

University Enterprises, Inc.
Board of Directors Meeting

Thursday, September 29, 2016

Board Chair Robert Nelsen called the board meeting to order at 12:20 p.m. in the Boardroom of University Enterprises at California State University, Sacramento.

Members Present:	NaKisha Allen	Staff Present:	Craig Barth
	Jude Antonyappan		Steven Davis
	Elizabeth Baidoo		Monica Kauppinen
	Larry Cook		Trina Knight
	Jeff Einhorn		Angie Laguna
	Crystal Ekanayake		Andy Lee
	Mike Lee		Cossette Leos
	Robert Nelsen		Jim Reinhart
	Sonia Ortiz-Mercado		
	Steve Perez		
	Joni Zhou		
Members Absent:	David Bach	Guests:	Joy McNulty
	Patrick Dorsey		Kelly Thompson
	Randy Sater		

16-09-01 Approve May 11, 2016 Board Meeting Minutes

Following discussion it was moved and seconded to approve the May 11, 2016 board meeting minutes.

Motion carried unanimously.

Reports and Announcements

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Joy McNulty provided an overview of the audit process and deliverables including risk management, audit procedures and evaluations, evaluated findings, and expressed an opinion on the financial statements, reporting responsibilities and reports issued.

McNulty discussed comments and recommendations for UEI related to grants and contracts expenditure cutoffs and accruals. Further discussion included the lack of impact of GASB 72 on UEI's financials and changes to our reporting disclosures regarding the three level investment hierarchies. Lastly, financial highlights from the fiscal year under audit were spotlighted.

Norton reviewed the Report to the Board of Directors, which comprises the standard communications and responsibilities of both the entity under audit as well as the auditing firm.

Chair's Report

- The current student body count is 30,531, up 8%. The Finish in four campaign has added 10,000 seats with the average freshman taking 14.5 units which is up from 12.6 last year. 65% of freshman signed a pledge that they would take a full course load.
- 41 of the 53 new faculty positions were filled. 69 more faculty positions have been authorized for the coming year. The search to fill these positions has started earlier than last year.
- The Student Union 71,000 square foot expansion has been approved by the Board of Trustees
- The Science Building is scheduled to be approved at the next Board of Trustees meeting. The faculty has agreed to ten lower and ten upper division labs. The parking structure that will be built near Athletics will include 1,750 parking spots, more bicycle spaces, and will be built with prefabricated concrete allowing the completion of the structure within one semester.
- With the many construction projects on campus, parking will become limited. Currently the Ramona Lot is open with 200 parking spots and buses transporting to and from campus. Sacramento State is working on a ride sharing website and has developed two new parking applications, one which shows where open parking spots are and the other shows where the buses are.

Executive Director's Report

Director Reinhart presented "The 2015/16 Year in Review." Topics covered included the following:

- The near completion of the Dining Commons Servery renovation
- The purchase of the Starbucks mobile truck
- The opening of Grumpy Mule coffee shop in the library breezeway
- Participation in the Farm to Fork Dinner on Guy West Bridge
- Follett acquired Advanced Online opening the Hornet Team Shop in partnership with Athletics
- New 3 year contract with CSUEU represented food-service employees
- VEBA account valued at over \$3 million
- Upper Eastside Lofts is 100% occupied with the number of beds increased from 381 to 403
- 2015/16 financial results exceeded budget
- Record licensing royalties of over \$98,000
- Acquired 304 S Street for University downtown operations
- New five-year strategic plan approved for: 2016-2021
- UEI Research Support Funds: \$40,000 Student Research Center
- UEI Campus Grants Program: \$40,000 awarded to 40 projects
- CA Intern Network – grew from 811 to 1,095 student positions

Announcements – Board

Director Reinhart recommended that we move our board books to an electronic format as part of our Strategic Plan. The board approved of the idea.

Committee Reports*

1. Executive Committee
2. Audit Committee
3. Budget & Finance Committee
4. Investment Committee

*All minutes for committee meetings are included in Attachment B of the September 29, 2016 Board Packet.

New Business

16-09-02 2015/2016 Audited Financial Statements

Following a presentation by Craig Barth, Chief Financial Officer, the Board accepted the seconded motion from the Audit Committee (Bach/Perez) to approve the 2015-2016 Audited Financial Statements.

Motion carried unanimously.

16-09-03 Appointment of Committee Members

Following discussion it was moved and seconded to approve the following Board committee member appointments and reappointments.

Executive Committee - Robert Nelsen, Crystal Ekanayake, Larry Cook

Budget and Finance Committee - Mike Lee, Larry Cook, Randy Sater, Joni Zhou,

Audit Committee - Crystal Ekanayake, David Bach, Steve Perez, Ryan McGuire

Investment Committee - Mike Lee, Jeff Einhorn, David Bach, Joni Zhou, Mike Huang – through December 16, 2016

Personnel Committee - Jude Antonyappan, Sonia Ortiz-Mercado, Liz Baidoo, Christine Lovely

Campus Grants Program Committee - Steve Perez, Nakisha Allen, Liz Baidoo, Anne Fuller, Pat Worley, Monica Kauppinen

Motion carried. (Ekanayake/Einhorn)

16-09-04 Revisions to Investment Policy

Following a presentation by Craig Barth it was moved to accept the seconded motion (Bach/Zhou) from the Investment Committee to approve revisions to the Investment Policy.

Motion carried unanimously.

Closed Session

(This item is out of sequence as it was moved up in the agenda)

16-09-09 Real Property Negotiations – Parcel No. 295-0040-005 & 295-0040-006 (Government Code 54956.8)

The Board went into closed session at 1:50 p.m. to discuss a real estate acquisition.

Move to authorize the executive director to complete UEI's negotiations, due diligence and purchase of two properties at 945 and 949 University Avenue, Sacramento, California for a total purchase price of \$2,025,000.

It was moved and seconded (Einhorn/Allen) to approve the real property negotiations and acquisition.

The Board reconvened in open session at 2:24 p.m.

16-09-05 Extension of Upper Eastside Lofts Management Agreement

Following discussion it was moved and seconded to approve the extension of the Upper Eastside Lofts Management Agreement through July 31, 2022.

Motion Carried. (Antonyappan/Ortiz-Mercado)

16-09-06-08 Sponsored Research Grant Resolutions

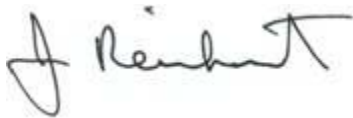
Following discussion it was moved and seconded to accept the three Sponsored Research Grant resolutions; 16-09-06, 16-09-07, 16-09-08.

Motion Carried. (Ortiz-Mercado/Perez)

Director Reinhart reminded the board of the next board meeting on December 8, 2016.

The meeting was adjourned at 2:35 p.m.

Respectfully submitted:

A handwritten signature in black ink, appearing to read "J Reinhart". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

Jim Reinhart
Executive Director
University Enterprises, Inc.