



SONOMA STATE UNIVERSITY Academic Foundation, Inc.

Board of Director's Meeting MINUTES – December 12, 2008

I. Call to order. Dr. Armiñana was absent. Patricia McNeill determined that a quorum was present and opened the meeting.
(Refer to Record of Attendance for December 12, 2008)

- ❖ Approval of the September 19, 2008 Board Minutes:
 - Approved unanimously

- ❖ New staff member to the Board:
 - Letitia Coate introduced Amanda Visser as the new Deputy Controller for Auxiliary and Foundation Accounting. Sarah Young is the new Scholarship Coordinator for SSU and will serve as a member of the Compliance Review Committee.

- ❖ Larry Schlereth provided the following campus updates:
 - The campus is facing budget cuts in the current fiscal year. This is causing for various operational implications, including holding positions vacant in order to achieve salary savings.
 - SSU is approximately 500 FTES over target in 08/09.
 - The freshmen and sophomores had a difficult time finding classes during the first registration period of this Spring semester. As a result, the CFO, Provost and VP for SAEM met and decided to allocate \$450,000 in emergency funding to instruction to mount additional classes.
 - The Tuscany Village on-campus housing project is nearing completion. Schlereth suggested that perhaps a tour could be scheduled for a future Board meeting.
 - The Green Music Center (GMC) restaurant in the Hospitality Center is projected to be open as early as the end of the Spring semester.
 - SSU was successful in placing capital projects on the current State proposal request to be placed on the U.S. Economic Stimulus Package. The CSU has 36 projects on this proposal and SSU holds two of these projects - the GMC and the Professional Schools Building. Also, the State budget in 09/10 will likely provide funding of approximately \$2.5M to cover the costs of the GMC chairs.



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II. Moore Trust Update

Schlereth introduced David Bjornstrom, SSUAF Counsel, who provided an update on the status of the Moore Trust litigation. A final decision could be reached as early as January 2009.

III. Vice President for University Development's Report

(See December 12, 2008 Agenda packet for these documents)

Development Update

McNeill stated that in the 07/08 fiscal year, over \$14M had been raised in cash, pledges, deferred, and endowed gifts. Approximately \$12M of these gifts were raised for the GMC and around 65% of this amount came from four individual donors. In addition, donors have recently met with Deans Saeid Rahimi (Science and Technology) and Bill Silver (Business and Economics) and have offered to change estate plans as a result.

Robin Draper mentioned that a number of proposals had been submitted prior to the economic downturn with the expectation of receiving sizeable gifts. Obtaining donations has become more difficult but donors are recognizing this is a tough time for students as well and some donors have provided money for scholarships for the next few years.

New Development Staff

McNeill stated that Laurie Ogg, previously SSU's Scholarship Coordinator, has been hired as the new Director of Annual Giving and Alumni Relations. Ogg addressed the Board to discuss details of a phone campaign being developed as a first step to creating a collaborative, centralized, and coordinated annual giving fundraising event. McNeill stated that Ogg has both a BA and an MA from SSU and will be a great addition to the Development team.

IV. Chief Operating Officer's Report



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Schlereth deferred to Coate to provide a financial update.

V. Chief Financial Officer's Report

(See December 12, 2008 Agenda packet for these documents)

Financial Update and Finance Committee Report

Coate discussed a sheet which outlined the investments within each of the Foundation's various investment pools as of 6/30/08 and 11/30/08 to assess the affect of the recent volatility in the financial markets. Overall, the Foundation's total investment assets have decreased by approximately \$20M since 6/30/08. This is due to the combination of a drop in fair market value of endowment funds as well as transfers of Green Music Center funds to the University to cover costs of construction for the project. Randy Pennington added that the Finance Committee discussed possibly making changes to the endowment portfolio but the committee decided to stick to the current asset allocation in order to keep from diverting from investment policy guidelines.

Schlereth mentioned that the current market downturn has produced a difficult time to make a distribution from the endowment, particularly since it is underwater. There will be an attempt to find monies on the campus to make this distribution on the Foundation's behalf and allow the value of the endowment to recover. A methodology to address next year's endowment distribution will be brought forth at a future Board meeting. The 08/09 distribution was not affected since it was already dispersed but the 09/10 distribution will be challenged.

VI. Action Items

(See December 12, 2008 Agenda packet for these documents)

Delphine Newman, chair of the Compliance Review Committee, provided the annual report on a review of the prior fiscal year's (2007/2008) expenditures made from the permanently endowed funds and expenditures for discretionary and public relations. Newman provided the Statement of Purpose and Procedures of the Committee. Newman worked with Ogg and Young on a nine member committee. Newman selected thirty separate endowed scholarship funds to analyze and all accounts were reviewed by at least three readers. It was determined that all amounts were expended in accordance with donor intent and all are in good order.



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Newman also spoke to the importance of scholarships and relayed experiences of specific student scholarship recipients.

Motion: Approval of Compliance Review Committee Report

Action: Unanimously approved

VII. New Business

No new business was discussed.

Meeting adjourned at 2:00 p.m.

Minutes Approved by:
Letitia Coate
Chief Financial Officer, SSUAF

Minutes Prepared by:
Ian Hannah
University Associate Treasurer, SSU



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Record of Attendance

December 12, 2008

	Title	<i>First</i>	<i>Last</i>	<i>In Attendance</i>
1	Dr.	Ruben	Armiñana	Absent
2	Ms.	Patricia	McNeill	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	Absent
8	Dr.	Barbara	Butler	Present
9	Dr.	Jean Bee	Chan	Present
10	Ms.	Anita	Christmas	Present
11	Mr.	Dan	Condron	Absent
12	Dr.	Carmen	Finley	Present
13	Mr.	Tom	Gillespie	Present – tele.
14	Ms.	Rachel	Hersh	Present
15	Dr.	Alan	Johnson	Present
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	Absent
22	Mr.	Randy	Pennington	Present
23	Mr.	Jim	Perez	Absent
24	Dr.	Saeid	Rahimi	Absent
25	Ms.	Beth	Robertson	Present
26	Mr.	Irwin S.	Rothenberg	Present
27	Dr.	Robert	Schultz	Present
28	Mr.	Michael	Sullivan	Present
29	Dr.	Liz	Thach	Present
30	Mr.	Michael	Troy	Absent

Members Present 21

Members Absent 9

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



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Staff/Guests Present:

Mr. David Bjornstrom – *SSUAF Counsel – Anderson, Zeigler, Disharoon,
Gallagher & Gray, PC*

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

Mr. Ian Hannah – *University Associate Treasurer, SSU*

Mr. Bill Ingels – *University Treasurer, SSU*

Ms. Laurie Ogg – *Director of Annual Giving and Alumni Relations, SSU*

Ms Amanda Visser – *Deputy Controller for Auxiliary and Foundation Accounting*