

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION
BOARD OF DIRECTORS
MAY 6, 2016
MINUTES**

The meeting was called to order by President Elliot Hirshman at 9:07 a.m. in the James W. Cobble Boardroom on the third floor of the Gateway Center building.

Present: Dr. Elliot Hirshman, presiding; Dr. Guadalupe Ayala; Dr. Kim Barrett; Mr. Bill Brack; Ms. Vickie Capps; Dr. Karen Emmorey; Dr. Chukuka Enwemeka; Dr. Craig Hauser; Dr. Mary Ann Lyman-Hager; Mr. Tom McCarron; Dr. Ming-Hsiang Tsou; Dr. Stephen Welter; Dr. Robert Zeller and Ms. Michèle Goetz.

Absent: Ms. Paula Brock, Dr. Samuel Kassegne, Dr. Randolph Philipp and Ms. Blaire Ward.

Also attending: Mr. Tom Karlo and Ms. Agnes Wong Nickerson from SDSU, and Mr. Bob Blizinski, Ms. Debbie Brighton, Ms. Norma Clark, Ms. Victoria Kern, Ms. Leslie Levinson, Ms. Rachel Raynoha, and Ms. Renée Daniels from SDSU Research Foundation.

1. CALL TO ORDER

President Hirshman welcomed Ms. Leslie Levinson, SDSU's chief financial officer (CFO) for The Campanile Foundation (TCF) who is concurrently serving as SDSURF's interim chief financial officer. He reported that Mr. Tom Karlo, general manager of KPBS, would join the meeting shortly to give a presentation and tour of KPBS.

President Hirshman announced that today's meeting was the last for Dr. Mary Ann Lyman-Hager and Associated Students president Blaire Ward. As an expression of gratitude for their service, President Hirshman introduced the following resolutions of appreciation for Dr. Lyman-Hager and Ms. Ward:

Lyman-Hager resolution:

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation honors and commends Dr. Mary Ann Lyman-Hager for her eight years of service as a member of the Board and its Investment Committee. Through this resolution, the Board endeavors to record its sincere appreciation and respect for Dr. Lyman-Hager and her contributions to SDSU Research Foundation.

Ward resolution:

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation honors and commends Ms. Blaire Ward for her service as a member of the Board. Through this resolution, the Board endeavors to record its sincere appreciation and respect for Ms. Ward and her contributions to SDSU Research Foundation.

2. CONSENT AGENDA

The consent agenda contained two items: a) approval of the March 4, 2016 meeting minutes, and b) a resolution to approve authorized signatories for banking and investment transactions. President Hirshman asked if there were any questions or discussion needed. Hearing none, President Hirshman called for a vote on the consent agenda. The consent agenda was approved unanimously.

3. REVIEW AND ADOPT: FY 2016-17 GENERAL FUND BUDGET

Finance and Investment Committee (FIC) chair McCarron began by recognizing the efforts of SDSURF staff involved in producing the FY 2016-17 general fund budget. He reported that the FIC had reviewed the proposed budget in depth at its April 27 meeting and consequently, Ms. Goetz's budget review would focus on budget highlights. Mr. McCarron noted that the university would continue to waive \$1 million of allocations for the FY 2016-17 budget.

Ms. Goetz acknowledged the university's generous waiver, echoed Mr. McCarron's recognition of staff and voiced her own thanks for their efforts. She noted that the budget reflected management's optimism and cited several reasons for this optimism: SDSU's continued investment in research, new faculty hires, the Areas of Excellence initiative, the Grants and Research Enterprise Writing (GREW) program and SDSURF's enhanced service initiatives—all producing positive results and contributing to upward trending. A copy of the proposed FY 2016-17 general fund budget page was distributed and Ms. Goetz conducted a high level overview of significant line items and key indicators. Ms. Goetz reported the projected savings due to streamlining operations in the area of administration and operations. She also reported on SDSURF's initiatives for efficiency. She expressed her appreciation to Ms. Levinson for agreeing to serve as interim CFO for 50% of her time—while concurrently serving as CFO of The Campanile Foundation.

President Hirshman noted that five years ago a strategy had been developed to address budget shortfalls by making targeted investments in research. The strategy—which included hiring new research-oriented faculty, providing startup funds and other support—had been implemented and executed. President Hirshman noted that while F&A is slowly growing, our challenging budget model requires additional review. Discussion ensued regarding strategies to increase the F&A rate, continued focus on efficiencies, evaluation of the model for allocating certain research costs and alternative sources of revenues to cover research support initiatives.

Mr. McCarron reported that subsequent to the FIC's review of the FY 2016-17 budget on April 27th, the committee recommended that the board adopt SDSURF's FY 2016-17 budget as submitted.

Ms. Capps proposed that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
APPROVAL OF SDSU RESEARCH FOUNDATION'S
FY 2016-17 GENERAL FUND BUDGET**

RESOLVED, That the General Fund Budget, as submitted to the Board of Directors at its meeting on May 6, 2016, at a level of \$29,263,000, be adopted as SDSU Research Foundation's budget for FY 2016-17, and forwarded to the President for approval.

The motion was seconded by Mr. Brack and adopted unanimously.

4. INFORMATION ITEMS

REPORT OF THE VICE PRESIDENT FOR RESEARCH: Dr. Welter reported on:

- Plans to grow SDSU's research volume to \$250 million
- Recognition of SDSU faculty who are competing and besting the national average on success rates for NSF and NIH grants
- The continued success of the GREW program; a request by NASA to run a GREW program; a request by the Office of Naval Research to run a GREW program with a STEM-based approach
- Creation of a GREW program for SDSU graduate students that would target obtaining NSF and NIH grants
- Building a more sustainable model for funding graduate students.

COMMITTEE REPORTS

Audit Committee: In the absence of Chair Brock, Ms. Capps provided an update of the April 19 meeting. Topics included:

- Establishment of timelines for upcoming audits: (financial statement and compliance audit, employee benefits plan audit and CSU auxiliary audit)
- A review by Grant Thornton staff of the overall audit plan and roles and responsibilities
- A review of significant accounting transactions.
- A report of all on-going audits
- A comprehensive written report of internal controls related to IT security prepared at the request of the committee.
- Exploring the option of adding an additional committee member with relevant experience.

Ms. Capps recognized the efforts of Ms. Kern, Ms. Goetz, Ms. Levinson, and the finance staff in creating such a seamless transition.

Investment Committee: Mr. McCarron reported that the FIC had met twice since the March board meeting and provided an update on each meeting:

April 27, 2016 meeting items included:

- An overview of the FY 2016-17 general fund budget provided by management
- Committee review and adoption of the resolution to recommend board approval of the proposed FY 2016-17 general fund budget as submitted
- Review of highlights of the annual federal tax return—Form 990—provided by management
- Review of the summary of investments for the quarter ending March 31, 2016 provided by management
- Updates on the executive director and CFO searches.

March 29, 2016 special meeting:

This special meeting was held to consider approval of a ground lease with HRSE-Capstone SD, LLC (Capstone) to develop the property located at 5030 College Avenue. On May 9, 2014, the board approved a resolution delegating authority to the FIC to approve the proposed ground lease with Capstone and to authorize management to proceed with and complete the transaction. FIC discussion included a review of the opportunity and other considerations. The FIC passed the resolution to adopt the ground lease and to authorize management to proceed with and complete the transaction. The ground lease was signed on April 12th and a first payment of \$50,000 towards the initial lump sum payment was received.

REPORT OF THE ACTING EXECUTIVE DIRECTOR: Ms. Goetz began by thanking SDSURF staff—in particular the finance staff—for all their efforts in preparing the FY 2016-17 budget. Her report included updates on:

- The CFO search
- 6363 Alvarado Court flood mitigation efforts
- Key changes to the Policies and Procedures manuals.

Referring to Ms. Levinson's interim appointment as SDSURF's CFO, Ms. Goetz expressed her appreciation to Vice Presidents Carleton and McCarron for supporting the concept of Ms. Levinson serving as a shared resource between TCF and SDSURF. She highlighted Ms. Levinson's significant experience and the benefits of the arrangement. She said the arrangement would also provide an opportunity to take a unified approach to assessing processes and services between TCF and SDSURF.

Ms. Goetz referenced the FY 2016-17 schedule of board meeting dates included in the agenda materials under Tab C. She then drew attention to the new photos in the boardroom and credited Mr. Brack for the suggestion to feature photos of the university and the research supported by SDSURF. The photos will be updated periodically and will continue to showcase research. Ms. Goetz thanked Mr. Brack for his idea and Ms. Brighton, Ms. Clark

and Ms. Daniels for implementing his suggestion. Ms. Goetz concluded her report by announcing that today was the last board meeting for SDSURF's associate executive director for facilities planning and management, Norma Clark, who will retire in July. She recognized Ms. Clark for her outstanding service and contributions during her tenure at the research foundation.

President Hirshman echoed Ms. Goetz's praise of Ms. Clark and read the following resolution of appreciation:

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation recognizes Ms. Norma Clark for her service as Associate Executive Director of Facilities Planning and Management. Ms. Clark has been an integral part of SDSU Research Foundation for the past twenty years and her contributions have been numerous and impactful. She has built a strong team that is responsible for acquiring, renovating and managing 683 acres of land and 750,000 square feet of buildings that house staff, researchers and commercial tenants. Ms. Clark has developed vital relationships with college representatives, department chairs and principal investigators—working with them to identify, assign and renovate space for research activities. She has also established important connections in the community which have benefitted both SDSU and SDSU Research Foundation. Her comprehensive knowledge of real estate, design, space planning, contract negotiation, forecasting and budgeting have been a tremendous asset as SDSU's research agenda has grown and SDSU Research Foundation's space portfolio has increased to support it.

Through this resolution, the Board endeavors to record its sincere appreciation for Ms. Clark and her numerous contributions to SDSU Research Foundation.

4. KPBS PRESENTATION

President Hirshman introduced Mr. Tom Karlo, general manager of KPBS, who he said is recognized nationally as a leader in the industry. He directed the board to Tab D of the agenda materials for additional biographical information on Mr. Karlo.

Mr. Karlo's comprehensive presentation was entitled "Past, Present and Future of KPBS—a public service of San Diego State University." It included a summary of KPBS' history, mission, transformative years, challenges, results, awards and vision for the future.

5. NEW BUSINESS

President Hirshman called for any items of new business. Hearing none, he adjourned the meeting at 10:45 a.m. Mr. Karlo then conducted a tour of KPBS facilities for board members.

Respectfully submitted,

Michèle G. Goetz
Acting Associate Secretary-Treasurer