

**SAN DIEGO STATE UNIVERSITY RESEARCH FOUNDATION
BOARD OF DIRECTORS
SEPTEMBER 25, 2015
MINUTES**

The meeting was called to order by Vice President Stephen Welter at 9:03 a.m. in the James W. Cobble Boardroom of the Gateway Center.

Present: Dr. Stephen Welter, presiding; Ms. Paula Brock; Ms. Vickie Capps; Dr. Chukuka Enwemeka; Dr. Craig Hauser; Dr. Samuel Kassegne; Mr. Tom McCarron; Dr. Randolph Philipp; Dr. Ming Tsou; Ms. Blaire Ward; and Dr. Robert Zeller.

Absent: Dr. Guadalupe Ayala, Dr. Kim Barrett, Mr. Bill Brack, Dr. Karen Emmorey, Dr. Elliot Hirshman, Dr. Mary Ann Lyman-Hager, and Mr. Bob Wolfson.

Guests and staff attending: Mr. Rick Wentzel and Mr. Justin Fiore from Grant Thornton LLP; Dr. Luz Gonzalez and Dr. Greg Talavera from SDSU; and Mr. Bob Blizinski, Ms. Debbie Brighton, Ms. Norma Clark, Mr. Tim Hushen, Ms. Renée Lechner, Ms. Rachel Raynoha, and Ms. Renée Daniels from SDSU Research Foundation.

ELECTION OF BOARD MEMBERS AND OFFICER AND COMMITTEE APPOINTMENTS

Election of Board members:

Dr. Guadalupe Ayala was nominated by the President for a first three-year term;
Dr. Craig Hauser was nominated by the President for a second three-year term; and
Ms. Paula Brock was nominated by the President for a third three-year term.

There were no additional nominations and the board member appointments were approved unanimously.

Dr. Welter then read the following resolution of appreciation into the record for Dr. Marilyn Newhoff in recognition of her six years of service which recently concluded:

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

The resolution was adopted unanimously.

Election of Officer: Dr. Karen Emmorey was nominated to serve as Secretary.

There were no additional nominations and the officer appointment was approved unanimously.

Appointment of Finance and Investment Committee: Dr. Welter said unless there were objections, it was recommended that Mr. McCarron continue to serve as chair, and Mr. Brack, Ms. Capps, and Drs. Kassegne and Phillip serve as members.

There were no objections or additional nominations. The finance and investment committee appointments were approved unanimously.

Appointment of Audit Committee: Dr. Welter said unless there were objections, it was recommended that Ms. Brock continue to serve as chair, and Ms. Capps and Dr. Ming Tsou serve as members.

There were no objections or additional nominations. The audit committee appointments were approved unanimously.

Dr. Welter concluded the elections by expressing thanks to each of the nominees for their willingness to serve.

CONSENT AGENDA

The consent agenda contained one item: approval of the minutes from the meeting held on May 8, 2015.

Dr. Welter asked if there were any questions or discussion needed. No discussion was requested. The consent agenda was approved unanimously.

Dr. Welter noted that a second item, originally included in the consent agenda—a resolution approving authorized signatories for SDSU Research Foundation (SDSURF) banking and investment transactions—had been revised and required a separate vote. The revised resolution was distributed. Mr. McCarron explained that the resolution approving authorized signatories for banking and investment transactions was part of the Research Foundation's regular business processes. With the departure of chief financial officer Ms. Melinda Coil, it was deemed essential to have two individuals designated as the banking business contracting officers on behalf of SDSURF. The revised resolution proposed that Mr. McCarron and Mr. Wolfson be designated to serve in this capacity—as proposed in the first clause of the revised resolution. Otherwise, the signatories remained unchanged.

Dr. Welter asked if there were any questions or discussion needed. No discussion was requested. Ms. Capps proposed that the board adopt the revised resolution:

**RESOLUTION OF THE BOARD OF DIRECTORS:
AUTHORIZED SIGNATORIES FOR BANKING
AND INVESTMENT TRANSACTIONS**

In order to maintain adequate internal controls, the Board designates certain officers and staff to establish accounts and execute banking and investment transactions on behalf of SDSU Research Foundation. It is necessary to update signature authorizations for banking and investment transactions annually.

Management recommends that the Board approve the following resolution:

RESOLVED: FIRST, that the Board of Directors of San Diego State University Foundation (DBA SDSU Research Foundation) designates Thomas J. McCarron and Bob E. Wolfson as the banking Business Contracting Officers on behalf of SDSU Foundation effective September 25, 2015, and

SECOND, that the following officers and staff are designated as the only authorized signatories to establish accounts and execute banking and investment transactions on behalf of SDSU Foundation effective September 25, 2015:

Officers

President

Elliot Hirshman

Vice President

Stephen C. Welter

Treasurer

Thomas J. McCarron

Associate Secretary-Treasurer (Executive Director)

Bob E. Wolfson

Staff

Associate Executive Director, Facilities Planning and Management

Norma E. Clark

Associate Executive Director, Research Advancement

W. Timothy Hushen

Associate Executive Director, Sponsored Research Services

Michèle G. Goetz

Director of Sponsored Research Administration

Renée L. Lechner

Associate Director of Finance and Accounting

Victoria W. Kern

THIRD, that for banking and investment transactions, two signatures will be required on all transactions over \$25,000 and one signature on transactions under \$25,000;

FOURTH, that the designated signatories are authorized to purchase, sell, assign, endorse for transfer, and do all other things necessary in the name of the corporation to secure the transfer of certificates representing stocks, certificates of deposit, mutual fund shares, bonds, common trust funds, or other securities now registered or hereafter registered in the name of this corporation;

FIFTH, that the designated signatories are authorized to open accounts in the name of the corporation and give instructions and effect transactions with banks, investment brokerage firms, and other financial institutions; and

FINALLY, that the Secretary or Associate Secretary-Treasurer of SDSU Research Foundation is authorized and directed to certify the content and purport of this resolution to financial institutions and others upon such statements or forms as said organizations may provide or require for that purpose.

The motion was seconded by Dr. Tsou and adopted unanimously.

REVIEW AND ADOPT: FY 2014-15 AUDITED FINANCIAL STATEMENTS AND COMPLIANCE REPORT

Audit Committee Chair Brock reported that the Audit Committee met on September 17, 2015 to review the Audited Financial Statements and Compliance Report with the audit team from Grant Thornton LLP. She then introduced two members of the Grant Thornton audit team: Mr. Rick Wentzel and Mr. Justin Fiore. Ms. Brock reported that the result of the audit was a “clean” opinion—the auditors opined that SDSURF’s financial statements present fairly, in all material respects, the business-type activities of the Research Foundation as of June 30, 2015, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Ms. Brock noted that in addition to the financial audit there was also a compliance audit—frequently referred to as the “A-133” audit. The result of this audit was again a “clean” opinion. There were no internal control issues or audit findings required to be reported. Ms. Brock reported that following the committee’s review and discussion, the committee recommended that the board adopt the resolution approving SDSURF’s FY 2014-15 Audited Financial Statements and Compliance Report.

On behalf of Grant Thornton, Mr. Wentzel expressed appreciation for the opportunity to work with the Research Foundation and said they looked forward to returning next year. He then distributed copies of a Grant Thornton report entitled “The state of the non-for-profit industry in 2014.”

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

**RESOLUTION OF THE BOARD OF DIRECTORS:
ACCEPTANCE OF SDSU RESEARCH FOUNDATION'S FY 2014-2015
AUDITED FINANCIAL STATEMENTS AND COMPLIANCE REPORT**

RESOLVED, the Board of Directors of San Diego State University Research Foundation accepts the Financial Statements and the Compliance Report, both audited by the firm of Grant Thornton LLP, for the fiscal year 2014-2015.

The motion was seconded by Dr. Tsou and adopted unanimously.

PI PRESENTATION—DR. GREG TALAVERA

Dr. Welter announced an adjustment in the agenda order to accommodate the presenter's travel schedule. He welcomed Dr. Greg Talavera, SDSU professor of public health and director of the South Bay Latino Research Center (SBLRC)—whose research focuses on chronic disease among Latinos. Dr. Welter had recently toured the SBLRC and found it impressive.

Dr. Talavera described the SBLRC as a center of excellence field site with a clinical community-based setting. His presentation included an overview of the partnership between SDSU, UCSD and the San Ysidro Health Center to reduce disparities in cardiovascular disease, cancer and obesity among Latinos. He reviewed SLRBC's goals, resources, history, staffing, and a number of ancillary studies also being conducted. Dr. Talavera outlined some of the challenges faced by the SBLRC. Following a brief question and answer period, Dr. Welter thanked Dr. Talavera for his informative presentation.

INFORMATION ITEMS

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

- FY 2014-15 year end results for research funding—up by 12% over last year: 924 proposals were submitted with a total of \$120 million in awards received
- Declines in proposal submissions by some colleges—this information will be shared with the respective college deans
- The continued success of the GREW (Grants and Research Enterprise Writing) program
- Strategic new faculty hires that will continue to build up SDSU's seven Areas of Excellence.

Dr. Welter noted that while 28% of SDSU's faculty were new and proposal numbers had been down over the last several years due to loss of some faculty, researchers were working hard and being productive—despite the challenging budget times and keen competition for research funding.

COMMITTEE REPORTS

Audit Committee: Ms. Brock provided an update on committee topics at the September 19 meeting including:

- The VEBA and 403b audits
- The migration of corporate knowledge and the robust transition plan being developed for the financial management department.

Finance and Investment Committee: Mr. McCarron provided an update on committee activities at the September 19 meeting. Items addressed included:

- the summary of investments for the period ending June 30, 2015
- transfer of the gift annuity pool to The Campanile Foundation
- completion of the sale of the College Square/College Avenue properties to Aztec Shops
- the recent passing of longtime board and committee member, Walt Turner.

GENERAL FUND BUDGET REPORT: Mr. McCarron reported that at its meeting on September 19, the Finance and Investment Committee had also included a review of the results of the FY 2015 general fund budget. A copy of the general fund budget page was distributed at the meeting and Mr. McCarron highlighted the key line items. He noted that the final results included a \$1.1 million positive impact and explained that of the \$1.9 million originally estimated to be taken from reserves, only about \$770,000 was needed to balance the budget.

Following Mr. McCarron's report, Ms. Clark brought to the board's attention a number of facilities-related items with anticipated impacts on the FY 2016 budget:

- sale of property owned by KPBS in Alameda, California
- capital improvements related to risk management and the advent of the forecasted El Niño season including: 1) clearing the creek channel adjacent to Research Foundation-owned Alvarado properties and 2) installation of an hydraulic flood gate
- a backup generator for the animal lab at Alvarado
- increases in water utility rates
- partial funding of an esplanade along the waterfront adjacent to the Coastal Waters property.

Provost Enwemeka then provided a brief update on the status of the Georgia project and outlined examples of some of the challenges related to recruiting international students.

CONFLICT OF INTEREST AND CODE OF ETHICS POLICIES

Dr. Welter drew the board's attention to SDSURF's Conflict of Interest and Code of Ethics policies contained in Tab D of the agenda materials. He requested that board members confirm receipt of these policies and disclose any conflicts either by signing and returning the acknowledgment forms to Ms. Daniels at the conclusion of the meeting or by

signing and sending the forms directly to Ms. Hong—as indicated at the bottom of the form.

Referencing the list of Research Foundation-hosted fall PI lectures included with the meeting handouts, Dr. Welter invited any interested board members to attend. He also asked Ms. Brighton to email the link containing the lecture information to all members.

NEW BUSINESS

Dr. Welter announced that he would read two resolutions into the record: the first in recognition of outgoing chief financial officer Melinda Coil and the second in memory of board member Walt Turner.

Resolution—Appreciation for Coil

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation recognizes Ms. Melinda Coil for her service as Chief Financial Officer. Ms. Coil has been an integral part of the Research Foundation for the past fifteen years. Ms. Coil has helped guide the Research Foundation through some very challenging budget times and has navigated numerous complicated transactions. Through this resolution, the Board endeavors to record its appreciation for Ms. Coil and her contributions to the Research Foundation.

Resolution—In Memory of Turner

BE IT RESOLVED: That the Board of Directors of San Diego State University Research Foundation honors the memory of Mr. Walt Turner, Jr., and his 14 years of distinguished service as a member of the Board and additional two years as an Emeritus Director. During his five-term tenure, Mr. Turner went beyond any reasonable measure in devoting his time and talents toward the fiscal viability of the Research Foundation, thereby enhancing the financial strength of the organization and its ability to serve the University and specifically, its research faculty. Through this resolution, the Board endeavors to record for posterity its sincere appreciation and respect for Mr. Turner and his numerous and lasting contributions to the Research Foundation.

Dr. Welter called then called for any additional items of new business. Hearing none, he adjourned the meeting at 10:35 a.m.

Respectfully submitted,

Michèle G. Goetz
Acting Associate Secretary-Treasurer