Dr. Ed Teyber called the meeting to order at 3:04 p.m.

A. Introductions/Welcome

Ed Teyber thanked and welcomed VP Freer to his first UEC Board meeting. Doug Freer joined CSUSB as the Vice President for Administration and Finance on August 18th.
B. Welcoming Remarks

President Morales thanked and welcomed everyone for serving on the University Enterprises Corporation’s Board of Directors. He personally thanked VP Freer and emphasized his areas of expertise and stated that his knowledge will be instrumental to the University.

President Morales gave a brief overview of what is happening around campus. Convocation is Monday, September 22, 2014 which starts the 49th year the university has been opened for classes. President Morales will be entering his third year here at CSUSB. This year, for the first time, the Convocation venue will be at the Coussoulis Arena to accommodate more people. This Fall CSUSB is anticipating a record high of 18,000 students. Additionally, 35 new faculty members will be welcomed to CSUSB.

Last year, CSUSB signed agreements with five area school districts in an effort to reduce money that is being spent on remedial education. Currently, CSUSB has signed MOUs with ten different school districts. Throughout the year, VP Haynes will be working with superintendents from these school districts as a further step to increase graduation rates.

CSUSB is in the final process of its ten-year Western Association of Schools and Colleges (WASC) review. The current process started by a campus-wide self-study in the FY 2012/2013 and will complete with a site visit that is scheduled for September 29-October 2, 2014.

President Morales concluded that it has been a great year and that he is looking forward to another successful year here at CSUSB.

C. Approval of the Minutes

The minutes of the June 19, 2014 meeting were reviewed and approved as written. (Carson/Haynes/Unanimous)

D. Approval of Audit Report

It was recommended that the Board approve the annual audit completed by the audit firm of Rogers, Anderson, Malody & Scott, LLP. Each year, an independent audit examination and report is completed by a firm that is hired by University Enterprises Corporation at CSUSB (“UEC”). The firm completes the process by using both “Governmental Accounting Standards Board” (GASB) and “Financial Accounting Standards Board” (FASB) rules. This is required by the CSU system.

Terry Shea and Ann Fang from RAMS reviewed the audit with the Board. They began by applauding Lisa Iannolo and Auxiliary Accounting. The audit was complete and RAMS issued an unmodified opinion with no findings. Additionally, there were no findings this year on the single audit. This is the second year in a row with no findings and therefore next year’s audit will be a low risk audit.
Terry Shea briefly highlighted areas of the Audited Financial Statement. Lisa Iannolo, Director of Auxiliary Accounting, presented the June 30, 2014 Financial Statement of UEC to provide additional details and clarification to the audit report.

The Board approved the Audited Financials as presented. (Fremont/Morales/Unanimous)

E. Approval of Reserves and Allocation to Campus

Debbie Burns presented to the Board a recommendation for reserves as well as the amount of funds available to distribute to campus. It was recommended that all of the UEC Business Office net income will go into capital replacement reserves. In addition, it was recommended that a small portion of SPA Indirect Cost funds go into Disallowance reserves to bring the reserve total to an even $350,000. The remaining amount of Indirect Cost funds will be distributed to the campus.

At the December Board meeting the UEC Reserves Policy will be presented and reviewed.

The recommended allocation for reserves and funds to be distributed back to campus was approved. (Morales/Mendoza/Unanimous)

F. Election of Officers for 14/15

The 2014/2015 UEC Board Officers was presented. The only change was updating the Secretary/Treasurer to Douglas Freer who replaced Robert Gardner as VP of Administration and Finance for the University after he retired.

Debbie Burns informed the committee that the UEC Board Officers are listed on the ABC License which UEC holds for the campus. Past Officers will be removed from the liquor license and current officers will be added.

There was a motion to approve the updated UEC Board Officers (Morales/Freer/Unanimous)

G. Approval of Board and Committee Membership for 14/15

Debbie Burns provided the committee with the recommended 2014/2015 Board and Committee Membership. Instead of replacing Happy Almogela, who is no longer at CSUSB, her Board position as a staff member will remain vacant until a recommendation for a replacement is made. Other changes include the Executive Committee having all committee chairs as members, the Audit Committee’s addition of a student and a faculty member, and the Commercial Enterprises Committee adding a new member who will be a member only and not a Board Director.

There was a motion to approve the updated UEC Board and Committee Membership for 2014/2015 (Haynes/Freer/Unanimous)
H. Approval of Amended Operating Agreement with Trustees

It was recommended that the Operating Agreement with the CSU Trustees be amended to appropriately state UEC’s approved functions in supporting CSUSB as an authorized auxiliary in good standing. UEC’s authorized function “Charitable remainder trusts, and similar funds” was added back into the agreement. It was originally taken out in 2011 when it was anticipated that the CRTs would be transferred to the Philanthropic Foundation. However, the Philanthropic has to be established for five years before they can house the CRTs. Therefore, this was important to amend the Operating agreement. The other change included the term of the agreement extending to December 31, 2020.

The amended Operating Agreement was approved with no additions or corrections. (Freer/Carson/Unanimous)

I. Approval of Amended Bylaws

It was recommended that the Board approve a couple of minor changes to UEC’s Bylaws. The first change is the number of Directors changing from thirteen to fourteen. This change accommodates the addition of the Vice President of Information Technology Services. The other change is the deletion of “ex-officio” throughout the document. This clarifies that the University President and all of the Vice Presidents are voting members.

The Board approved the minor changes to UEC’s Bylaws. (Carson/Mendoza/Unanimous)

J. Conflict of Interest Statements

It was recommended that the Board members review, sign, and return the attached Conflict of Interest Statement for the period July 1, 2014 through June 30, 2015 at the conclusion of the Board Meeting. It is UEC’s responsibility to ensure that all Board Members sign a Conflict of Interest Statement for the current year, in accordance with California Education Code, Sections 89906-89909. Debbie explained that this is a document that needs to be signed by each Board member yearly. It is an auditable item and after being signed the forms are given to Cara Pham to maintain in our files.

The Board approved the Conflict of Interest Statement for 2014/2105 (Zellmer/Mendoza/Unanimous).

K. Sponsored Programs Annual Review

Diane Trujillo, Director of Sponsored Programs Administration, reviewed the financial status of Sponsored Programs and provided an annual review. A ten-year recap of Indirect Cost Recovered was provided. The 2013/2014 year showed Sponsored Programs Administration having the highest Effective Recovery Rate in recent history. The ten-year average is 10.39% and 2013/2014 was 12.31%. The year ended with a significant amount of funds available for distribution to campus. This was due to expenditures being higher and therefore
leading to an increase in indirect cost. Diane applauded this significant turnaround to a staff member who dedicates a lot of her time monitoring the indirect.

Rachel Weiss, Director of Research and Sponsored Programs, added that this year there were 6.4 million dollars more in awards and submissions requests.

L. Executive Director Update

Debbie provided the Board with a brief Executive Director’s Report. She informed the Board that there was recently a legal claim against UEC. This had to do with the construction of the barn and playhouse for the Children’s Center. There were a total of four people who sued UEC for $9,000 each in Small Claims Court. After going to court the judgment resulted in $3,000 that UEC was obligated to pay.

The new C-Store located by the Social and Behavioral Sciences Building will be opening this fall. There are some requests that the County of San Bernardino Health Department is demanding. These issues will be worked out as soon as possible.

The Pub has new menu items. Sodexo will be providing ASI and the Student Union Board the opportunity to taste the new menu items before school starts. Sodexo is working hard to accommodate students, who have been strongly requesting a Pub refresh. Dave Janosky, General Manager, is working with EHS to try to get a ventless fryer approved by the San Bernardino County Health Department in order to be able to prepare and sell the fried food and wings that the students want in the Pub.

Finally, Cara Pham is working with PDC to offer healthier vending options on campus. Courtesy Vending will be updating the machines and giving us a list of healthier options that we can request be added into the machines. The machines are scheduled to be installed and filled with healthier options the first day of fall quarter.

M. Committee Reports

In lieu of committee presentations to the Board, drafts of all minutes of Standing Committees are provided with this Board meeting package.

The meeting adjourned at 4:01 p.m.

Minutes approved by:

Date: 12-10-74

[Signature]