



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting

MINUTES – June 15, 2007

- I. Call to order. Dr. Armiñana determined that a quorum was present (refer to Record of Attendance for June 15, 2007).
- ❖ Approval of the March 16, 2007 Board Minutes
 - Approved unanimously.
 - ❖ Approval of May 10, 2007 Board Minutes
 - Approved unanimously.
 - ❖ University Update. Dr. Armiñana provided the following comments:
 - Ms. Rachel Hersh was welcomed as the new Student Representative member of the Board.
 - Dr. Jim Robertson will be retiring as Dean of the School of Business and Economics in August and will return as a faculty member in the Business Department for at least one year.
 - Dr. T.K. Clarke, who had previously served as acting Dean, will again be assuming this role.
 - Mr. Bucky Peterson will be leaving the Vice President for Development position at the end of the month, making this his last meeting.
 - He will continue to work at SSU as an assistant to the President in the *Troops to College* program of the CSU.
 - Ms. Patricia McNeill, will be coming from CSU San Jose to become the Vice President for Development at SSU as of July 1st.
 - Dr. Armiñana thanked the Board for the Resolution put forth in his support during the May meeting.

Board of Director's Meeting

- A finalized CSU budget from the State for 2007/08 should be completed soon, with the expectation that it will be in accordance with the Compact that Higher Education has with the Governor. This will include a 4% increase in students at SSU, added to the current number of around 8,200 students. The CSU system will grow as a whole by around 10,000 students.
- New construction will begin in the Spring on a new 700-bed student housing project.

II. Development Report

Mr. Bucky Peterson discussed the following items:

- A gift will soon be announced that should add momentum to the GMC Capital Campaign.
- SSU is currently working with groups of telecom valley pioneers in Silicon Valley possibly interested in funding the concert hall and naming it “Innovation Hall”.
- Ms. Sarah Charukesnant – Associate Director for Development – came onboard a few months ago with the intent of developing an annual fund into a program that would best benefit the academic schools. She is conducting an outreach mailing and solicitation letter to about 20,000 friends, alumni and local businesses as well as looking at systems in development and online giving.

III. Chief Operating Officer’s Report

Vice President Schlereth discussed the following items:

Townhome Rental Rates:

The ten townhomes that are owned by the Foundation are made available to incoming faculty members at a current rental price of \$1,450 per month. Foundation staff and members of the Faculty/Staff Housing Committee found that many vacancies have existed and rental prices have softened. The Finance Committee has recommended that the rental rate be reduced from \$1,450 to \$1,300 in order to provide attractive news to incoming faculty and increase occupancy with no tax impacts. The Board unanimously approved.

Request for Report on Endowment Distribution Utilization:

Board of Director's Meeting

The endowment pool of the Foundation is now approaching \$30 M. The proposed distribution from the pool for 2007/08 is \$1,028,618, per recommendation of the Finance Committee. The distributed funds are allocated out to the appropriate areas, which then use the funds based on the intent of the donor(s) and the needs of the department. Dr. Armiñana mentioned that the vast majority of the funds distributed are restricted and that Del Newman (chair of the Compliance Review Committee) does an annual review of 30 random scholarship accounts to be sure the monies are expended in line with the donors' wishes.

Mr. Schlereth made a motion to have regular reports provided at the Board meetings of how each of the Schools are utilizing their portion of the endowment distribution. This will allow for the Foundation to become more accountable and further understand the support that these funds are providing to the University. The Board unanimously approved.

IV. Chief Financial Officer's Report

(See June 15, 2007 Agenda packet for this document)

Ms. Letitia Coate provided a high level presentation on the Financial Statement Overview of the Foundation as of March 31, 2007.

- Please see the June 15, 2007 Agenda packet for this report.

V. Audit Committee Report

(See June 15, 2007 Agenda packet for this document)

Mr. Dan Lanahan, Chair of the Audit Committee was absent so Dr. Wally Lowry provided a report on the SSUAF FISMA Audit Recommendations & Campus Responses.

- A copy of the recommendations and campus responses were provided in the Agenda packet. Many of the recommendations were relatively minimal items and the Foundation concurs with all the recommendations and plans to resolve each issue.

VI. Finance Committee Report

Board of Director's Meeting

(See June 15, 2007 Agenda packet for this document)

Mr. Schlereth stated that in order to confirm that the assets of the Foundation are being managed in the appropriate fashion, the Finance committee conducted a self-assessment based on a checklist of Self-Assessment of Fiduciary Excellence for Investment Stewards.

- The results of this assessment were provided in the packet and show that the Foundation is being managed within fiduciary standards.

VII. Action Items

(See June 15, 2007 Agenda packet for this document)

Ms. Letitia Coate described the proposed endowment distribution of \$1,028,618 for 2007/08. Dr. Katharyn Crabbe expressed appreciation to the Board and Finance Committee for the Investment Policy which directs the distribution level to remain level or increase instead of fluctuating with the market.

- Approval of 2007/08 Endowment Distribution Recommendation from Finance Committee.

Motion: Approval of 07/08 Endowment Distribution.

Action: Unanimously approved the distribution of \$1,028,618 for 2007/08.

Mr. Schlereth explained that the Presidential Scholars at Entrance Program provides \$1,000 annual scholarships to incoming students if they have a 4.0

Board of Director's Meeting

or greater GPA entering college and this annual scholarship is preserved for each year they are able to maintain a 4.0 while at SSU. Historically, the Affinity Program was used to fund Presidential Scholars but this source of revenue has since dried up for all of the State Universities. The current year deficit for this program is about \$28,000 and next year the cost is estimated to total approximately \$50,000. Schlereth explained the recommendation of the Finance Committee to fund this program through realizing unrestricted investment gains in the amount of \$80,000 in order to fund the Program for next year (07/08) and fund the current Program's account deficit for this year. Should the actual amount required to fund the two years be greater than \$80,000, this item will be brought back to the Board.

- Approval of Funding for Presidential Scholars at Entrance Program.

Motion: Approval of Funding for Presidential Scholars at Entrance Program through realizing \$80,000 in unrealized unrestricted investment appreciation.

Action: Unanimously approved.

Meeting adjourned at 2:10 p.m.

Letitia Coate
Secretary/Chief Financial Officer, SSUAF

Minutes Prepared by
Ian Hannah
Management Trainee,
Administration & Finance, SSU

Board of Director's Meeting

Record of Attendance

June 15, 2007

		First	Last	In Attendance
1	Dr.	Ruben	Armiñana	Present
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	Absent
7	Mr.	Sanford	Bressick	Present
8	Dr.	Barbara	Butler	Present
9	Dr.	Jean Bee	Chan	Absent
10	Ms.	Anita	Christmas	Present
11	Mr.	John	Comfort	Absent
12	Dr.	Katharyn	Crabbe	Present
13	Dr.	Carmen	Finley	Present
14	Mr.	Tom	Gillespie	Absent
15	Ms.	Rachel	Hersh	Present
16	Dr.	Alan	Johnson	Present
17	Mr.	Dan	Lanahan	Absent
18	Mr.	Dan	Libarle	Absent
19	Dr.	Wallace	Lowry	Present
20	Dr.	Andrea	Neves	Absent
21	Ms.	Delphine	Newman	Present
22	Dr.	Eduardo	Ochoa	Absent
23	Mr.	Randy	Pennington	Absent
24	Mr.	Jim	Perez	Absent
25	Ms.	Beth	Robertson	Absent
26	Dr.	James	Robertson	Absent
27	Mr.	Rick	Rosa	Absent
28	Mr.	Irwin S.	Rothenberg	Present (tele.)
29	Dr.	Robert	Schultz	Present
30	Mr.	Michael	Sullivan	Absent
31	Dr.	Liz	Thach	Absent
32	Mr.	Michael	Troy	Absent

Board of Director's Meeting

Members Present	16	
Members Absent	16	
Board Quorum	13	<i>Article II, Section 1(a), Bylaws</i>

Staff/Guests Present:

Mr. William Ingels – University Treasurer, SSU

Mr. Ian Hannah – Management Trainee, Administration & Finance, SSU

Ms. Kristin Berger – Development Director, SSU

Ms. Sarah Charukesnant – Associate Director for Development, SSU

Ms. Michelle Covington – Assistant to Vice President for Development, SSU