



# SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting  
Tuesday, March 8, 2005  
Agenda Item II – Approval of December 7, 2004 Minutes

## MINUTES – December 7, 2004

- I. Call to order. Mr. Stuart Jones, Board President, determined that a quorum was present (refer to Record of Attendance for December 7, 2004).
- ❖ Welcome and Farewell
    - Welcome – Dr. Jim Robertson (Dean School of Business and Economics). He will also be a member of SSUAF Finance Committee. Mr. Lawrence Furukawa-Schlereth (V.P., Administration and Finance, University CFO, and will be SSUAF Chief Operating Officer). Mr. Tom Gillespie (Alumnus and Investment Advisor, WACHOVIA Securities – Long Beach, CA). Dr. Bob Schulz (Physician-in-Chief, Kaiser Permanente).
    - Farewell – Acknowledged retiring board member Ms. Deborah Hatfield.
  
  - ❖ University Update. Dr. Eduardo Ochoa, SSU Provost and Vice President for Academic Affairs, and Mr. Lawrence Furukawa-Schlereth provided the following comments.
    - SSU has reduced its FY2004/05 full-time equivalent (FTE) enrollment approximately 3% from FY 2003/04 as required by the current year budget plan for the CSU. The campus general fund budget was also reduced by about 5%.
    - In the future, there will be a great reliance on the Higher Education Compact between the Governor, University of California and the CSU. Discussions are underway in regard to a pending change in the FTE enrollment allocation methodology.

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- Dr. Ochoa indicated that the university-wide strategic planning project officially began on December 3, 2004. The University has engaged a facilitator from CSU Channel Islands to assist with the project.
- The Darwin Renovation project is about to begin. The total cost is \$26m. Another \$3m will be spent on instructional and research equipment. The project should be completed in 18 months.
- The Green Music Center (GMC) schematic design will be presented to the CSU Board of Trustees in late January, 2005. Total cost of the entire project is expected to be \$61m.
- Regarding the Employee Housing Initiative for faculty and staff housing, environmental analysis is being conducted on three parcels of land totaling 93 acres. Actual land purchase should take place this spring.
- The Governor signed California State Senate Bill 1262, referred to as the Nonprofit Integrity Act of 2004, on September 29, 2004. The Chancellor's Office informed all campuses that the above law applies to all CSU auxiliary corporations. A preliminary review suggests that the most significant action will be to formally appoint an Audit Committee with specific responsibilities, separate from the Finance Committee. A proposed action plan will be presented to the Board for adoption at the March 8, 2005 quarterly meeting.

II. Old Business – Board Vice President

Approval of September 14, 2004 Board Minutes. Approved as submitted.

III. Action Items

**DRAFT ITEM II, SSUAF BOD'S March 8, 2005 BOARD MEETING**

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- A. Presentation of FY 2003/04 Audited Financial Reports. Ms. Linda Kachiu from Zainer, Rinehart, Clarke DFK presented the fiscal year 2003/04 audit report. SSUAF was given an unqualified audit opinion. There were no matters involving internal control over financial reporting and its operations that were considered to be material weaknesses. The Financial Services staff were recognized for their outstanding work with respect to audit support, quality of the accounting records, processes and PeopleSoft implementation.

Motion: Approve and accept the FY 2003/04 audited financial statements and management letter.

Action: Motion was accepted, seconded and passed unanimously.

- B. Green Music Center Financing Resolution. This item has been postponed to December 21, 2004 (Special Board meeting).

- C. Amendment to Bylaws – Addition of Indemnification Provision. This amendment to the bylaws states that the Corporation will indemnify its directors, officers, employees, and other persons against all expenses, judgments, fines, settlements, and other amounts reasonably incurred by them in connection with any “proceeding”, including an action by or in the right of the Corporation.

Motion: Approve the Amendment to the Bylaws as presented.

Action: Motion was accepted, seconded and passed unanimously.

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- D. Compliance Review Committee Report. Board Member Delphine Newman chaired the Committee charged with the annual review of expenditures from endowment funds with the objective of ensuring that expenditures were made as directed by the donors. Ms. Newman's report dated November 16, 2004 was presented to the Board. During the course of the audit, four agreements did not have original signatures and two agreements were in need of updating. The Scholarship Coordinator is in the process of obtaining signatures and updating agreements. A random review of public relations expenditures of \$1,000 or more found that the expenditures were in compliance with Foundation Board policy.

Motion: Approve the Compliance Review Committee's report of November 16, 2004.

Action: Motion was accepted, seconded and passed unanimously.

- E. FY 2004/05 General Operating Budget. The General Fund Expenditure Plan for FY 2004/05 was presented for review and approval. Mr. Wilson stated that FY 2004/05 is the first year that indirect cost recoveries from Grants and Contracts are not available to fund general and administrative expenses of the SSUAF. The only funding source available is to re-direct a portion of the investment earnings (anticipated to be \$90,950) for this purpose. The plan also proposes two unrestricted transfers totaling \$90,000, one is for the President's University Advancement Fund, and the other is for the Scholars at Entrance Scholarship Fund. A plan has been developed by the SSU Development Office to generate revenues on an annual basis to provide funding for this initiative. The expenditure plan estimates a June 30, 2005 fund balance of \$91,123 and meets the reserve policy requirement.

Motion: Approve the General Expenditure Plan for FY 2004/05 as presented.

Action: Motion was accepted, seconded and passed unanimously.

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- F. Delegation of Authority to Corporate Officers. With the appointment of Laurence Furukawa-Schlereth, SSU Chief Financial Officer and Vice President for Administration and Finance, as the SSUAF Vice President and Chief Operating Officer, effective December 7, 2004, it is necessary to rescind Corporate Resolution 02-01. In its place the proposed SSUAF Corporate Resolution 04-01 was presented. It delegates to the officers of the Corporation the authority to act on behalf of the Board of Directors in the conduct of contractual and fiscal affairs of the Sonoma State University Academic Foundation.
- Motion: Approve Corporate Resolution 04-01 as recommended.
- Action: Motion was accepted, seconded and passed unanimously.
- IV. Development Report – Board President. Due to time constraints, there was no Development report.
- V. Finance Committee Report – Board Vice President. Committee Report dated December 7, 2004 was reviewed with the Board, which included significant actions taken by the Committee during the quarter. The Committee's minutes of July 27, 2004; September 28, 2004; and October 26, 2004 are included in the report.

Respectfully submitted,

Steve Wilson  
Vice President/Chief Operating Officer

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**Record of Attendance**  
 December 7, 2004

		<b>First</b>	<b>Last</b>	<b>In Attendance</b>
<b>1</b>	<b>Dr.</b>	<b>Ruben</b>	<b>Armiñana</b>	<b>Absent</b>
<b>2</b>	<b>Mr.</b>	<b>Stuart</b>	<b>Jones</b>	<b>Present</b>
<b>3</b>	<b>Mr.</b>	<b>Laurence</b>	<b>Furukawa- Schlereth</b>	<b>Present</b>
<b>4</b>	<b>Mr.</b>	<b>Steve</b>	<b>Wilson</b>	<b>Present</b>
<b>5</b>	<b>Ms.</b>	<b>Letitia</b>	<b>Coate</b>	<b>Present</b>
<b>6</b>	<b>Ms.</b>	<b>Jeannette</b>	<b>Anglin</b>	<b>Present</b>
<b>7</b>	<b>Mr.</b>	<b>Herm</b>	<b>Benedetti</b>	<b>Present</b>
<b>8</b>	<b>Mr.</b>	<b>Sanford</b>	<b>Bressick</b>	<b>Absent</b>
<b>9</b>	<b>Dr.</b>	<b>Jean Bee</b>	<b>Chan</b>	<b>Absent</b>
<b>10</b>	<b>Ms.</b>	<b>Anita</b>	<b>Christmas</b>	<b>Present</b>
<b>11</b>	<b>Mr.</b>	<b>John</b>	<b>Comfort</b>	<b>Absent</b>
<b>12</b>	<b>Ms.</b>	<b>Debra</b>	<b>Condiotti</b>	<b>Absent</b>
<b>13</b>	<b>Dr.</b>	<b>Katharyn</b>	<b>Crabbe</b>	<b>Present</b>
<b>14</b>	<b>Dr.</b>	<b>Carmen</b>	<b>Finley</b>	<b>Present</b>
<b>15</b>	<b>Mr.</b>	<b>Tom</b>	<b>Gillespie</b>	<b>Present</b>
<b>16</b>	<b>Dr.</b>	<b>Alan</b>	<b>Johnson</b>	<b>Present</b>
<b>17</b>	<b>Ms.</b>	<b>Barbara</b>	<b>Kohler</b>	<b>Present</b>
<b>18</b>	<b>Mr.</b>	<b>Dan</b>	<b>Lanahan</b>	<b>Present</b>
<b>19</b>	<b>Mr.</b>	<b>Dan</b>	<b>Libarle</b>	<b>Present</b>
<b>20</b>	<b>Dr.</b>	<b>Wallace</b>	<b>Lowry</b>	<b>Present</b>
<b>21</b>	<b>Ms.</b>	<b>Delphine</b>	<b>Newman</b>	<b>Present</b>
<b>22</b>	<b>Mr.</b>	<b>Randy</b>	<b>Pennington</b>	<b>Present</b>
<b>23</b>	<b>Mr.</b>	<b>Jim</b>	<b>Perez</b>	<b>Present</b>
<b>24</b>	<b>Ms.</b>	<b>Beth</b>	<b>Robertson</b>	<b>Absent</b>
<b>25</b>	<b>Dr.</b>	<b>James</b>	<b>Robertson</b>	<b>Present</b>
<b>26</b>	<b>Mr.</b>	<b>Rick</b>	<b>Rosa</b>	<b>Present</b>
<b>27</b>	<b>Mr.</b>	<b>Irwin S.</b>	<b>Rothenberg</b>	<b>Present</b>
<b>28</b>	<b>Dr.</b>	<b>Robert</b>	<b>Schultz</b>	<b>Present</b>
<b>29</b>	<b>Mr.</b>	<b>Michael</b>	<b>Sullivan</b>	<b>Present</b>
<b>30</b>	<b>Mr.</b>	<b>Michael</b>	<b>Troy</b>	<b>Present</b>

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Members Present	24	
Members Absent	6	
Board Quorum	6	Article II, Section 1(a), Bylaws

Guests:

Dr. Eduardo Ochoa, SSU Provost/Vice President for Academic Affairs  
Ms. Judy Aquiline, Development Director  
Ms. Robin Draper, Development Director  
Dr. Jeremy Olsan, Foundation Counsel  
Mr. Mark Spaulding, Development Director  
Ms Susan Kashack, Director of Communications  
Ms. Linda Kachiu, Zainer, Rinehart, Clarke DFK

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