University Corporation at Monterey Bay
Board of Directors Meeting

Thursday, 25 September 2014
8:31 a.m. – 9:54 a.m.
Administration Building
100 Campus Center, Seaside, CA

Minutes

Board Members Present
Eduardo M. Ochoa, President
Kevin R. Saunders, Exec. Dir.
Dr. Ronnie Higgs, Director
Barbara Zappas, Director

Members Absent
Larenz Olson, Director
Pat Tinsley-McGill, Director

Presenters
William Musselman, Director of Accounting
Cindy Lopez, Director of Sponsored Projects Office
Jackie Wendlund, Director of Corporation & Foundation Relations
Jennifer Crompton, Dir of Student Housing & Residential Life

Staff Present
Maria A.Y. Garcia, Dir of Ops
Nancy S. Ayala, Gov & Compl Mgr

I. Call to Order: A quorum being established, President Ochoa called the meeting to order at 8:31 a.m. President Ochoa gave a brief introduction of the new Board members.

II. Approval of Minutes: Moved by Director Ronnie Higgs and seconded to approve the 29 May 2014 meeting minutes as presented. With Director Bonnie Irwin abstaining, the motion carried.

III. Reports:
A. Auxiliary Audit Committee Report: Audit Committee Chair Bill Musselman reported on the Committee’s activities. The Corporation’s auditors issued a clean opinion. The Audit Committee will meet in November to review the 990s and KAZU report for the CPB.

B. Presentation of the 2013/14 Audited Financial Report: Director of Operations Maria A.Y. Garcia reviewed the 2013/14 audited financial report, highlighting areas of interest for the Board. Moved by Director Irwin and seconded to ratify the Auxiliary Audit Committee’s approval of the 2013/14 audited financial report. With no further discussion, the motion carried.

C. Escheatment Report: Ms. Garcia reported that the state of California requires the Corporation to report any checks that have not been cashed after a certain period. Checks that were made payable to vendors and were not cashed within three years must be reported. Payroll checks that were not cashed within one year must be reported as well. This year the Corporation sent a check to the State for $100.62 for two uncashed vendors checks and one payroll check of $97.96.

D. External Funding Update - Sponsored Programs: Director of Sponsored Programs Cindy Lopez presented the fourth quarter grants and contracts report. Through 30 June 2014, total awards are at $11.6 million, which is about $600K more than the annual goal, but $1.5 million less than the same period prior year. The number of awards is 62. There are 67 outstanding proposals totaling $17 million. Ms. Lopez noted that more grants are coming in with more indirect costs than the prior year. An issue with the grants from the State of California is ownership of equipment incorporated onto Corporation owned vessels. Once the grant is over the Principal Investigators can reuse the equipment for more research, but the State wants the Corporation to pay for the equipment. This is not feasible because the equipment cannot be removed once it has been incorporated onto a vessel. It was suggested to hold a separate meeting with staff to work with the Chancellors Office to resolve this.
E. Corporate and Foundation Relations University Development: Director of Corporation & Foundation Relations Jaqueline Wendland reported on private grants. As of 30 June, private grants awarded are $1.09 million. The annual goal for the whole department is $4.5 million, which is set by the Chancellors Office. Ms. Zappas announced that Ms. Wendland will be retiring at the end of this year.

F. Residential Life Briefing: Director of Student Housing & Residential Life Jennifer Crompton reported on occupancy in Residential Life. Current occupancy for main campus is 1,885 students. In east campus, there are 1,122 students and their families. There are 39 first year students on a waiting list for Main Campus; 26 Upper Division students on the waiting list for other units. For east campus, everyone on the wait list has been contacted. This year began with 300+ students on the wait list for main campus; 200+ upper division students on the wait list; and 100+ students on the wait list for east campus. On main campus, 75 beds were created through tripling. In east campus, 42 additional bed spaces were created through doubling single bedrooms. Students that were not housed will be able to participate in the Reservation Days process for next year to ensure they are housed. This privilege is usually only given to upper division students. Promontory is currently being marketed for next fall.

G. Investment Committee Report: Chair Zappas reported that the Investment Committee met last in May. For the quarter ending 31 March 2014, the endowment portfolio had a 2.4% gain. Over a five-year period, the endowment portfolio returned 15.8%. The operating portfolio had a 1.5% gain, outperforming the policy index by 0.3%. Over a five-year period, the operating portfolio returned 10.3%. The Committee approved changes to the Endowment Investment Policy, which includes separating the Endowment Spending Policy. There was extensive discussion about divesting from fossil fuels, intentional investing, and SRI. It was noted that the fees for investing in a socially screened fund would cost the equivalent of two scholarships. The Committee concluded that it was too high for the portfolio at this time.

H. Executive Directors Report: Executive Director Kevin Saunders commended the entire staff of the Corporation on past audits. The Corporation will be undergoing a compliance audit from the Chancellors Office in November. This audit will affect both the Foundation and the Corporation. There are always findings with these audits. The post-award portion was removed from the audit at the Corporation’s request because the Chancellors Office just audited them last year.

The purchase price of the Steinbeck Center is $3 million and the land under it $100K. The Salinas City Council still needs to approve the purchase. The estimated time of closing escrow is late October or early November. The University will be in control of that building. Ryan Ranch building improvements have begun. The Promontory has really changed the entrance to campus.

IV. Unfinished Business: None

V. New Business:
A. Capital Request: Mr. Saunders requested that the Board approve minor construction and the purchase of furniture for the University House. The way the public side of the University House was originally designed makes it difficult to conduct receptions, meetings, donor relations and other events. The construction to the University House would cost $17K. The furniture is $35K. The total capital request is $52,500. Moved by Director Zappas and seconded to approve the capital request as presented. With no further discussion, the motion carried.
VI. **Open Communications/Announcements:** None

VII. **Adjournment:** With no further business to conduct and no objection, the meeting was adjourned at 9:54 a.m.

Bonnie Irwin, Secretary

18 Dec 2014  
Date