BOARD OF DIRECTORS MINUTES – November 18, 2011

I. Call to order. President Armiñana determined that a quorum was present and opened the meeting at 12:46 pm.
(Refer to Record of Attendance for November 18, 2011)

Motion: Approval of the September 23, 2011 Board Minutes

Action: Unanimously approved.

II. University President’s Report

Armiñana addressed the protest at the November 16th CSU Board of Trustees meeting, commenting that many of the listed grievances were not issues the BOT had any control over. The BOT adopted a budget, including a 9% tuition increase, which was submitted to the Governor. Accompanying the budget was a drafted resolution which requested the State of California budget more money towards higher education to prevent the increase. Armiñana explained that approximately 40% of students would see no change in the cost of attending the University since one third of the Tuition fee is set aside for financial aid.

Board of Trustees approved the Student Center fee mechanism that students voted in favor of via a fee referendum in April 2011. The project will start shortly with construction anticipated to be completed in Summer 2013.

The CSU as a system is over-enrolled by 5%. BOT is requesting an allowance for 5% growth for the 2012-13 year to accommodate current enrollment.
III. Action Items
(See November 18, 2011 Agenda packet for this document)

*Approval of Compliance Review Committee Report*
Jeanette Anglin presented the Compliance Review Committee’s findings. Anglin first thanked Delphine Newman for her hard work as committee chair in previous years and the SSU Administration & Finance staff for their help in compiling information. The report was described and included the following:
- Compliance Review Committee has requested that the Scholarship Committee examine the definition of “re-entry”.
- Suggestion to make donor form stronger.
- Found nothing out of compliance.

**Motion:** Approval of Compliance Review Committee Report

**Action:** Unanimously approved.

IV. Vice President, University Development's Report
(See November 18, 2011 Agenda packet for this document)

*Quarterly Development Report*
McNeill reported that in the first quarter, $4.4 million had been raised. This amount included two $1 million in gifts that had been received in the last two weeks to meet the Weill match, supporting the Green Music Center.

McNeill passed out a copy of the SSUAF bylaws and explained that it might be a good time to revise the bylaws and examine the role of the Board. An ad-hoc committee had met prior to the Board meeting to discuss this item. Views were expressed about wanting to see more engagement on behalf of Board members. It was recommended that the ad-hoc committee continue to meet to examine the bylaws as well as the current and future structure and direction of the Board. Beth Robertson, Sam Brown, and Andrea Neves volunteered to participate as community members on the ad-hoc committee.
Armiñana announced McNeill will be retiring as of December 31, 2011 and Erik Greeny will become Acting Vice President of Development. McNeill thanked the board for their support and voiced her hope that they will continue to help Greeny in the fundraising effort.

V. Chief Operating Officer’s Report

Schlereth made no report.

VI. Chief Financial Officer’s Report
(See November 18, 2011 Agenda packet for this document)

An update on the financials was addressed for the period ending September 30, 2011.

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

SSUAF Counsel Jeremy Olsan presented and discussed his annual letter to the Board:

- The letter provides information to Board members regarding their legal responsibilities to SSUAF, conflict of interest provisions, and the California Non-Profit Integrity Act.
- Olsan discussed the main responsibilities of a Foundation director:
  - Act in good faith.
  - Do not use the Foundation for own financial gain.
  - Exercise reasonable care in the conduct of Foundation Business.
  - Always follow fiduciary duties when making decisions.
  - Perform due diligence in assessing the reliability of officers and committee members.
  - To vote accordingly.
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- Conflict of Interest – alert the Board of any decisions made by the Board of transactions personally affecting you as a member.
- Current law includes conditions, requirements, and exceptions as it relates to a conflict of interest transaction with an interested director (Board member).
- Duty to comply with investment standards.
  - Details of the California Non Profit Integrity Act were also provided.
  - This document is to be signed by all members and will be mailed out to all absent members for signature.

Olsan addressed Senate Bill 8 and how it may affect the Foundation. Under this bill CSU auxiliaries are subject to the Public Records Act. There are some restrictions to donor disclosure, but generally donors can remain anonymous. Coate noted that Rick Ludmerer is the University designee to handle all Public Records Act requests.

VIII. CLOSED SESSION
  - CONFERENCE WITH LEGAL COUNSEL
    - LITIGATION MATTER (1)(Education Code Section 89923)
    - ACTION ITEM

IX. New Business

None.

Meeting adjourned by Armiñana at 2:10pm following conclusion of closed session.

Leticia Coate
Minutes Approved by:
Chief Financial Officer, SSUAF

Minutes Prepared by:
Ian Hannah
Acting University Treasurer, SSU