guidance and participation on the Board. The University is observing its 40<sup>th</sup> anniversary during academic year 2005/06. President Karnig encouraged the Board members to attend activities and events related to the anniversary celebration.

President Karnig reviewed major priorities that the University will address during the coming year, including:

- **University Strategic Plan**: The Plan will be revised and will focus on teaching and learning, and on the development of community partnerships.
- **Faculty Recruitment**: A goal has been established to recruit 37 fulltime faculty members during 2005/06 to restore those positions lost during budget reductions in recent years. An additional 50 faculty positions will be restored in 2006-2007, as resources permit.
- **Faculty Housing**: The average cost of housing in the Inland Empire is more than twice the cost in other parts of the country. This extraordinary cost of housing significantly impacts the ability to recruit qualified faculty. Therefore the University will be looking at methods to subsidize the cost of housing for new faculty members. Discussions with the City of San Bernardino are in progress to discuss the possibility of partnering with the City to provide subsidized housing for new faculty.
- **Student Retention**: A list of 22 techniques have been developed to facilitate improved student retention rates, including strengthening advising and enhancing students' awareness of methods available to navigate their way through the higher education system.
- **Enrollment Management**: State funding provides one-third of the total funding needed to operate the University. Enrollment targets are established by the University and must be achieved in order to receive full funding. During the coming year, the University will be cognizant of a number of factors that affect the ability to achieve enrollment targets.
- **Research**: A management position has been established in the Academic Affairs Division to assist faculty members with acquiring research grants.

- Distance Learning: National executive level distance learning programs will be implemented during this academic year.
- Tribal Management: An executive level program in Tribal Management will be implemented which will address economics, government, management, etc.
- Foundation for CSUSB: The University will review the relationship between the University and the Foundation and will consider economical and efficient ways to conduct operational management.
- University Advancement: Consideration will be given to the structural organization of the University's development officers and their relationship with the University Advancement Division.
- Partnerships: There will be a focus on developing community partnerships in the Low Desert.
- Academic Programs: Several new degrees will be established, including a Master's degree in Public Health. New centers will also be established, including a Center for Islamic and Middle Eastern Studies.

#### **Agenda Item D – Tour of Campus**

Board members adjourned at 5:00 p.m. to participate in a guided tour of the campus, which provided an opportunity to view the many completed buildings and capital improvement projects in progress. The meeting reconvened at 6:20 p.m.

#### **Agenda Item E – Approval of Minutes from the June 9, 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 the minutes of the June 9, 2005, be presented to the Board for approval.

Board Action: The minutes of the June 9, 2005, Board of Directors meeting were approved as distributed. (M/S/P)

#### **Agenda Item F (Action) – Appointment of Board Members for 2005-2006**

Recommendation: It is recommended that the Board approve the following appointments or reappointments to the Board of Directors of the Foundation for CSUSB:

Ms. Lois Carson, Alumni Representative, to be reappointed for a term of three years ending June 30, 2008.

Mr. Ruben Diaz, to be appointed to a term as Ex-Officio Director representing Associated Students, Inc.

Mr. Robert Fullerton, Community Member, to be reappointed for a term of three years ending June 30, 2008.

Mr. Charles Obershaw, Community Member, to be reappointed for a term of three years ending June 30, 2008.

Dr. Ed Teyber, Faculty Member, to be reappointed for a term of two years ending June 30, 2007.

Background: The Foundation Bylaws provide for the appointment of ex-officio Directors for the term of their qualifying office. Community Directors are nominated by the University President and elected by the Board of Directors to serve three-year terms. Faculty Directors are recommended by the Faculty Senate, nominated by the University President, and elected by the Board of Directors.

The Executive Committee recommended at its September 15, 2005, meeting to approve the proposed appointments or reappointments to the Board of Directors.

Board Action: The Board approved the proposed appointments and reappointments to the Board of Directors. (M/S/P).

#### **Agenda Item G (Action) – Election of Board Officers for 2005-2006**

Recommendation: It is recommended that the following slate of officers be elected for 2005-2006:

President	---	Dr. Edward Teyber
Vice President	---	Robert Fullerton
Secretary	---	Charles Obershaw
Treasurer	---	David DeMauro

Background: Foundation Bylaws, Article VII, Section 2, Election and Terms of Office, state that all of the officers of the corporation shall be elected by the Board of Directors at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may conveniently be scheduled.

The Executive Committee recommended at its September 15, 2005, meeting to elect the proposed slate of officers for 2005-2006.

Board Action: The Board approved the proposed slate of officers for 2005-2006. (M/S/P)

#### **Agenda Item H (Action) – PERS Health Insurance Resolution**

Recommendation: It is recommended that the Board approve the attached resolution continuing the 2004/2005 employer contribution rates.

Background: The Foundation's Health Insurance contract with PERS must be amended annually to reflect the new employer contribution rates paid by the State. It has been the policy of the Board to maintain comparability with the University on this contribution. With this resolution, the Foundation's employee contributions for FY 2005-2006 will remain the same as in 2004-2005. If adopted, the continuing rates will be effective on January 1, 2006.

The Executive Committee recommended at its September 15, 2005, meeting to approve the proposed resolution regarding 2004-2005 employer contribution rates.

Board Action: The Board approved the proposed resolution regarding 2004-2005 employer contribution rates. The resolution was signed by President Edward Teyber and Secretary Charles Obershaw.  
(M/S/P)

### **Agenda Item I (Action) – Delegation of Authority**

Recommendation: It is recommended that the Board approve the attached Delegation of Authority.

Background: The Foundation Board is requested to authorize the Treasurer of the Foundation or the Executive Director of the Foundation or their designee(s) to execute in the name of the Foundation all necessary applications, contracts, agreements, and amendments consistent with the mission of the Foundation.

The Executive Committee recommended at its September 15, 2005, meeting to adopt the proposed Delegation of Authority resolution.

Board Action: The Board approved the proposed Delegation of Authority resolution. The resolution was signed by President Edward Teyber. (M/S/P)

### **Agenda Item J (Action) – Audit Report and Approval**

Recommendation: It is recommended that the Board approve the annual audit completed by the audit firm of Vasin, Heyn & Company.

Background: Each year, an independent audit examination and report is completed by a firm hired by the Foundation. The firm completes the process by using both "Governmental Accounting Standards Board" (GASB) and "Financial Accounting Standards Board" (FASB) rules. This is required by the CSU system.

The Foundation Audit Committee met with the auditor prior to the audit process to discuss with the auditor any issues they identified of importance for the auditor to review. The financial performance of the Foundation – especially Food Services and administrative overhead expense – was identified as a concern. The auditor agreed to pay particular attention to these areas.

The audit, at the time of this writing, was being prepared for the Audit Committee to review prior to the September 29 Board meeting. The audit will be presented to the Board at the Board meeting.

The Executive Committee recommended at its September 15, 2005, meeting to have the auditor present the audit report to the full Board of Directors.

Board Action: The Board approved a recommendation to delegate to the Foundation Executive Committee/Audit Committee the authority to review and approve the final audit report. The final audit report will be distributed to all Board members. (M/S/P)

### **Agenda Item K (Action) – Employee Compensation/Amend Budget**

Recommendation: It is recommended that the Board approve an average 3.5% general salary increase for qualified Foundation employees and approve the amendment to the 2005-2006 budget.

Background: It has been the practice of the Foundation to maintain parity with the compensation and benefits of State employees. In the CSU budget process, an average 3.5% general salary increase for qualified State employees was approved by the CSU Board of Trustees and is currently being implemented among the management and bargaining unit employees of the CSU. It is therefore recommended that the Board approve an average 3.5% general salary increase for qualified Foundation employees, effective July 1, 2005. Staff have reviewed the budget that was presented to and approved by the Board at its last meeting. The budget has been modified to include the recommended 3.5% increase. A summary of that budget is attached to this action item.

The Executive Committee recommended at its September 15, 2005, meeting to approve an average 3.5% general salary increase for qualified Foundation employees, and approve the amendment to the 2005-2006 budget.

Board Action: The Board approved the recommendation to grant an average 3.5% general salary increase for qualified Foundation employees and the amendment to the 2005-2006 budget. (M/S/P)

### **Agenda Item L (Action) –Standing Committee Chair Selections and Membership**

Recommendation: It is recommended that the Board approve the proposed Standing Committees for 2005-2006.

Background: Each year, the Board reviews the chair and membership of each of the Standing Committees. Attached are the recommended chairs and members for 2005-2006.

The Executive Committee recommended at its September 15, 2005, meeting to approve the proposed Standing Committees for 2005-2006.

Board Action: It was recommended that the Audit Committee be added to the list of Standing Committees. Director Glenda Bayless will serve as chair of the Audit Committee. The Board approved the proposed Standing Committees for 2005-2006 with these changes. (M/S/P)

**Agenda Item M (Action) – Conflict of Interest Statement – 2005-2006**

**Recommendation:** It is recommended that all Board members review, sign, and return the attached Conflict of Interest statement for the period July 1, 2005, through June 30, 2006, to the Office of the Vice President for Administration and Finance by October 14, 2005.

**Background:** It is the Foundation’s responsibility to ensure that all Board members sign a Conflict of Interest statement for the current year, in accordance with California Education Code, Sections 89906-89909.

The need for approval of this agenda item was identified after the Executive Committee meeting on September 15, 2005. Therefore, the Foundation Treasurer recommends that the item be placed on the agenda for approval by the Board to request Board members to review, sign, and return Conflict of Interest statements for the period July 1, 2005, through June 30, 2006, to the Foundation Treasurer by October 14, 2005.

**Board Action:** The Board approved the request to ask Board members to review, sign and return Conflict of Interest statements to the Foundation Treasurer by October 14, 2005.

**Agenda Item N (Action) – Site License – Infant/Toddler Lab School**

**Recommendation:** It is recommended that the Foundation Board of Directors authorize Dr. Amanda Wilcox-Herzog, Project Director on the First Five Grant, to be named as the qualifying individual on the County of San Bernardino license for the Infant/Toddler Lab School (ITLS).

**Background:** The Foundation has a grant from the County of San Bernardino which provides funds to operate an “Infant/Toddler Lab School” (ITLS). The ITLS is currently operating in the College of Social and Behavioral Sciences. The Project Director is Dr. Amanda Wilcox-Herzog. The center requires a license from the County of San Bernardino to operate. The license was issued to the former Executive Director of the Foundation. The licensing agency requires that a Board resolution be approved to name someone other than a Board member on the license to operate.

**Board Action:** The Board approved the recommendation to authorize Dr. Amanda Wilcox-Herzog to be named as the qualifying individual on the County of San Bernardino license for the Infant/Toddler Lab School. (M/S/P)

**Agenda Item O (Information) – Update on Fund Raising Effort for Palm Desert Campus, Phase III**

**Background:** No action required. Mr. DeMauro will provide a status report regarding fund raising efforts for the Phase III expansion project at the Palm Desert Campus.

Mr. DeMauro reported that Dr. Fred Jandt, Dean of the Palm Desert Campus, has been conducting a successful fundraising campaign and has raised \$9 million of the total \$12,766,000 needed to construct the building.

### **Agenda Item P (Information) – Foundation Status Report**

Background: No action required. Mr. DeMauro will furnish a report of events and projects being handled by the Foundation.

The most significant challenge to be addressed by the Foundation during the coming year will be to improve the financial performance of the Dining Services operation, as well as to launch food venues in the new Student Union building. The Foundation will also address the need to replace the outdated financial system by transitioning the Foundation's financial records to the PeopleSoft accounting system which was implemented in State operations several years ago. The transition will involve moving approximately 500 accounts to the new system. The cost of implementation is estimated at \$500,000, most of which will be consultant fees to convert the existing system to PeopleSoft.

### **Agenda Item Q (Information) – Financial Report**

Background: No action required. Foundation management will provide a financial report for review.

Jeff Blake, Director of Finance, presented the following information:

- Bookstore revenues increased \$90,000 over the previous year, and salaries increased 33%.
- Sales in Dining Services decreased \$24,000 due to the impact of closing services in the Student Union during the construction of the new facility.

Kim Ball, Bookstore Director, reported that sales are brisk in the convenience stores. Sales of 40<sup>th</sup> Anniversary products have been well received and are selling rapidly. It was recommended that Ms. Ball work with the Alumni Office to place 40<sup>th</sup> Anniversary items on the alumni website.

### **Agenda Item R (Information) – Committee Reports**

Executive Committee: The Executive Committee met on September 15, 2005, and reviewed the proposed Board agenda items.

Investment Committee: Mr. Gorian reported that the investment consultant is developing a program to place \$300,000 into real estate investments. The annual rate of return in the Endowment account for budget year 2004-2005 was 6.23%. The annualized return of the Andrew Trust since 9/30/03 is +7.85%. The annualized return on the Harrie trust since 9/03 is 6.51%, adjusted for withdrawals. The Sexton Trust return is 7.65%. The Jones Trust is performing extremely well. It was supplemented earlier this year and the annualized return is 18.5%.

Sponsored Programs Administration Committee: Mr. Stanley reported that several faculty members are working with the Sponsored Programs Administration staff to adopt a variation of a model in use at the Northridge campus which will provide valuable grant reporting tools for faculty. Plans are also in

progress to provide programs to assist faculty with grant writing techniques. The total return of Indirect Cost Recovery to the University for grants and contracts was \$660,000.

Commercial Enterprises Committee: Bookstore and Dining Services activities were reported under Agenda Item P.

Development Committee: Vice President Aguilar distributed copies of the *Cal State Magazine* and reviewed upcoming 40<sup>th</sup> anniversary events. A dedication ceremony is planned to commemorate the 750,000 volume in the Library. A distinguished alumni event is planned on November 5. A black tie event is planned on May 6, with the hope of generating + \$100,000 in scholarships. A video commemoration is being developed to highlight the past 40 years. Former President Tony Evans will be the keynote speaker at one of the December commencement ceremonies.