



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting

MINUTES – September 21, 2007

- I. Call to order. Dr. Armiñana determined that a quorum was present
(Refer to Record of Attendance for September 21, 2007)
- ❖ Approval of the June 15, 2007 Board Minutes
 - Approved unanimously.
 - ❖ Board of Director's Current Membership:
 - An updated membership list for 2007/2008 was provided in the packet. Dr. Armiñana welcomed three new members to the Board of Directors:
 - Ms. Patricia McNeill – Vice President for Development
 - Mr. Dan Condron – Vice President for University Affairs
 - Dr. Saied Rahimi – Dean, School of Science and Technology
 - ❖ University Update. Dr. Armiñana provided the following comments:
 - SSU now has approximately 8,400 students, including the largest Freshmen class ever of 1,700 students.
 - SSU currently houses about one third of all students and almost the entire Freshmen class. In the early Spring, an additional 700 bed housing complex, named Tuscany, will begin construction.
 - This month, the CSU Board of Trustees approved the naming of the Green Music Center recital hall as “Schroeder’s Recital Hall” after the Peanuts character, in recognition of donations made by Jean Schulz.
 - The State budget for the CSU is the same as in the compact but was 51 days late and the State budget will now have a deficit of about \$2B.



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II. Action Items

(See September 21, 2007 Agenda packet for these documents)

Dr. Armiñana mentioned that this resolution has been updated to reflect the current officers of the SSUAF. Approval would place Ms. Patricia McNeill as the new President of the Foundation.

Motion: Approval of Resolution Granting Authority to Corporate Officers - appointing Ms. Patricia McNeill as President of Foundation

Action: Unanimously approved.

Ms. Letitia Coate described a couple of changes that have been made to the SSUAF Investment Policy per recommendation of the Finance Committee. On page three, additions to the endowment now are unitized on a monthly basis as opposed to quarterly in order to comply with an audit comment. On page five, the Multi Strategy Bond Fund with the Commonfund has been added as an additional investment vehicle for CRT assets.

Motion: Approval of Revisions to SSUAF Investment Policy per recommendation of Finance Committee

Action: Unanimously approved.

Ms. Coate described the proposed SSUAF General Fund Budget for 2007/08. These figures were compared to the 2006/07 proposed budget and 2006/07 actuals.



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The actuals for 06/07 included an additional unexpected revenue source of \$30,000, received at the end of the year relating to an insurance refund. This allowed the General Fund balance to grow from the prior year despite substantial legal fees associated with a legal matter for an estate in which SSU has been named a beneficiary. The ending fund balance on 6/30/07 stands at \$155,470 compared to \$139,971 on 6/30/06.

The proposed 07/08 budget includes an increase in the contingency fund to \$40,000 this year to offset any unexpected costs related to additional legal fees associated with estate beneficiary legal costs. The budget for all other legal fees is set at \$30,000. The above proposed expenditure budget is funded from an administrative assessment to the endowment earnings in the amount of \$217,800.

Total Revenues are expected to equal total Expenses of \$219,800, which would result in the expected ending fund balance for 07/08 to be carried forward from the prior year in the amount of \$155,470. It is the intent to increase this fund balance over time to equal at least one year of operating costs.

Motion: Approval of General Fund Budget proposal for 2007/08 per recommendation of Finance Committee

Action: Unanimously approved.

Mr. Jeremy Olsan, SSUAF Counsel from Anderson, Zeigler, Disharoon, Gallagher & Gray, described the changes to the Northern California Community Loan Fund Agreement. Initially, the Santa Rosa Symphony Association pledged \$500,000 for the Green Music Center and signed a use agreement to utilize the GMC for a period of 25 years. The Symphony then applied for a grant from the NCCLF. The NCCLF received funding from the Hewlett Foundation which had specific restrictions on the use of these funds. The Symphony now wishes to substitute the \$500,000 from the NCCLF in order to satisfy their pledge agreement. This item was brought to



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the Board due to one significant item. Should SSU stop using the GMC as a performing arts venue, they could then default on the agreement. Mr. Olsan added that due to the way the agreement has been written, should this scenario occur, it would still be extremely difficult for SSUAF to default. Once the agreement is approved and executed, the \$500,000 will be received by the Foundation. Mr. Michael Sullivan asked if there was any way of relieving the Foundation of this liability and still receive the funds. Mr. Olsan answered no, thus the reason this agreement has been drafted.

Motion: Approval of Northern California Community Loan Fund Agreement

Action: Unanimously approved.

Mr. Dan Lanahan discussed the Financial Audit, conducted for the third straight year, by Moss-Adams, LLP. The Audit Committee met with Jim Lanzarotta, Partner at Moss Adams, who delivered and reviewed the audited financial statements. Mr. Lanzarotta provided a presentation of the financials for the year ending June 30, 2007.

- SSUAF received an **unqualified opinion**, with no findings or reportable conditions, only recommendations.
- Mr. Lanzarotta discussed the numerous new accounting and auditing standards, areas of audit emphasis, and significant SSUAF events or transactions.
- A review of financial highlights was provided via charts which showed investment returns and the trends in revenues, expenses, gifts, assets, and net assets.
- Mr. Lanzarotta gave thanks to Foundation staff, the Audit Committee and the Board for their help throughout the audit process.

Motion: Approval of Financial Audit by Moss-Adams LLP

Action: Unanimously approved.



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III. Development Report

(See September 21, 2007 Agenda packet for this document)

Ms. Patricia McNeill discussed the following items:

- The Development office finished compiling a report of the funds raised by SSU. A brief PowerPoint presentation was provided highlighting giving to SSU, the purposes of Charitable Gifts for the 06/07 year, and the breakdown of giving to the schools for the 06/07 year.
- Ms. McNeill also provided and discussed a recent article in the Press Democrat (9/18/07) that highlighted the naming of the GMC recital hall as "Schroeder's Recital Hall".

IV. Board Responsibilities/Conflict of Interest and Non-Profit Integrity Act – Mr. Jeremy Olsan

(See September 21, 2007 Agenda packet for this document)

Mr. Olsan presented and discussed his letter of September 21, 2007 to the Board describing the legal responsibilities of the members:

- The letter provides information to Board members regarding their legal responsibilities to the SSUAF and about the Non-Profit Integrity Act.
- Mr. Olsan discussed the main obligations of the members as there are significant responsibilities concerning the assets managed by the Foundation:
 - *Act in good faith.*
 - *Do not use the Foundation for own financial gain.*
 - *Exercise reasonable care in the conduct of Foundation Business.*
 - *Diligence in assessing the reliability of officers.*
 - *To vote accordingly.*
 - *Conflict of Interest – alerting the Board 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.



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V. Open Items

Ms. Andrea Neves made a request that was followed by Irv Rothenberg to have a breakout provided of the type of Endowment investments made with the Commonfund. *An email was provided to the Directors on 9/25/07 by Ian Hannah with attached documents providing the asset allocation of the Endowment assets invested with the Commonfund, including the LLI endowment.*

Meeting adjourned at 3:00 p.m.

Letitia Coate
Chief Financial Officer, SSUAF

Minutes Prepared by:
Ian Hannah
*Management Trainee –
Administrative Services and
Foundation Operations, A&F*



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Record of Attendance
 September 21, 2007

		<i>First</i>	<i>Last</i>	<i>In Attendance</i>
1	Dr.	Ruben	Armiñana	Present
2	Ms.	Patricia	McNeill	Present
3	Mr.	Laurence	Furukawa-Schlereth	Absent
4	Ms.	Letitia	Coate	Present
5	Ms.	Jeannette	Anglin	Absent
6	Mr.	Herm	Benedetti	Absent
7	Mr.	Sanford	Bressick	Absent
8	Dr.	Barbara	Butler	Absent
9	Dr.	Jean Bee	Chan	Present
10	Ms.	Anita	Christmas	Present
11	Mr.	John	Comfort	Absent
12	Mr.	Dan	Condron	Present
13	Dr.	Carmen	Finley	Present
14	Mr.	Tom	Gillespie	Present
15	Ms.	Rachel	Hersh	Present
16	Dr.	Alan	Johnson	Absent
17	Mr.	Dan	Lanahan	Present
18	Mr.	Dan	Libarle	Absent
19	Dr.	Wallace	Lowry	Present
20	Dr.	Andrea	Neves	Present
21	Ms.	Delphine	Newman	Present
22	Dr.	Eduardo	Ochoa	Present
23	Mr.	Randy	Pennington	Absent
24	Mr.	Jim	Perez	Absent
25	Dr.	Saeid	Rahimi	Present
26	Ms.	Beth	Robertson	Absent
27	Mr.	Irwin S.	Rothenberg	Present
28	Dr.	Robert	Schultz	Present
29	Mr.	Michael	Sullivan	Present
30	Dr.	Liz	Thach	Absent
31	Mr.	Michael	Troy	Present



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Members Present	19	
Members Absent	12	
Board Quorum	13	<i>Article II, Section 1(a), Bylaws</i>

Staff/Guests Present:

Ms. Robin Draper – Associate Vice President for Development, SSU

Mr. William Ingels – University Treasurer, SSU

Mr. Ian Hannah – Management Trainee - Administrative Services and
Foundation Operations, Administration & Finance, SSU

Mr. Jeff Wilson – Senior Accountant - Endowment & Foundation
Accounting, SSU

Mr. Jeremy Olsan – SSUAF Counsel – Anderson, Zeigler, Disharoon,
Gallagher, and Gray

Mr. Jim Lanzarotta – Moss Adams – LLP