



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting

MINUTES – June 20, 2006

I. Call to order. Dr. Eduardo Ochoa determined that a quorum was present (refer to Record of Attendance for June 20, 2006).

❖ University Update. Dr. Ochoa provided the following comments in the absence of Dr. Armiñana:

- The Green Music Center project has finally begun construction
- Bids have been put out for phase II of the GMC contract
 - September 15th, 2006 is the deadline for Phase II of the contract to be signed
- Dr. Ochoa has attended a section of the Summer Orientation program for new students that takes place during the summer here at SSU; viewing new students looking forward to the college experience

II. Old Business

- ❖ Approval of April, 2006 Board Minutes
 - Approved unanimously

III. Development Report

- Vice President Peterson discussed a possible anonymous gift to the School of Business & Economics in the form of a \$5M endowment
- Peterson also discussed the possibility of another anonymous donor contribution to the GMC in the \$1M trust range
- The GMC Festival will be held again this year on July 4

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- Robin Draper handed out flyers on the festival
- Darwin will re-open soon as the move-in is currently in process
- Judy Aquiline added a report on Athletics
 - The recent Bid-Night Madness annual dinner and auction event raised around \$100,000 for athletics
- Robin Draper discussed a major event in Healdsburg that occurred on June 10th which included about 250 people in an effort to attract donor interest in the GMC
 - The Development Office is finding the need to reach out to each individual community

IV. Chief Financial Officer's Report

- ❖ Letitia Coate passed out the Unaudited Financial Statements and Management's Financial Summary and Analysis for the 10 month period, ending April 30, 2006 and provided the following comments:
 - Assets for the Foundation totaled \$79.5M:
 - This includes Endowments valued at \$26M primarily invested with the CommonFund
 - About \$29M in assets represents money raised for the GMC, invested with the Bank of NY and Bond Logistics
 - About \$9 invested for the CRT's
 - Liabilities for the Foundation totaled \$19M
 - Bonds payable
 - This includes future payments to the CRT's
 - This leaves Total Net Assets at \$60.5M
 - The increase in Net Assets during this period totaled \$5.6M
 - The Foundation gave direct support to the University of almost \$1.8M, 55% of this amount went to Academic Support
 - This includes transfers to the campus departments for expenditures & scholarship expenditures

(Please see the June 20, 2006 Agenda Packet for this document)
- ❖ Vice President Schlereth mentioned that the GMC Budget will be brought to the fall meeting for the members to view

V. Action Items – Chief Financial Officer

- ❖ Approval of the SSUAF Investment Policy
 - Recommendation of Finance Committee

The revised SSUAF Investment Policy was provided for approval upon the recommendation of the Finance Committee.

Dan Lanahan asked about a resolution to a previous discussion in the Finance Committee Meeting regarding the possibility of listing the SSUAF Town homes at Fair Market Value. Letitia Coate responded by raising the question: Are they investments or assets? In working with the Auditors, another question was posed: what is the purpose of the Town homes? Management has determined that we hold them to support faculty and staff and thus should be shown as capital assets. Schlereth mentioned that as the faculty/staff housing project develops, we may wish to consider the sale of these Town homes, to use the proceeds for the development of the faculty/staff homes. Under the Governmental accounting standards, the Town homes are currently listed as assets.

Irwin Rothenberg recommended we analyze the use of the S&P 500 as a benchmark for the Endowment Pool's allocation in equities as this may not be the proper benchmark to measure against. This will provide a good discussion item during the next Finance Committee.

(Please see the June 20, 2006 Agenda Packet for this document)

Motion: Approve the final draft of the SSUAF Investment Policy
Action: Unanimously approved

- ❖ Approval of Proposed 06-07 Endowment Distribution
 - Distribution recommended by Finance Committee

A document provided the 2006-07 proposed Endowment Distribution in to the various departments, totaling \$977,395. This compares to 2005-06's distribution in the amount of \$884,126. Increases in the endowment distribution can be attributed to additional donations or gift money during the year. Schlereth pointed out that this is in fact the highest distribution in the history of the Foundation.

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(Please see the June 20, 2006 Agenda Packet for this document)

Motion: Approve the 06-07 Endowment Distribution

Action: Unanimously approved.

VI. Finance Committee Report

- ❖ No items to report other than the recommendation of the SSUAF Investment Policy and the 2006-07 Endowment Distribution mentioned as action items in section IV.

Meeting adjourned at 1:40 p.m.

Letitia Coate
Secretary/Chief Financial Officer

Minutes Prepared by
Ian Hannah
Management Trainee, A&F

Board of Director's Meeting

Record of Attendance
June 20, 2006

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

Members Present 18

Board of Director's Meeting

Members Absent 11
Board Quorum 12 *Article II, Section 1(a), Bylaws*

Guests:

Ms. Judy Aquiline - Development Director

Ms. Robin Draper – Development Director

Mr. William Ingels - University Treasurer

Mr. Ian Hannah - Management Trainee, Administration & Finance

Dr. Eduardo Ochoa – Provost, Vice President for Academic Affairs