



Minutes of the Regular Meeting of the Board of Directors
May 28, 2015
Center for Children and Families Classroom

Attendees:

Members: *Sharon Whitehurst-Payne (Chair), Ernest Zomalt (Vice Chair), Chuck De Leone, Linda Hawk, Dimitris Magemeneas, DawnMarie Myers, David Chang, Graham Oberem, Matthew J. Ceppi*

Absent: *Tres Conrique, Brandon Losey*

Staff: *Bella Newberg, Greg Svatora, Michelle Hinojosa, Theresa Ruffolo, Rosanne Martin, Roman Lazcano, Selma McDermid*

Convening of the Regular Meeting

A quorum being present, Chair Whitehurst-Payne called the meeting to order at 4:03 p.m.

Minutes of the February 26, 2015 Regular Meeting

A motion was made and seconded (Magemeneas/De Leone) to approve the February 26, 2015 regular meeting minutes. Motion carried.

Committee Reports

Finance and Operations Committee

Whitehurst-Payne reported that the Finance & Operations Committee met on 5/18/15 in which a full quorum was present. Newberg presented a report of UARSC operations and updates will be provided during her report to the Board. HR Director Michelle Hinojosa provided an update on various benefit rulings as they relate to part-time student employees. She also presented the Compensation Guidelines for Sponsored Projects employees which will be presented to the Board later in the Agenda as an action item. University Controller Clint Roberts updated the committee on the selection of the new audit firm for the CSUSM auxiliaries, AKT, who is replacing McGladrey after their tenure of providing auxiliary audit services for 5 years. The three action items presented to the Finance Ops committee were the Quarterly 3/31/15 Financial Report, the proposed FY 15/16 Operating Budget, and the Compensation Guidelines for Sponsored Projects. These 3 items will be presented to the Board as action items later in the Agenda.

Joint Audit Committee

Chang reported that the Joint Audit Committee met on 4/16/15 via teleconference in which a full quorum was present. The purpose of the meeting was to review the drafts of the Form 990 Information Returns for UARSC, CSUSM Foundation, and ASI. The other auxiliary, UCorp, has their own Audit Committee and did not have their 990 return reviewed at the JAC. The McGladrey Tax Services Manager, Luis Rosete, reviewed each of the 3 auxiliary's Form 990

returns with the JAC members. Overall, there were no significant changes in reporting formats, or items that were disclosed, as compared to the Form 990's from the previous year. The JAC approved sending the 990's to their respective auxiliary boards for ratification. Each of the auxiliary 990's were completed and e-filed to the IRS and CA Franchise Tax Board by the May 15, 2015 deadline. UARSC's Form 990 will be presented to the Board later in the Agenda as an action item for ratification

Sponsored Projects Committee

Oberem reported that Melissa Teetzel, grant writer, was recently hired. Jan Cushman is well settled back on campus and Teri Woods is the emergency temp hire for office support. Office of Graduate Studies and Research will take a pro-active approach to help faculty achieve grant writing success by reaching out, both broadly and personally, and by providing grant writing support. Increased efforts are being made to interface with Institutional Planning & Analysis (IPNA) and University Advancement. De Leone mentioned that Dr. Maureen Fitzpatrick, Department of Psychology and University Liaison to the Center for Children and Families, is trying to secure scholarships for needy students. Newberg indicated that Uniform Guidance will replace A-133 audit. We are building a solid infrastructure to sustain us for the future. Hinojosa shared updates on UARSC employee categories and other benefit items which will have an impact on our grants and other department and program budgets. This item will be presented to the Board as an action item later in the Agenda.

Administration Update

Newberg reported that Follett's move is scheduled to be completed by the end of May. It will take three days to move all the books and product. They will open in the new location by the start of the Summer Session with a Grand Opening in the Fall, 2015. Improvement costs totaled \$900K. A \$250K loan was approved for the modernization of Starbucks. Project bids came in about \$22,000 less than projected. The project will begin on June 1st and be completed by July 31st, 2015. We are working with SODEXO to clean up the convenience store and get it opened by the Fall, 2015. Campus is paying to replace the patio furniture outside the bookstore. Look for the CSUSM name on the back of Pepsi Trucks in San Diego. The sign says Pepsi - "Official Soft Drink of the San Marcos Cougars". We have been working on updating the Child Care Center (CCLC) model based upon the needs of the campus which are primarily academic in nature. Over 400 students visit the Center per semester for observations or classes. We are presently working on revisions to the agreement with efforts to negotiate the share-back to UARSC. Currently the center is about 86% full with a waitlist of 56 children (infants and toddlers). We have worked with the University to establish a capital reserve of \$400,000 that will be funded through the student fee. SODEXO has been invited to present at our September 3, 2015 Board Meeting. They have been open in the Student Union for one year and we are looking to the future. Residential Life is moving in-house under Student Affairs and that will present greater opportunities to offer meal plans. Focus groups will be meeting during the summer to look at alternatives. Sodexo has hired a dedicated North County Manager, David Aylmer, who will attend the September Board meeting. The Catering RFP has been drafted and will be issued mid to late summer with a completion date of the December, 2015. A notice to proceed will be issued for the Fuel Cell Project at the beginning of June, 2015.

The original intent of the UARSC name change was to help provide a clearer identify of UARSC. The Board approved a sub-committee to review the possibility of establishing a DBA in order to minimize cost and time. The fees would be less than \$300 to make the filings and would involve minimal staff time. The Fictitious Business Name would only take 5 weeks to finalize. The Service Mark application would take place once the fictitious name has been in use and would only take a week or less for approval. The name change sub-committee (Linda, Matt, Greg, Ernie, Dawnmarie and Bella) met and came up with 3 potential names that we would like the Board to vote on at our September meeting: CSUSM Auxiliary Services, Cougar Auxiliary Business Corporation and Cougar Corporation.

University Update

Ceppi reported that 2,650 students were scheduled to walk across the stage at Commencement, 2015, including our very first cohort of business administration graduates from Cal State San Marcos at Temecula. Several videos have been posted including a highlight video on the outstanding graduate award recipients. After a nationwide search, Dr. Jim Hamerly was selected as dean of the College of Business Administration. Dr. Hamerly was serving as the interim dean and has a long history with CSUSM. Jim served in the C-suite at several companies, including AOL Time Warner, Netscape and Pages Software and founded several other companies. Also after a nationwide search, Mr. Kevin Morningstar has been appointed as our new Chief Information Officer. Mr. Morningstar comes to us from Cal State Polytechnic Pomona and will start in July. Construction is well underway on the new SportsCenter. It will be ready for play in late Summer, 2016, so next year. We have completed our first year of NCAA candidacy period. Two more to go, but we're well on our way. The department is already operating like an NCAA institution. We had a very successful year for Athletics: several of our athletes were named NAIA All Americans; several of our athletes were named national Scholar Athletes; and we had a national title in Track and Field. Just about all of our sports went to the national championships and several were ranked in the top 25. Men's basketball finished with an overall record of 30-4 and ranked no 5 in the NAIA. CSUSM was one of only 14 institutions to receive a Governor's Innovation Award. The \$2.5 million recognizes the University's efforts to serve first-year undergraduate students, particularly the most at-risk, on their pathway to a college degree. It is a culmination of the focused efforts on student success and support that began in 2007. CSUSM is looking forward to celebrating its 25th anniversary at the Silver and Blue Gala on June 20th. We are up to 500 attendees. Tickets were still available but going fast.

Action Items

Quarterly Financial Report & Summary 03/31/15

Svatora reviewed the quarterly financial report ended 03/31/15 with details outlined in the summary provided in the packet. Cash and investments decreased by the \$7.8 million transferred to the Foundation. UARSC was acting as agent on their behalf. Efforts are underway to increase Indirect Cost Recovery.

A motion comes moved and seconded from the Finance & Operations Committee to approve the Quarterly Financial Report ended 03/31/15 as presented. Motion carried.

FY 15/16 Operating Budget & Resolution

Svatora reviewed the FY 15/16 Operating Budget & Resolution. IDC (Indirect Cost Recovery) has run \$1.2 M last few years. Actual of \$972K is lower than \$1.2M projected but we are back on track in the last few months. Personnel changes caused a decrease in UARSC Admin projections. Commission projections are based on FY 14_15 with some adjustment for trends. No major changes in other Operating Expenses. There is a significant difference in Shareback Revenue for FY 14_15 of \$350K versus \$186K for FY 15_16. Projected balance of \$96,281 is positive. Showing Sponsored Projects separately with estimates based on number of employees and number of transactions. This methodology provides better basis for calculations.

A motion comes moved and seconded from the Finance & Operations Committee to approve the FY 15/16 Operating Budget & Resolution as presented. Motion carried.

FY 13/14 Form 990 Tax Return

Svatora stated that this item was reviewed during the earlier Joint Audit Committee Report. Svatora asked for any questions from the Board.

The recommendation that the Board ratify the adoption of the 3 UARSC Tax Form 990's ended fiscal year 6/30/14 as presented comes moved and seconded for approval from the Joint Audit Committee. Motion carried.

FY 15/16 Compensation Administration Guidelines – Sponsored Projects

Hinojosa reported that Student Assistants will be eligible to keep their FICA exempt status (4% benefit rate) during the summer as long as they are enrolled in at least part-time status at CSUSM during the summer and/or fall semesters. This will be a benefit to both the Student Assistants and the projects/programs' budgets. Previously, those who were not enrolled during the summer, had to be re-classified to a part-time/temporary employee (12% benefit rate). This re-classification will only occur for those Student Assistants who are not enrolled in the minimum # of units for either the summer or the fall at CSUSM. Hinojosa reported at the Sponsored Projects Meeting that due to the Affordable Care Act, Student Assistants would not be able to work full-time as they have been able to do so in the past without having to be offered full-time benefits. After the meeting it was later determined through consultation with the Wells Fargo Insurance Services legal expert, that since the Student Assistants' increase in work schedules to full-time is only for a brief period (summer, winter and spring breaks) and they are limited to working up to 20 hours per week all other periods, their average weekly hours in a one year look-back period would still be under the 30 hours per week for full-time benefit eligibility under the Affordable Care Act. And, therefore, we are able to continue to offer increased hours to our Student Assistants during the non-academic time (up to 40 hours per week). Part-time/temporary (non-student) employees who work 1,000 hours or more during the fiscal year (July – June) and are still actively employed with UARSC as of June 30th, will be eligible for the 8% employer contribution to the Defined Contribution Retirement Plan through TIAA-CREF. This is 8% of the employee's total gross wages during this period (July – June) and this amount will be charged to the employee's project or other project as determined by the employee's manager.

A motion comes moved and seconded from the Finance & Operations Committee to approve the FY 15/16 Compensation Administration Guidelines – Sponsored Projects as presented. Motion carried.

UARSC Name Change

Newberg stated that this item was reviewed during the earlier Administration Report. Newberg asked for any questions from the Board. By popular vote, Cougar Corporation was selected over the other 2 options.

A motion was made and seconded (Hawk/Myers) to move forward to the President for review and approval the creation of a DBA, Cougar Corporation, in lieu of a formal name change.

Special Recognition of Greg Svatora, Director of Business Development & Finance

Whitehurst-Payne awarded Svatora with a plaque in recognition for his years of service to UARSC and highlighted his contributions over the past 18 years. She offered congratulations on his retirement.

Closed Session

At 5:35 p.m., all UARSC staff members in attendance were excused by Chair Whitehurst-Payne. The Board Members moved to a Closed Session. The purpose of the closed session was to discuss a personnel matter.

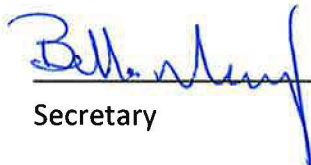
Adjournment

The next Annual and Regular Board meeting is scheduled for September 3, 2015 at 4:00 p.m., Center for Children and Families.

The meeting adjourned by acclamation at 5:45 p.m.

*Respectfully submitted,
Theresa Ruffolo*

I, Bella Newberg, Secretary, hereby certify that the above Minutes were approved by the University Auxiliary and Research Services Corporation Board of Directors at a regular meeting held on September 3, 2015 at San Marcos, California.


Secretary

9-4-15
Date