



University Corporation at Monterey Bay Board of Directors Meeting

Thursday, September 21, 2023
8:35 a.m. – 9:40 a.m.

Alumni and Visitors Center – Board
Room and Zoom

Minutes

<p style="text-align: center;"><u>Board Members Present:</u></p> <p>Vanya Quiñones, Ph.D., President Barbara Zappas, Director Jill Hosmer-Jolley, Director Robert Taylor, Esq., Director</p>	<p style="text-align: center;"><u>Board Members Absent:</u></p> <p>Ben Corpus, Director Adrian Villalpando, Director</p>
<p style="text-align: center;"><u>Presenters:</u></p> <p>Glen Nelson, Ph.D., Executive Director Sherry Baggett, Controller Cynthia Lopez, Director of Sponsored Programs Office Rick Paradis, Associate Vice President of Development</p>	<p style="text-align: center;"><u>Staff Present:</u></p> <p>Nancy Ayala, Gov & Cmpl. Mgr.</p>

Regular Meeting

- I. **Call to Order:** A quorum being established; President Vanya Quiñones called the meeting to order at 8:35 a.m.

- II. **Governance:**
 - A. **Appointment of Board Directors:** President Quiñones announced the appointments of two new directors. Jill Hosmer-Jolley, Faculty Director, and Ben Corpus, Director.
 - B. **Appointment of Standing Committee Members:** President Quiñones announced the appointment of Michel-Anne Miller as Chair of the Auxiliary Audit Committee.

- III. **Approval of Minutes:** Moved by Director Barbara Zappas and seconded to approve the June 15, 2023 meeting minutes as presented.

- IV. **Public Comment:** There were no requests for public comment.

- V. **President’s Remarks:** President Quiñones provided an update on University Activities, noting a record number of external funding grants to the University. President Quiñones thanked the Director of Sponsored Programs Office, Cindy Lopez, for all her and her staff’s hard work. Philanthropic funds were also at a record high of \$8.1M. The branding campaign has begun. A master plan for expenditures is underway, and the Corporation’s contribution to the University will be analyzed during this process. The results of the analysis will be provided at a future meeting.

- VI. **Executive Director’s Report:** Executive Director Glen Nelson reported on Corporation activities, including student housing operations, audit updates, and operations updates. Dr. Nelson updated the board on the implementation work Brailsford & Dunlavey is finalizing to improve student housing operations. The primary objective is to design a process where students can go to one reservation and billing system instead of different systems depending on their chosen housing units.

The Chancellor’s Operational Audit report is final, and a report will be provided at the next meeting. There are three open items, including further investigations on commissions with Chartwells, Follet, and Greystar. It was noted that the discrepancies between Chartwells and Follet were found. A new process to reconcile commissions is now in place, which should eliminate future discrepancies. Other ongoing audits are the Chancellor’s Office audit of KAZU, the radio station, and the annual financial audit.

Dr. Nelson reported that communication is still open with the City of Marina and MPC about the sale of the Marina Corp Yard. Negotiations have been slow due to the other priorities the City of Marina is dealing with and the recent change in leadership at MPC. Although Salinas City Center and Ryan Ranch are not being actively marketed for sale, these assets can be used to leverage the construction of Academic 4 Building.

The Capital Allocation plan was completed between the Corporation and the University to establish a new cost reimbursement plan from the Corporation to the University for work the University does for the Corporation. The latest annual reimbursement amount is \$3.2M. The Reserves Policy is currently on hold and will be reviewed once the vacancies in Accounting are filled, and the end-of-year closing processes and audit are complete.

Dr. Nelson provided an update on East Campus Housing, noting policy updates to CEHI in the coming months. Priority on the rentals at East Campus is under review. The Department of Defense currently occupies approximately 11% of the homes, about 140 units. If the first-year class continues to grow, more housing may be needed to house students. The agreement with Greystar, the property management company, will expire on June 30, 2024. The Corporation will go out for an RFP before that time.

The KAZU membership drive is currently underway. KAZU Manager Mik Benedek will retire in March 2024. President Quiñones would like to use the radio station to increase branding and marketing. Dr. Nelson introduced Associate Executive Director Alan Fisher, who was hired in the interim until December but has agreed to stay until the end of the fiscal year. It was noted that Mr. Fisher is working on tying the radio station and the University further by having student interns at KAZU, which was one of the audit findings from the Chancellor's Office audit report. Mr. Fisher can also look into using KAZU for branding and marketing of the University.

VII. Business - None

VIII. Reports

- A. Investment Committee Report: Investment Committee Chair Gifford Lehman could not attend the meeting and a memo was sent in lieu of the report.
- B. 4th Quarter 22/23 Financial Report: Corporation Controller Sherry Baggett presented a 4th quarter 22/23 Financial Report. This fiscal year saw a significant increase in Total Operating Revenues of \$9M over last year. Operating revenues such as housing, dining grants, and contracts surpassed budget and prior year numbers primarily due to increased occupancy rates on campus and significantly more sponsored programs and activities. With the increase in sponsored programs, revenues come increases in related expenses, specifically salaries and benefits, contract services, subawards, travel, and scholarships. We also see a significant increase in insurance as industry rates have increased heavily. This year's increase in net position of \$3.5M is a \$5.5M increase over last year due primarily to 1) the \$10M turnaround in the investment market (as seen by last year's \$7.5M unrealized loss vs this year's \$2.5M unrealized gain) and 2) last year's \$11.3M university capital support amount which represented the purchase of the Golden Gate buildings, contributions for the Monterey Bay Football Club stadium project, and the \$8.9M loan to the Otter Student Union. These two significant increases are offset by the \$16M decrease in other nonoperating revenues resulting from implementing the GASB 87 accounting regulation on leases.
- C. External Funding Update – Sponsored Programs: Director of Sponsored Programs Office Cindy Lopez provided an update on external funding.
- D. Corporate Relations – University Advancement: Associate Vice President of Development Rick Paradis provided an update on private grants.

- IX.** Open Communication/Announcements: The next board is on December 7, 2023.
- X.** Closed Session: The board did not enter into closed session.
- XI.** Adjournment: With no further business to conduct and no objection, the meeting was adjourned at 9:40 a.m.



Andrew Lawson, PhD, Secretary/Treasurer

06/17/2024

Date








Corp Board 9-21-23 Minutes, approved

Final Audit Report

2024-06-17

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By:	Nancy Ayala (nayala@csumb.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAW_upmlhRBskAOZqaT3kKSrdiHYLKNMcn

"Corp Board 9-21-23 Minutes, approved" History

-  Document created by Nancy Ayala (nayala@csumb.edu)
2024-06-13 - 9:38:45 PM GMT
-  Document emailed to Andrew Lawson (alawson@csumb.edu) for signature
2024-06-13 - 9:39:39 PM GMT
-  Email viewed by Andrew Lawson (alawson@csumb.edu)
2024-06-14 - 5:57:13 AM GMT
-  Email viewed by Andrew Lawson (alawson@csumb.edu)
2024-06-17 - 12:38:50 PM GMT
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2024-06-17 - 12:41:17 PM GMT
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Signature Date: 2024-06-17 - 12:41:17 PM GMT - Time Source: server
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