BOARD OF DIRECTORS
ANNUAL MEETING
Thursday, March 12, 2015 – 3:00 P.M.
University Enterprises Boardroom

Minutes

Members Present: Lois Carson
                  Dorothy Chen-Maynard
                  Douglas Freer
                  Brian Haynes
                  Josephine Mendoza
                  Tomás Morales
                  Ed Teyber
                  Val Zellmer

Members Absent:  Alfredo Barcenas
                 Andy Bodman
                 Ron Fremont
                 Yasha Karant
                 Sam Sudhakar

Others Present:  Monir Ahmed
                 Debbie Burns
                 Lisa Iannolo
                 Beth Jaworski
                 Cara-Marie Pham
                 Jeff Thompson
                 Diane Trujillo
                 Rachel Weiss

Dr. Ed Teyber called the meeting to order at 3:03 p.m.

A. Welcome/Opening Remarks

Dr. Morales thanked everyone for serving on the University Enterprises Corporation’s Board of Directors. Recently, there has been a major concern with the number of crimes on and around campus in the past month. The most recent concern is the mysterious disappearance of a woman from the apartments across the street from campus. There is evidence pointing
to the disappearance being involuntary. Dr. Morales ensured that the San Bernardino Police Department and the University Police are working together on this case. The Chancellor’s Office has also activated the crisis response unit. Every CSU campus dedicates two of their best officers to the crisis response unit. CSUSB has sent their officers out to help other campuses but this is the first time the unit was activated for CSUSB. Both President Morales and Vice President Freer will be meeting with students, there will be daily updates going out to campus, and they will continue to do everything that they can to ensure that CSUSB continues to be a safe campus.

Dr. Morales also gave a brief update on other projects and events that have taken place. One of the exciting projects is that there are plans to locate a crime lab on campus. This would be a great opportunity for the campus and our students.

B. Approval of Minutes

The minutes of the December 11, 2014 meeting were reviewed and approved as written. (Carson/Haynes/Unanimous)

C. Amended Bylaws: Board Membership

Debbie Burns informed the Board that recently all four auxiliaries were audited by the Chancellor’s Office. Most of the findings were minor and easily fixable. In order to satisfy one of the audit findings the Bylaws needed to be revised. Under Section 3, Number of Directors, it is recommended that the wording change from “at least” fourteen to “up to” fourteen. This will match the wording in Section 4 and will resolve the audit finding.

The Bylaws were approved with the recommended revision. (Zellmer/Freer/Unanimous)

D. Approval of Children’s Center Handbook Amendments

Debbie Burns provided two pages of the Children’s Center Parent Handbook where minor revisions where highlighted. The two things that were updated were 1) Schedules and Tuition Payments, 2) Late Pick-Up Policy. UEC holds the Children’s Center license and any changes made to the Parent Handbook require Board approval. The changes to the Parent Handbook were approved (Morales/Freer/Unanimous).

E. Procurement Policy

Diane Trujillo presented to the Board a revision of the former Purchasing Policy. It is recommended that the name be changed to Procurement Policy. On December 26, 2014, the Procurement Standards in Office of Management and Budget (OMB) Circular A-110, changed regulations. The revised policy reflects the new guidelines and mirrors the state policy. Diane also stated that in addition the new Guidelines have been posted on the UEC website.

The revision to the Procurement Policy was approved as written. (Haynes/Zellmer/Unanimous)
F. Approval of Use of Disallowance Reserves

Jeff Thompson provided background to the Board informing them that UEC received a subaward from the City of San Bernardino for their Sustainability Community Plan grant from the California Strategic Growth Council. The sub-award funding was on a reimbursement basis. A faculty member billed UEC for 46 hours of activity ($66.88/hr) on the grant before the project was stopped due to the cessation of grant activity by the City. UEC has invoiced the City of San Bernardino at least three times, however, the City has not responded and payment for this invoice is not expected to be paid. Jeff is recommending that the full amount of the invoice plus the court costs, totaling $3,141.48, be paid by the Disallowance Reserve to the faculty member. The current amount in the Disallowance Reserve is approximately $300,000. The use of the Disallowance Reserve was approved. (Carson/Haynes/Unanimous)

G. Executive Director Search

Doug Freer reported that with Debbie Burns retiring in July that it was time to begin the search for a new Executive Director. There is a search firm that will be help to enrich the pool of candidates. The Board will be involved with the salary that is offered. The Board will also have an opportunity to meet with the final candidates when they come to campus. Doug informed the Board that he just finished the job description and they will be ready to post the position shortly.

H. Executive Director Report/Financial Review

Debbie Burns provided a brief update on the Commercial Enterprises Committee meeting that took place on February 18, 2015 and the Special Commercial Enterprises Committee meeting that took place on March 4, 2015. These meetings were entirely focused on the future plans of Dining Services. The new Housing Plan is scheduled to open in fall of 2017, however, in the meantime there needs to be a transition plan to prepare students for having to purchase mandatory meal plans. Sodexo is working on plans and will give an amount that they are willing to invest into this project by the end of April. There needs to be decisions made in the near future about the Sodexo contract and if the campus wants to go out to bid early or extend the contract with Sodexo. Additionally, Follett has approached Debbie and would like to extend their contract and move the Bookstore into the Student Union.

Debbie Burns reported that there was a recent surprise from CalPERS. UEC’s pension plan is in a risk pool and the CalPERS Board approved structural changes to risk pooling in May 2014. Beginning with FY2015-2016 CalPERS will collect employer contributions toward the unfunded liability and side fund as fund as dollar amounts instead of the prior method of a contribution rate. There is a 1st payment that will be due in the amount of approximately $95,000 in July. There will need to be discussion in the future on how this will be paid.

Lisa Iannolo, Director of Auxiliary Financial Services, briefly reviewed UEC’s draft January 31, 2015 financial statement. Lisa highlighted that the Dining Services expenses are currently over budget and significantly higher than expenses from last year. This has to do
with the C-Store start-up costs and modular building rental costs. The Bookstore’s commission is up from what was projected. UEC’s net income is showing a significantly higher amount than what was budgeted due largely to an unexpected level of grant activity.

Debbie Burns and Lisa Iannolo moved all but $2 million to a collateralized short-term investment fund, which will allow UEC to earn a small amount of interest. This will be reflected on the February balance sheet.

I. Sponsored Programs Report & Financial Review

Diane Trujillo, Director of Sponsored Programs Administration, and Jeff Thompson, Associate Provost for Research, reviewed the financial status of Sponsored Programs for the period ending January 31, 2015. It was also pointed out that this is the last year that UEC will pay 50% of the Financial Aid staff position. After June 30, 2015 the expense will be absorbed by the State. There has been larger grants coming through as well as an increase in the number of grant submission. It was suggested that at the next meeting Jeff bring some additional data on the number of submissions, the amount of the grant, and the PI.

J. 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 4:32 p.m.

Minutes approved by: ________________________________

Date: ________________

6/11/15