

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION  
BOARD OF DIRECTORS  
DECEMBER 2, 2016  
MINUTES**

The meeting was called to order by Vice President Stephen Welter at 9:08 a.m. in the conference room of the Coastal and Marine Institute Laboratory at 4165 Spruance Road, San Diego, California.

Present: Dr. Stephen Welter, presiding; Dr. Guadalupe Ayala; Dr. Kim Barrett; Mr. Bill Brack; Ms. Paula Brock; Ms. Vickie Capps; Dr. Karen Emmorey; Dr. Sam Kassegne; Ms. Jamie Miller; Mr. Tom McCarron; Dr. Jennifer Thomas; Dr. Ming Tsou; Dr. Robert Zeller; and Ms. Michèle Goetz.

Absent: Dr. Chukuka S. Enwemeka, Dr. Craig Hauser; Dr. Elliot Hirshman, and Dr. Randolph Philipp.

Guests and staff attending: Drs. Stanley Maloy and Todd Anderson and Ms. Agnes Wong-Nickerson from SDSU; and Ms. Ann Billing, Ms. Debbie Brighton, Mr. Eric Elson, Mr. Tim Hushen, Ms. Leslie Levinson, Ms. Rachel Raynoha, and Ms. Renée Daniels from SDSU Research Foundation.

**Call to Order**

Vice President Welter welcomed:

- Ms. Jamie Miller, SDSU's Associated Students president, who was attending her first meeting,
- Dr. Stanley Maloy, SDSU's dean of the college of sciences, in attendance to talk about the research being conducted at the Coastal and Marine Institute Laboratory (CMIL),
- Ms. Ann Billing, SDSU Research Foundation's (SDSURF) benefits manager and Mr. Eric Elson, SDSURF's director of facilities, in attendance as guests.

Dr. Welter noted that Dr. Todd Anderson, SDSU professor of biology and CMIL director, and Ms. Renée Dolecal, CMIL lab manager, would join the board at the conclusion of the meeting to talk about CMIL research projects and to give a tour of the facility.

**Consent Agenda**

Dr. Welter introduced the consent agenda which contained one item: the minutes from the last board meeting held on September 23, 2016. Dr. Welter asked if there were any questions or discussion needed. No discussion was requested. The consent agenda was approved unanimously.

## Executive Director Report

Ms. Goetz welcomed the board to the CMIL. She explained that when the Naval Training Center (NTC) closed in 2001, portions of the NTC property had been developed as part of the public benefit conveyance for public health services and research. SDSURF partnered with the City of San Diego (City), United States Geological Survey (USGS) and the Metropolitan Wastewater Department—now called the Public Utilities Department—to develop the two-acre site under a 30-year ground lease. USGS rents approximately 75 percent of the facility which covers the majority of operating costs. Approximately 15 years are remaining on the lease with an option to negotiate an extension with the City.

Her report included:

- The positive trending of proposals and awards—which are slightly ahead of the same time last fiscal year
- An update on the Capstone redevelopment project
  - ◆ A legal settlement was reached between CARA (College Area Residents Association) and Capstone. Capstone has fully complied with all the terms of the agreement so the issue is now finalized.
  - ◆ Capstone is working with Bank of America on the final terms of financing and anticipates coming to agreement on terms next week with the loan documents and funding to be finalized in early January.
  - ◆ Previously Capstone had an equity partner; Capstone is now funding 100% of the equity in the project.
  - ◆ Under the new structure, Capstone is considering committing to maintaining the project as 100% students and/or faculty/staff. Previously, they considered the possibility of bringing in non-university affiliated tenants.
  - ◆ Capstone plans to commence construction in the next two weeks even before the financing is finalized.
  - ◆ Payments to SDSURF have resumed at \$25,000 per month as interim payments towards the \$2 million due upon acquisition of financing.
  - ◆ Completion of construction is planned for June 2018 with a Fall 2018 opening—this will be in line with the first cohort of sophomores-on-campus housing requirement.
- SDSURF continues to assess all services and processes to ensure operations are as cost-effective as possible and to enhance support for research.
  - ◆ Plans for transitioning the line of credit and treasury services to First Republic Bank are moving forward and will result in annual savings of approximately \$125,000, once fully implemented
  - ◆ The IT department is working on two key projects intended to improve service and security while reducing costs:
    1. Replacing the current firewall system with a new system that will enhance security at a lower cost. A savings of \$53,000 in licensing and support costs will be realized over the next five years.
    2. During the winter break, SDSURF's computer servers will be moved to the university data center. This will improve services by creating a reliable backup system, generating long-term energy savings, and eliminating the need for expensive capital expenditures.

- Continued focus on staffing:
  - ◆ The vacant Associate Executive Director position in Sponsored Research Services will not be filled at this time. Instead, the research foundation is investing its resources in services rather than management by adding positions in payroll and the pre- and post-award areas to improve direct service to faculty.
  - ◆ The three directors in Sponsored Research Services will continue to report directly to Executive Director Goetz to ensure she remains close to the needs of and issues impacting researchers.

Ms. Goetz reported that management is analyzing additional staffing needs and will report back to the board as part of the budget process. Discussion ensued. Referring to the Capstone update, Mr. McCarron voiced his appreciation of the progress made. Dr. Welter recognized the collaborative effort involved in moving SDSURF's computer servers to the university's data center which he described as a "win-win" for the research foundation and university. Dr. Welter emphasized the importance of staff feeling valued in their jobs and of faculty to recognize staff efforts.

Ms. Goetz concluded with holiday wishes and thanks to the board for their commitment of time and energy to SDSU and the research foundation.

#### **Review and Adopt: Defined Contribution 403(b) Retirement Plan**

Ms. Levinson explained that the Retirement Plan Oversight Committee (RPOC) was established in 2009 to assist SDSURF in meeting its fiduciary responsibilities for its 403(b) retirement plan. In 2013 NFP Corporation (NFP) was hired to provide retirement plan fiduciary oversight and advisory services. As part of its responsibilities, RPOC periodically reviews the fees, expenses and record-keeping services to ensure fee reasonableness and that service quality standards are maintained. Ms. Levinson reported that at the October 27, 2016 RPOC meeting, NFP presented the third quarter fund review to RPOC. Based on the advice of NFP, and following discussion and analysis of the results, RPOC is proposing the following five changes to the RPOC Charter and Investment Policy:

1. Remain with TIAA as the plan record-keeper based on their current and proposed fees
2. Replace two funds:
  - 1) AB Discovery Growth with Janus Enterprise I, and
  - 2) PIMCO with the Lord Abbett
3. Reduce the number of separated participants in the plan. Participants with balances between \$1,000 and \$5,000 will have their funds removed from the plan and rolled over into an IRA.
4. Update the RPOC charter to:
  - ◆ Clarify the membership - listing key management positions with the Chair designating the remaining members
  - ◆ Correct language to comply with the Employee Retirement Income Security Act (ERISA)

- ◆ Give authority to RPOC to make changes to the Investment Policy Statement (IPS) with the requirement to report any changes to the Board
  - ◆ Clarify the delegation of responsibilities to RPOC
5. Update the Investment Policy Statement to:
- ◆ Strengthen the ERISA language
  - ◆ Clarify that the IPS is a guide and not an absolute requirement
  - ◆ Add a framework for analyzing investments

Ms. Brock commended RPOC's efforts in working with NFP to gain efficiencies in their oversight of the retirement plan.

Dr. Thomas proposed that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:  
DEFINED CONTRIBUTION 403(b) RETIREMENT PLAN**

**RESOLVED:** That the Board of Directors ("Board") authorizes the Retirement Plan Oversight Committee ("RPOC") to pursue creating and modifying, as required, the plan document provisions for the San Diego State University Foundation Defined Contribution Retirement Plan as follows:

**First, the Board reaffirms TIAA as its retirement plan record-keeper for its employer-sponsored plan; and**

**Second, the Board authorizes RPOC to replace the AB Discovery Growth Fund with the Janus Enterprise Fund, and the PIMCO core fixed income fund with the Lord Abbett Total Return Fund; and**

**Third, the Board authorizes RPOC to change the cash out distribution options upon severance of employment (as allowable by contract type and investment option), to allow forced distributions to an IRA rollover for balances between \$1,000 and \$5,000; and**

**Fourth, the Board adopts the revised RPOC Charter; and**

**Fifth, the Board adopts the revised Investment Policy Statement (IPS) of the San Diego State University Foundation's Defined Contribution 403(b) Retirement Plan; and**

**Finally, that this Resolution shall take effect immediately upon its adoption.**

The motion was seconded by Ms. Brock and adopted unanimously.

## Finance and Investment Committee Report

Finance and Investment Committee (FIC) Chair McCarron said the committee had met on November 15, and thanked Ms. Capps for chairing the meeting in his absence). He reported that the FIC had reviewed three action items with resolutions and was subsequently forwarding these resolutions to the board with a recommendation to approve each:

1. The sale of real property donated to KPBS in Alameda, California—which the board discussed at previous board meetings
2. The sale of real property donated to KPBS in San Diego Country Estates, and
3. The disposition of future real property donations to KPBS.

Mr. McCarron then turned the discussion to Ms. Levinson for an overview of the items.

### Sale of Real Property in Alameda, California

Ms. Levinson explained that the leasehold interest in the property located at 2447 Santa Clara in Alameda, California was donated to SDSURF in 1996 on behalf of KPBS—as outlined in the agenda materials. KPBS has been waiting until the timing was right to sell the property so that the best price possible could be achieved, given market conditions. KPBS worked with several buyers in the past; however, the sales did not come to fruition. KPBS wants to capitalize on the current market and sell the property so it can use the proceeds for the purpose designated by the donor—to fund capital needs for its building. KPBS and SDSURF recently entered into a purchase and sale agreement for \$1.6 million to sell the leasehold interest. On October 27, 2016, Executive Director Goetz sent an email to the board providing detailed background on the transaction. This email is included in Attachment 1 of the agenda materials for the Alameda property.

Ms. Levinson reported that at its meeting on November 15, the FIC reviewed and discussed the transaction and recommends the board approve the resolution approving the sale as proposed. She explained that the resolution also delegates authority to the Executive Director and Chief Financial Officer (CFO) to close the transaction. Additionally, in the event the transaction does not proceed, the resolution authorizes SDSURF to move forward with the sale and approves the ultimate sale with another buyer. Discussion then ensued.

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

**RESOLUTION OF THE BOARD OF DIRECTORS:  
SALE OF DONATED REAL PROPERTY  
IN ALAMEDA, CALIFORNIA**

**RESOLVED:** First, that the Finance and Investment Committee (“FIC”), having reviewed all aspects of the proposed sale of SDSURF’s leasehold interest in certain real property at 2447 Santa Clara Avenue, Alameda, California (“Property”), which was donated in 1996 in support of KPBS, recommends that the Board confirm and ratify all past actions taken by KPBS and SDSURF with

respect to the sale of the Property, and (ii) designate and authorize the SDSURF's Executive Director and Chief Financial Officer ("Authorized Officers") to take all steps the Authorized Officers deem necessary or advisable to complete the disposition including taking such other steps as may be required for or convenient in connection with the disposition of the Property (the "Transaction"), all on such terms and conditions as are determined by the Authorized Officers to be in the best interest of the SDSURF on behalf of KPBS; and

Second, that the FIC recommends that the Board authorize any one of the Authorized Officers for and in the name and on behalf of SDSURF, to execute, acknowledge and deliver such Transaction documents, in the form approved by the Authorized Officer(s), such approval to be conclusively evidenced by the execution and delivery thereof; and

Third, that the FIC recommends that the Board also authorize any one of the Authorized Officers to do any and all things and to execute and deliver any and all documents and to pay such costs and expenses which they may deem necessary or advisable in order to effectuate the purposes of this resolution; and

Finally, that the FIC recommends that if the current Transaction does not go forward, the Board also authorize SDSURF's Executive Director and Chief Financial Officer to continue efforts to sell the Property, with such purchaser(s) and on such terms and conditions as are determined by the Authorized Officers to be in the best interest of the SDSURF, KPBS and the University, and in connection therewith to take all steps the Authorized Officers deem necessary or advisable to do so, including entering into broker listing or commission agreements, purchase and sale agreements, escrow instructions and related documents and agreements, and delivering such deeds and other documents and instruments that may be required for or convenient in connection with the disposition of the Property.

The motion was seconded by Mr. Brack and adopted unanimously. The board approved the transaction involving the sale of the Alameda property and empowered the Executive Director and CFO to take all steps necessary to effect the disposition.

### **Sale of Real Property in San Diego Country Estates**

Ms. Levinson explained that in October 2016 SDSURF had accepted a donated parcel of land in San Diego Country Estates on behalf of KPBS—as outlined in the agenda materials. SDSU policy requires that all potential donations of real property be reviewed and approved by the university's Gift Acceptance Committee whose members include:

- Mary Ruth Carleton, Vice President, University Relations and Development
- Tom McCarron, Vice President, Business and Financial Affairs
- Leslie Levinson, CFO of The Campanile Foundation and Interim CFO of SDSURF
- Radmila Prislín, Associate Vice President of Academic Affairs
- Bob Schulz, Associate Vice President of Real Estate, Planning & Development.

The Gift Acceptance Committee approved the real property donation and title was transferred to SDSURF on behalf of KPBS. SDSURF’s facilities management department is working closely with KPBS to market the property for sale. In accordance with SDSURF bylaws, the board must approve all sales of real property—including donated real property.

Ms. Levinson reported that at its meeting on November 15, the FIC reviewed and discussed the transaction and recommended that the board approve the resolution to sell the donated real property in San Diego Country Estates as proposed. She pointed out that the resolution delegates authority to the Executive Director and CFO to close the transaction. Discussion ensued.

Dr. Barrett proposed that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:  
SALE OF DONATED REAL PROPERTY  
IN SAN DIEGO COUNTRY ESTATES**

**RESOLVED:** First, that the Board of Directors (“Board”) approves the sale of the unimproved real property in the San Diego Country Estates community in the unincorporated Ramona area of San Diego County, APN 288-672-20-00 (“Donated Property”), which was donated in support of KPBS; and

Second, that San Diego State University Research Foundation (“SDSURF”) Associate Vice President/Executive Director and Chief Financial Officer (“Authorized Officers”) are hereby authorized to execute appropriate documents to complete the sale of the Donated Property transaction and pay necessary transaction costs; and

Third, that the Finance and Investment Committee (“FIC”) recommends that the Board authorize any one of the Authorized Officers for and in the name and SDSURF, to execute, acknowledge and deliver such transaction documents, in the form approved by the Authorized Officer(s), such approval to be conclusively evidenced by the execution and delivery thereof; and

Finally, that the FIC recommends that the Board also authorize any one of the Authorized Officers to do any and all things and to execute and deliver any and all documents and to pay such costs

**and expenses which they may deem necessary or advisable in order to effectuate the purposes of this resolution.**

The motion was seconded by Ms. Brock and adopted unanimously.

### **Donated Real Property Transactions**

Ms. Levinson explained that SDSURF handles all aspects of real property for KPBS—in consultation with KPBS. She reported that KPBS had been more actively soliciting real property donations and was expected to continue in the future. As mentioned earlier, all real property donations to SDSU must be reviewed and approved by the Gift Acceptance Committee to ensure every aspect of due diligence is performed. Once a donation of real property has been accepted, the intent is to sell the property promptly rather than hold it. Given the timing of when real property is accepted and the frequency of board meetings, the FIC is recommending that the board delegate to management the authorization to sell donated real property on behalf of KPBS with the following caveats:

- The Executive Director and CFO would be authorized to sell real property donated to KPBS with the approval of KPBS' General Manager or KPBS' Associate General Manager of Business and Financial Affairs
- If the appraised value of the real property exceeds \$1 million and the terms of the potential sale are materially less than the appraised value, management will refer the transaction to the FIC for their review and approval prior to completing the disposition/sale
- Following the sale of any donated real property, management will report back to the FIC and board.

Ms. Levinson reported that at its meeting on November 15, the FIC reviewed and discussed this item and recommended that the board adopt the resolution on donated real property sale transactions as proposed.

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

### **RESOLUTION OF THE BOARD OF DIRECTORS: DONATED REAL PROPERTY SALE TRANSACTIONS**

**RESOLVED: First, that the Board of Directors (“Board”) aware that gifts of appreciated real estate are attractive to donors and have significant potential to benefit KPBS and San Diego State University (“University”) hereby modifies current Board policy, requiring specific Board approval for the disposition of each parcel of real estate owned by San Diego State University Research Foundation (“SDSURF”), with respect only to real property donated to SDSURF on behalf of KPBS that is not intended for use by SDSURF or the University or by any branch or activity of either (referred to generically as “Donated Property”), such that SDSURF’s senior management may take all steps necessary to sell the Donated Property and convert its value to cash or liquid investments that will provide**

**support to the University and KPBS consistent with the donor's intent; and**

**Second, that the Board designate and authorize SDSURF's Executive Director and Chief Financial Officer ( "Authorized Officers") to take all steps the Authorized Officers deem necessary or advisable to dispose of each Donated Property, including entering into broker listing or commission agreements, purchase and sale agreements, escrow instructions and related documents and agreements, and delivering such deeds and other documents and instruments that may be required for or convenient in connection with the disposition of the Donated Property (the "Transaction"), all on such terms and conditions as are determined by the Authorized Officers to be in the best interest of KPBS and as approved by KPBS General Manager or Associate General Manager of Business and Financial Affairs; and**

**Third, that if the appraised value of the Donated Property exceeds \$1,000,000 and the terms of the potential sale are materially less than the appraised value then management will refer the transaction to the Finance and Investment Committee ("FIC") for their review and approval prior to completing the disposition/sale; and**

**Fourth, that the Board delegates to the FIC authority to review and approve any such transaction with no further action of the Board.**

**Fifth, that the Board authorize any one of the Authorized Officers for and in the name and on behalf of SDSURF, to execute, acknowledge and deliver such Transaction documents, in the form approved by the Authorized Officer(s), such approval to be conclusively evidenced by the execution and delivery thereof; and**

**Sixth, that the Authorized Officers will report back to the FIC and the Board the results of the sale of any Donated Property to KPBS; and**

**Seventh, that the Board also authorize any one of the Authorized Officers to do any and all things and to execute and deliver any and all documents and to pay such costs and expenses which they may deem necessary or advisable in order to effectuate the purposes of this resolution; and**

**Finally, that this Resolution shall take effect immediately upon its adoption.**

The motion was seconded by Ms. Brock and adopted unanimously.

#### **Vice President for Research Report**

Dr. Welter's report included an update on proposal, award and F&A numbers. He distributed two handouts and reviewed each:

- A chart depicting SDSU's overall proposal success rates as of 11/30/16. The chart also depicted SDSU success rates for National Institutes of Health and National Science Foundation proposals.
- A chart comparing total dollar success rates by SDSU colleges for a four-year period (2013-2016). Referring to the College of Engineering, Dr. Welter noted there has been a focus on improving its success rate and investments have been made—such as the currently under-construction EISC (Engineering and Interdisciplinary Sciences Complex) building—to ensure its success.

Discussion regarding improvement of success rates ensued. Dr. Welter reported that work is being done on an integrated data base to share information among colleges relative to researcher's work. He provided an update on GREW (Grants and Research Enterprise Writing) and said a new strategy was being developed to help faculty move their initiatives forward that would also measure the success of this approach.

Dr. Welter distributed the recently published FY 2015-16 Research Highlights brochure. He acknowledged Ms. Brighton for her work in producing the brochure and said the publication reflected much that SDSU has to be proud about.

### **New Business**

Dr. Welter called for any items of new business. Hearing none, he adjourned the business portion of the meeting at 10:01 a.m.

### **CMIL Tour**

Dr. Welter welcomed Dr. Stanley Maloy, SDSU dean of the college of sciences. Dr. Maloy provided an overview of CMIL, its impact on the local economy and the importance of the collaborative research being conducted there.

Dr. Maloy introduced CMIL's director, Dr. Todd Anderson. Dr. Anderson provided details about the facility and the interdisciplinary research being conducted by various CMIL researchers. He then introduced CMIL's lab manager, Ms. Renée Dolecal, a former SDSU student.

Ms. Dolecal provided an overview of the Marine Ecology Biology Student Association (MEBSA), an academic organization created by SDSU students based at CMIL to raise public awareness about current research and conservation issues in marine science through education and outreach activities. Ms. Dolecal then conducted a tour of CMIL for board members and SDSURF staff.

Respectfully submitted,

Michèle G. Goetz  
Associate Secretary-Treasurer