

Research Foundation**Board of Directors Meeting****March 6, 2020****9:00 a.m.****MINUTES**

A meeting of the Board of Directors of San Diego State University Research Foundation was held at San Diego State University in the James W. Cobble Boardroom of the Gateway Center, San Diego, California, on Friday, March 6, 2020 pursuant to the notice duly posted for public information.

The following Officers were present:

Stephen Welter, Vice President

Karen Emmorey, Secretary

Agnes Wong Nickerson, Treasurer

Michèle Goetz, Associate Secretary-Treasurer

The following Officer was absent:

Adela de la Torre, President

The following Directors were present:

Guadalupe X. Ayala

Natalie Mladenov

Ming-Hsiang Tsou

Bill Brack

David Page

Robert Zeller

Craig Hauser

Jennifer Thomas

The following Directors were absent:

Vickie Capps

Salvador Ochoa

Randolph Philipp

Joan Coppenrath

Christian Onwuka

The following University administrators and Research Foundation staff members were present:

Debbie Brighton

Lizette Nájera

Rachel Raynoha

Eric Elson

Deb Naylor

Leslie Levinson

Radmila Prislín

I. Call to Order

Vice President Welter called the meeting to order at 9:01 a.m. and welcomed Eric Elson and Radmila Prislín to the meeting.

II. Consent Agenda

Vice President Welter requested a motion to accept the Consent Agenda.

Motion: A motion was made, seconded, and unanimously carried to accept the Consent Agenda for the SDSU Research Foundation Board of Directors meeting thereby approving:

- a) SDSU Research Foundation Board Meeting Minutes of September 27, 2019

III. Audit Committee Report

In Ms. Coppentrath's absence, Mr. David Page reported on the Audit Committee meeting held on February 24, 2020.

- SDSU Research Foundation had 19 sponsor audits during FY 2019-20, with no financial findings and four still in process.
- SDSURF had additional audits including a CSU Chancellor's audit, with no findings, an OFCCP audit on Equal Employment Opportunity (EEO) policies and practices—which had no violations, and an IRS audit, which wrapped up in December 2019 with no additional tax owed.
- Mr. Rick Wentzel of Grant Thornton announced that he will be retiring and introduced Marla Hummel as his successor. Ms. Hummel gave an overview of the presentation materials and audit planning for FY 2020-21 process including discussion of materiality, internal controls, and overview of significant risk areas.
- Ms. Takahashi of HCBT directed committee members to the presentation audit planning materials for the benefit plan audits. A brief overview of services was given.

IV. Executive Director Report

Ms. Goetz reported on the following:

- **Coronavirus:** Ms. Goetz reported on efforts to anticipate and plan for impacts on business. She emphasized the timeliness of the October hiring of Megan Cody as the Risk Manager. This position has been helpful with the review of the business continuity plans and preparations to address the pandemic. Ms. Goetz noted that plans were being prepared for teleworking if necessary. Discussion ensued regarding preparation procedures at both the university and the research foundation.
- **VP for Research Search:** Ms. Goetz reported on her participation on the search committee for the VP for Research and shared the process and proposed timeline for interviews. Discussion ensued.
- **IT Update:** Ms. Goetz discussed the collaborative efforts with SDSU's CIO to address the network challenges at the Alvarado Research and Professional Center.
 - SDSU Research Foundation partnered with SDSU IT CIO Mr. Jerry Sheehan in assessing Alvarado IT network issues and identifying a solution.

- The CIO's team did a thorough assessment of the equipment infrastructure.
- SDSURF upgraded fiber optics to four buildings, and SDSU IT will be upgrading the wireless access points to 6475 Alvarado
- A follow up assessment will be planned. If issues are fixed, SDSURF will purchase the equipment and switches to upgrade the remaining buildings identified as needing upgrades.
- There are plans to implement a campus-wide help desk, Service Now.

Ms. Goetz noted the positive collaboration with Mr. Sheehan and his team.

- **TIAA Retirement Plan:** Ms. Goetz summarized the outcomes of the January 1, 2020 implementation of the changes to the TIAA retirement plan approved by the board at the December 7, 2018 board meeting. The changes included:
 - Auto-enrollment of all eligible employees at 5%.
 - Employer 2:1 match of employee contributions up to 10%
 - With the change, employees receive 15% of their compensation as a deferral into their retirement account unless they elect to make changes.
 - There are now 1,427 staff enrolled in the plan as opposed to 277 prior to the implementation.

Ms. Goetz shared the outcomes of the plan changes including a letter of concern submitted by three principal investigators. Ms. Goetz verified that only a handful of employees elected to opt out of the plan despite the concerns expressed in the letter. Employees have until March 31 to make changes retroactively to their employee contributions and receive a refund of those contributions with no tax penalties. Discussion ensued.

- **Pre-award positions:** As the last item in her report, Ms. Goetz advised the board of the plan to add a development position in the budget to provide faculty with support in proposal submissions which is included in the FY 2019-20 mid-year budget proposal. This position will help ensure adequate staffing to support the anticipated growth in the volume of proposals.

V. Vice President for Research Report

Dr. Welter provided the following updates:

- Focus on Mission Valley continues
- Research Advancement AVP is in negotiating stage with the candidate
- SDSU will host the ACCESS Symposium in the future with six partner universities. ACCESS convenes a diverse collaboration of practitioners from research offices at Hispanic Serving Institutions
- Big IDEAS Initiative is an exciting development; more private funding-centric

- New program will allow additional assigned time for faculty to do research
- Call for master's support programs; about \$500K to be awarded
- 68 approved faculty positions to hire this year
- The campus is investing in a lot of areas related to research and scholarship

VI. Finance and Investment Committee Report

Ms. Levinson updated the board on the Finance & Investment Committee meeting held on February 24, 2020. She highlighted the major changes to the budget and stated there were no significant changes to the mid-year budget, therefore she would be reviewing the mid-year budget at a high level. Ms. Levinson explained that Source of Funds is projected to increase by \$238,000, and Grants and Contracts F&A showed an increase of \$200,000. She then gave a thorough overview of revenue areas including proposals and awards, work in process, as well as expense areas including administration and operation, facilities, and personnel costs. Ms. Levinson informed the board that both the original and mid-year budgets assume a balanced budget with no funds needed from reserves. An additional \$50,000 was added to reserves. Discussion ensued.

Vice President Welter called for a motion to adopt Resolution 20-03:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SDSU RESEARCH FOUNDATION
APPROVAL OF SDSU RESEARCH FOUNDATION'S
FY 2019-20 MID-YEAR GENERAL FUND BUDGET**

Motion: **A motion was made, seconded, and unanimously carried to approve Resolution 20-03.**

RESOLVED, That the mid-year General Fund Budget, as submitted to the Board of Directors at its meeting on March 6, 2020, at a level of \$32,420,000, be adopted as SDSU Research Foundation's budget for the remainder of the fiscal year, and forwarded to the President for her approval.

Finance and Investment Committee Chair Wong Nickerson updated the board on the Montezuma Project. The Montezuma project ground lease was previously approved by the committee and board. Capstone continues to move forward with the project. We anticipate construction to start in May 2020 with an opening in August of 2021.

The committee also reviewed the 990-tax return and there were no changes to the return as presented.

VII. Closed Session

In accordance with education code 89923, Vice President Welter proposed that the board move into closed session to discuss two real estate transactions, which include confidential financial terms.

Vice President Welter called for a motion to move into closed session.

All non-board members and guests were excused except Lizette Nájera, Leslie Levinson, Michèle Goetz, Eric Elson and Rachel Raynoha.

Vice President Welter called for open session to resume.

Open session resumes.

Vice President Welter called for a motion to adopt Resolution 20-01:

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SDSU RESEARCH FOUNDATION
APPROVE SALE OF REAL PROPERTY
LOCATED AT 4275 AND 4283 EL CAJON BOULEVARD, SAN DIEGO**

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 20-01.

RESOLVED: That the Board approves the sale of the real property located at 4275 and 4283 El Cajon Blvd., San Diego, as is, all cash, plus all other costs including a sale lease back for five years.

Vice President Welter introduced the second item, Resolution 20-02 recommending the Board of Directors approve the purchase of real property located at 6719 Alvarado Road.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF SDSU RESEARCH FOUNDATION
APPROVING THE PURCHASE
OF PROPERTY AT 6719 ALVARADO ROAD**

Per the discussion in closed session, the board recommends this resolution be postponed until the May 2020 board meeting.

Vice President Welter called for a motion to approve postponement of this action item until the May 8, 2020 board meeting.

Motion: A motion was made, seconded, and unanimously carried to postpone Resolution 20-01 to the May 8, 2020 board meeting.

Continued Finance & Investment Committee Report

Ms. Levinson updated the board on the changes to the Investment Policy Statement. After review and discussion of the materials, the Finance and Investment Committee recommended that the Board adopt Resolution 20-04.

Vice President Welter called for a motion to adopt Resolution 20-04:

RESOLUTION OF THE BOARD OF DIRECTORS OF SDSU RESEARCH FOUNDATION APPROVING REVISED INVESTMENT POLICY STATEMENT

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 20-04.

RESOLVED: That the Finance and Investment Committee recommends the Board of Directors approves the revised Investment Policy Statement as presented to the board at its meeting on March 6, 2020.

Ms. Levinson explained to the committee that previously, SDSURF entered a ground lease with Capstone for property owned on College Avenue. This property is known as “M” at College. She explained that the transaction has been advantageous financially to SDSURF and to the campus.

Ms. Levinson proceeded to explain that SDSURF entered a lease with Capstone in 2016. The student housing development was completed, and it is in its second year in operation. Ms. Levinson continued to explain that the developer is interested in selling the property which was not anticipated. However, it was decided that the property would be sold to a non-profit partner. Ms. Levinson reported changes to ground lease agreements. SDSURF had met with two potential non-profit partners. She stated that this continues to be a non-recourse transaction.

Vice President Welter called for a motion to adopt Resolution 20-05:

RESOLUTION OF THE BOARD OF DIRECTORS OF SDSU RESEARCH FOUNDATION APPROVING MODIFICATIONS TO THE GROUND LEASE FOR REAL PROPERTY AT 5030 COLLEGE AVENUE 'M @ COLLEGE' (formerly Montage)

Motion: A motion was made, seconded, and unanimously carried to approve Resolution 20-05.

RESOLVED: That the Board of Directors of San Diego State University Research Foundation approve the proposed modifications to the ground lease for the real property located at 5030 College Ave, San Diego, CA

VIII. New Business

Vice President Welter called for any items of new business. Hearing none, he adjourned the meeting at 10:40 a.m.

Respectfully submitted,

Michèle G. Goetz
Associate Secretary-Treasurer