



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting

MINUTES – September 15, 2006

- I. Call to order. Dr. Armiñana determined that a quorum was present (refer to Record of Attendance for September 15, 2006).
- ❖ Approval of the June 20, 2006 Board Minutes
 - Approved unanimously.
 - ❖ University Update. Dr. Armiñana provided the following comments:
 - Two new members of the Board were welcomed:
 - Liz Thach - Professor, School of Business & Economics
 - Barbara Butler - Dean, University Library, Schulz
 - Fall 06 semester has began and enrollment is healthy.
 - On-campus housing is at full capacity, with a waiting list.
 - New faculty members have been hired.
 - Budget from the state is roughly what was expected.
 - SSU grew about 3% in new students this year.
 - Students were not charged the expected 8% fee increase as the state covered the cost.
 - California remains the lowest cost tuition amongst state public education systems.
 - CSU students pay about 28% of the cost of education, whereas the standard is about 1/3.
 - Green Music Center update – the foundation is being built, and pilings are being driven.
 - An intent to award contract for Phase II of the construction will be signed by the end of next week.
 - Subcontractor bids were way over budget leading to Guaranteed Maximum Price over budget.
 - SSU will be borrowing ~ \$12M due to extreme construction cost increases.

Board of Director's Meeting

- Will be presented to the BOT for approval of a 30 year bond debt issuance to be paid back through concerts, commercial activity etc.
- Dan Lanahan stated that the GMC will make SSU unique in the west and commended Dr. Armiñana and the administration for the efforts involved in making the project and financing happen in a very short time frame.
- Plan for the project to be completed in Fall 2008.
- The Academic Senate passed a resolution to not support the GMC financing item.
 - Liz Thach spoke in defense of the faculty stating that some faculty members are in support of the GMC. The concern lies in not being informed of the financing proposal in a timely manner and the effect it may have on funds allocated to the Academic side. Jean Bee Chan echoed this statement.
- Darwin Hall has undergone a successful completion of a brand new renovation.
 - Jean Bee Chan mentioned the Grand Opening will be Sept. 29th 1-6pm
 - No ceilings exist on the 2nd/3rd floors which is intentional due to accessibility needs in technology buildings.
- Dr. Armiñana explained that in the majority of state funded buildings, the University is responsible for finding extra funds as the state's contribution does not cover all costs.
 - Schulz, Salazar, & Darwin were cited as examples.

II. Development Report

Board of Director's Meeting

- ❖ Vice President Peterson was absent.
- ❖ Robin Draper, Associate VP for Development, provided the development report.
 - \$5M anonymous endowment gift to the school of Business & Economics.
 - Jim Robertson spoke on behalf of the gift stating that the he was thrilled after meeting with the donors by the dedication and attention of the gift and is happy to report that the donors will be providing funds up front so that a year of earnings will not be needed first for distribution.
 - A \$1.3M gift to the GMC is currently being closed in naming the west gallery in the donor's honor.
 - Volunteer committee will be campaigning for additional needed funds.
 - Carol Channing has launched a statewide effort and will be holding a concert at Spreckels on Oct. 14th to support a new endowment fund related to performing arts scholarships.
 - Channing will be attending an annual scholarship program reception on Oct. 13th to discuss her event.
 - The Distinguished Alumni Award Ceremony will be held on Oct. 12th
 - SSU will soon see the arrival of a Peanuts character, Woodstock, in a cap and gown to be put up near the Schulz University Library.

III. Chief Operating Officer's Report

- ❖ Vice President Schlereth provided no report.

IV. Action Items – Chief Financial Officer (See September 15th, 2006 Agenda packet for these documents)

Board of Director's Meeting

- ❖ Dan Lanahan discussed the Financial Audit conducted by Moss-Adams, LLP.
 - The Audit Committee met with Jim Lanzarotta, a Senior Auditor at Moss Adams, who delivered and reviewed the audited financial statements.
 - The SSUAF received an **unqualified opinion**, with no findings or reportable conditions, only recommendations.
 - Jim discussed the numerous new accounting and auditing standards.
 - A review of financial highlights was provided via charts which showed the trends in assets, net assets, revenues, expenses and gifts.
 - Lanzarotta gave thanks to Letitia Coate, Paulette King, Foundation staff, and the Board for their help throughout the audit process.
 - Lanzarotta mentioned that it has been determined that the purpose of the SSUAF owned townhomes is not to maximize investment earnings and have thus been re-classified as capital assets as apposed to investments.

Motion: Approve Audit by Moss Adams

Action: Unanimously approved.

- ❖ General Fund Budget proposal for 2006/07
 - Recommended and approved by the Finance Committee at the Sept. 6th meeting to support general operations within the Foundation.
 - Wally Lowry referred to discussion in the Finance Committee to build up the ending fund balance in the future in order to have it equal one year's expenses.

Motion: Approve the 06-07 SSUAF General Fund Budget

Action: Unanimously approved.

V. Board Responsibilities/Conflict of Interest and Non-Profit Integrity Act

Board of Director's Meeting

- ❖ Mr. Jeremy Olsan, SSUAF Counsel from Anderson, Zeigler, Disharoon, Gallagher & Gray, presented and discussed his letter of September 15, 2006 to the Board describing the legal responsibilities of the members:
 - This presentation is an annual requirement established by CSU Executive Order 732 – Compilation of Policies and Procedures of California State University Auxiliary Organizations dated March 6, 2000.
 - A description and explanation of the Non-Profit Integrity Act is provided within the letter.
 - Olsan discussed the main obligations of the members as there are significant responsibilities concerning the assets managed by the Foundation:
 - Diligence in assessing the reliability of officers.
 - To vote accordingly.
 - Conflict of Interest – to abstain from voting and alert the other members of any decisions made by the Board of transactions affecting you personally.
 - This document is to be signed by all members and will be mailed out to all absent members for signature.

Meeting adjourned at 1:55 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
September 15, 2006

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

Board of Director's Meeting

Members Present	19	
Members Absent	13	
Board Quorum	13	<i>Article II, Section 1(a), Bylaws</i>

Staff/Guests:

Ms. Robin Draper – Development Director

Mr. William Ingels - University Treasurer

Mr. Ian Hannah - Management Trainee, Administration & Finance

Mr. Jeremy Olsan – SSU Academic Foundation Counsel

Ms. Paullette King – Assistant Controller – Auxiliaries

James Lanzarotta – Partner, Moss Adams LLP