



University Corporation at Monterey Bay Board of Directors Meeting

Thursday, September 23, 2021
8:33 a.m. – 10:39 a.m.

Virtual meeting via Zoom

Minutes

<u>Board Members Present:</u>		<u>Board Members Absent:</u>
Eduardo Ochoa, President	Katherine Kantardjief, Sec./Treasurer	Mary Jo Zenk, Director
Barbara Zappas, Director	Larry Samuels, Director	
Robert C. Taylor, Esq., Director	John Fraire, Director	
David Ledesma, Director	Maria Bellumori, Director	
<u>Presenters:</u>		<u>Staff Present</u>
Debbie Martin, Auxiliary Audit Committee Chair		Nancy Ayala, Gov. & Compl. Mgr.
Sherry Baggett, Corporation Controller		
Starr Lee, Corporation Associate Executive Director		

Regular Meeting

- I. **Call to Order:** A quorum being established, President Eduardo Ochoa called the meeting to order at 8:33 a.m.

- II. **Approval of Minutes:** Moved by Director David Ledesma and seconded to approve the July 6, 2021, meeting minutes as presented. With no further discussion, the motion carried.

- III. **Public Comment** – None

- IV. **Business**
 - A. **Corporation Loan to OSU:** Associate Executive Director Starr Lee announced that since the distribution of board materials last week, the proposal of this agenda item has changed. The new proposal is that the loan to the Otter Student Union remains with the University and in its books. The Corporation will gift the annual interest payment to the University on behalf of the OSU and pay the \$420K of interest which has already been accrued. The Chancellor’s Office requires that the University charge an interest fee for the loan because state entities are not allowed to gift public funds. The amended proposal is beneficial because the Corporation does not have to withdraw the originally proposed \$9.4M from its interest-earning portfolio and deposit it into a non-interest earning account. The investment can continue to accumulate interest and generate revenue to the Corporation. The amended motion is the Corporation will pay the interest already incurred of \$420K and will subsidize the interest costs of up to \$420K for the next three years to begin after the initial payment of retroactive accrued interest has been made. Moved and seconded to approve the motion as amended, the board unanimously approved the motion. Director Robert Taylor asked if the advancement of funds from the University to the OSU had been documented. VP of Administration and Finance Glenn Nelson stated an MOU was executed outlining the details regarding the construction loan. Furthermore, University will be disclosing the loan in future financial statements. With no further discussion, the motion carried.

In a separate discussion Director Taylor requested that staff provide an extensive analysis of the Corporation’s support to the University in hopes of standardizing the annual amount gifted to the University to be used at the discretion of the President and Provost. This will be an agenda item at a future meeting.

- B. College of Business Faculty Funding: President Ochoa echoed the comments made by Director Taylor and noted that the Board does not need to be involved in the details of managing funds provided to the University as support. Since staff will return with the analysis discussed previously at a future meeting, the motion was withdrawn. The current university support provided by the Corporation can cover this cost. An additional \$200K in university support will be requested at a future meeting.
- C. Post-Retirement Housing Policy Amendment: Ms. Lee presented the amendment to the policy which would allow qualified retirees to remain in faculty-staff housing for up to three years post-retirement. The three-year period matches the period of time that an employee owning a faculty-staff CEHI home can continue to own and stay in the CEHI home after retirement. There are four persons who have already retired and are still living in faculty-staff housing. This policy amendment will allow them to remain in Schoonover Park I for three years from now, through September 30, 2024, as retirees. Ms. Lee noted that the cover page of this agenda item erroneously states until September 30, 2034. Currently, the policy does not have a cap on the time retirees can stay. Mr. Samuels noted that the four retirees living on campus made life-long decisions contingent on the current policy. Mr. Samuels requested the Board consider the treatment of these four retirees and welcomes an amendment to the three-year cap for these individuals. A motion was made and seconded to discuss and possibly amend to grandfather the four current retirees. The Board extensively discussed different timeframes for the four current retirees to remain in faculty-staff housing. The friendly amendment is that the four current retirees will be eligible to remain in the Schoonover Park I housing with continuous residency. After September 30, 2022, the current retirees' rental rate would change from the CSUMB rental rate to the Educational Partners' rental rate. Going forward, all qualified residents under the amended policy will be eligible for the CSUMB rental rates, including any normally applied rent increases, for the first 12 months following retirement, and then the rates will be increased to the then-current Education Partner rental rate. Moved by Director Taylor and seconded to approve the policy amendment and friendly amendment regarding the four current retirees. With no further discussion, the motion carried.

V. Reports

- A. Board Fiduciary Responsibility: Ms. Lee briefed the Board members on their fiduciary responsibility as Board members and an overview of the operations of the Corporation.
- B. Auxiliary Audit Committee Report: Auxiliary Audit Committee Chair Debbie Martin reported the Committee met twice since the last Board meeting. On September 20, the Committee reviewed the Auxiliaries' 2020/21 Audit Reports and the Single Audit Report on Federal Awards. The auditors issued clean opinions. The Committee will meet in November to review the auxiliaries' Form 990s and the KAZU Audit Report. The Corporation for Public Broadcasting requires the KAZU Audit Report.

2020/21 Audited Financial Statements: Corporation Controller Sherry Baggett reviewed the 2020/21 Audited Financial Report, highlighting areas of interest for the Board. Moved by Director Taylor and seconded to accept the Auxiliary Audit Committee's approval of the 2020/21 Audited Financial Reports. With no further discussion, the motion carried.

- C. 4th Quarter 20/21 Financial Report: Ms. Baggett reviewed the 4th quarter 2020/21 financial statements, highlighting areas of interest for the Board.

In the interest of time, President Ochoa dispensed the remaining reports with the exception of the Executive Director's Report.

- D. External Funding Update – Sponsored Programs: The Board meeting ended before this report was heard. The Board received a physical report in the board packet.
- E. Corporate and Foundation Relations – University Development: The Board meeting ended before this report was heard. The Board received a physical report in the board packet.
- F. Investment Committee Report: The Board meeting ended before this report was heard. The Board received a physical report in the board packet.
- G. Executive Director’s Report: Executive Director Larry Samuels reported on the Corporation’s activities. Mr. Samuels’ goal is to get a better understanding of the Corporation’s expenses, and review and update rental rates at East Campus.

VI. Closed Session: None

VII. Open Communication/Announcements: The next Board meeting is on December 2, 2021.

VIII. Adjournment: With no further business to conduct and no objection, the meeting was adjourned at 10:39 a.m.

Katherine Kantardjief

Katherine Kantardjief, Secretary/Treasurer

02/24/2022

Date