



EXECUTIVE COMMITTEE MEETING (REGULAR)

ASC CONFERENCE ROOM (CP 250)

MARCH 2, 2010 | 4:00 PM

Present: Pat Carroll, Bill Dickerson, Frank Mumford, Barry Pasternack, Ron Rangel.

Excused: Bill Barrett, Ted Bremner, Bob Hall, Steve Murray.

Staff: Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Vice-Chair Rangel called the meeting to order at 4:05 p.m.

2. APPROVAL OF MINUTES

Prof. Pasternack moved, Mr. Carroll seconded and motion carried to approve the minutes of the 10/06/09 Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$655,000 through 01/31/10. The ASC is \$172,000 below budget for the fiscal year. He further reported that the net income actuals are \$1,375,000 for Titan Shops; \$113,000 for Campus Dining; \$182,000 for Grants & Contracts; and \$749,000 for College Park. Administrative net expenditures were \$1,015,000.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that Lennar indicated a willingness to extend the Irvine Campus (IRVC) lease for another year; however, the university is still reviewing other options. At its peak, IRVC had 3300 students; this year, it has 2300. The College Park refinancing was approved by the Board 12/12/07, but was not refinanced at the time. We received good news yesterday that anticipated savings through refinancing now will be \$1.5M (or \$70k/year); paperwork will be completed next week. University Gables owners were happy with the newly refurbished Tot Lot and repainting of homes currently underway. At University Heights (UH), homeowners have signed a letter to President Gordon regarding Housing Authority's "misrepresentation" that UH homeowners would not lose money on the home. A meeting is scheduled on 03/24/10 with the UH Homeowners Advisory Council. Lastly, Mr. Dickerson confirmed that he will retire 03/01/11.

5. ACTION ITEMS

A. BOARD REVIEW OF FORM 990 POLICY

Mr. Mumford reported that these three board policies came to our attention via IRS Form 990, in an effort to be transparent and to promote best practices.

Prof. Pasternack moved, Mr. Carroll seconded and motion carried to approve the Policy on Board Review of IRS Form 990. The approval was unanimous.

B. WHISTLEBLOWER POLICY

Prof. Pasternack moved, Mr. Carroll seconded and motion carried to approve the Policy on Whistleblowers. The approval was unanimous.

C. EXECUTIVE COMPENSATION POLICY

Mr. Mumford said that this policy will acknowledge, in the minutes, executive compensation (without specifics).

Prof. Pasternack moved, Mr. Carroll seconded and motion carried to approve the Policy on Executive Compensation. The approval was unanimous.

D. RESOLUTION: MBS AGREEMENT

Mr. Carroll moved, Mr. Mumford seconded and motion carried to adopt the following resolution.

MBS – Premier Partnership Agreement

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC), operates retail bookstore services (Titan Shops) for California State University Fullerton and provides student buyback services; and

WHEREAS, MBS Textbook Exchange (MBS), controlled by MBS Service Company, Inc. in its capacity to provide textbook buyback services, textbook inventories (new, used and digital), and system solutions, for colleges and universities; and

WHEREAS, the Board of Directors, at their meeting on December 10, 2009 approved the Agreement pending final approval by the Executive Committee at their next meeting; therefore

BE IT RESOLVED that the Executive Committee of the CSU Fullerton Auxiliary Services Corporation authorizes the Executive Director or his designee to enter into an agreement, commencing March 1, 2010 until January 1, 2015, in accordance with the terms and conditions of the attached agreement

Prof. Pasternack abstained; the remaining members approved. Mr. Carroll suggested negotiating a better buyout provision.

6. REPORTS

A. SPONSORED PROGRAMS

Ms. Cheng reported that YTD total awards increased 67% over the previous year. NSF and SBA have conducted audits. Two more programs, WECARE and Jump Start, requested financial records for a desk review audit. ARRA (American Reinvestment and Recovery Act) funded \$3.8M in stimulus monies; this requires quarterly progress reports and financial reports. With the last round of IDC reduced,

VP Hagan has designated a staff person to provide assistance in gathering financial data.

B. LEGAL UPDATE

Mr. Jay gave a privileged update.

7. OTHER BUSINESS

There was no other business.

8. REMINDERS

Board of Directors: Thursday 03/11/10 @ 6:00 pm

Executive Committee: Tuesday 04/06/10 @ 4:00 pm

9. ADJOURNMENT

Vice-Chair Rangel adjourned the meeting at 6:05 p.m.

Approved by the Executive Committee, April 6, 2010.



Robert C. Hall, Secretary



BOARD OF DIRECTORS MEETING – REGULAR
TITAN SHOPS CONFERENCE ROOM (SENATE CHAMBERS)

MARCH 11, 2010

7:00 – 9:00 PM

Present: Bill Barrett, Ted Bremner, Pat Carroll, Diana Guerin, Willie Hagan, Scott Hewitt, Joseph Lopez, Zeke Luna, William Meyer, Frank Mumford, Steve Murray, Robert Palmer, Linda Patton, Henoc Preciado, Ron Rangel, Juli Santos, Ephraim Smith.

Excused: Raul Davis, Gary Del Fium, Bill Dickerson, Milton Gordon, Bob Hall, Linda Hawkins, Pam Hillman, Barry Pasternack,

Staff: Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch, Tariq Marji.

I. CALL TO ORDER

Chair Bremner called the meeting to order at 7:08 p.m.

II. APPROVAL OF MINUTES

Mr. Rangel moved, Mr. Luna seconded and motion carried to approve the minutes of the 12/10/09 Board of Directors meeting.

III. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$655,000 through January 2010. The ASC is \$172,000 below budget for the fiscal year. The financial summary showed the net income actuals of \$1,375,000 for Titan Shops; \$113,000 for Food/Vending; \$182,000 for Grants and Contracts; and \$749,000 for College Park.

IV. PRESIDENT'S REPORT

Mr. Carroll reported on President Gordon's behalf that the WASC team (six members, one observer) is visiting for the accreditation review. Due to budget cuts, enrollment is down significantly for the spring semester.

V. GRANTS & CONTRACTS REPORT

Ms. Patton reported that the on-campus F&A rate is 35.1% but, overall, generates less than 10%, which is still less than our off-campus rate of 14.8%. We need to consider very carefully the use of waivers to approve reduced F&A rates. Furthermore, we need to reconsider guidelines for the use of the off-campus rate. Proposal submissions, proposals awarded and dollars awarded all saw increases. OGC in conjunction with the Faculty

Development Center will offer four CAYUSE workshops in April. These workshops will be offered campus-wide to all proposal developers.

Dean Murray agreed that the F&A rates are too low; and that we should limit waivers to exceptional cases. Mr. Mumford replied that ASC is currently working with Academic Affairs to distribute an RFP for a consultant to determine why our rates are so low.

VI. EXECUTIVE DIRECTOR'S REPORT

Mr. Mumford reported on Bill Dickerson's behalf and that he is in New York state attending to his ailing mother who just underwent surgery for lung cancer. Recently, Public Affairs and ASC worked together to provide a graphical look to show where we earn our money and where it goes. This has been posted to our website: csufasc.org/servingtheuniversity.aspx. IRS Form 990 was prepared by our CPA company; as you know, an email was sent last month to the Board asking for feedback as part of best practice.

With respect to College Park, ASC sought Board approval to refinance two years ago. Soon thereafter, the rates increased and we postponed refinancing indefinitely; now the timing is right and refinancing is anticipated to save us \$70k/year. No action is required by the board today as action was taken two years ago. This serves to inform you that action will be taken in the immediate future. Also for informational purposes, the MBS contract was approved at the December meeting and was approved pending final Executive Committee review. The contract has been negotiated, upgraded and is now planned for implementation this summer, all with Executive Committee approval.

There will be a possibility of a special meeting of the Board next month or so (to make the May Board of Trustees meeting) to discuss financing for a possible purchase of adjacent property. Mr. Barrett added that due diligence is expected in the next ten days. Mr. Mumford continued that it will be SRB financing and that the Chancellors Office will require a 1.25 debt coverage ratio.

Mr. Barrett reported that we have a handshake deal for the current Irvine Campus (IRVC) to extend the lease in place to December 2011. Thus far, \$1.5M has been spent in tenant improvements and the chillers were recently repaired at a cost of \$50-100K. Last year, we toured 3 Banting; a nice fit and the same size as the current IRVC location. Whatever the campus decides, ASC will be instrumental in the purchase or lease of the IRVC property.

VII. ACTION ITEMS/POLICIES

Mr. Mumford reported that the three policy approvals are not action items for the Board and were enacted by the Executive Committee. These are brought to the Board for informational purposes only.

VIII. REPORTS

A. SPONSORED PROGRAMS

Ms. Cheng reported that awards increased by 67% over last year. Sponsored Programs is ahead of budget by \$45,000 for the first six months. We have not had audits for a few years and just recently had four. Each audit was very clean. Federal

government is asking that faculty account for their time—how much is devoted to teaching, to research and to projects. We do not have 100% compliance because this is difficult to track. We received \$3.8M in stimulus funds which require quarterly reports. RFPs have been sent to five firms to investigate IDC rates.

B. LEGAL UPDATE

Mr. Jay gave a privileged update.

C. GOALS & OBJECTIVES

Mr. Mumford noted that we are in discussions with the Titan Student Union with the lease and will report back at the next meeting. He offered to answer questions regarding the written report.

IX. OTHER BUSINESS

There was no other business.


X. REMINDERS

ASC Budget Workshop: 05/04/10

XI. ADJOURNMENT

Mr. Bremner adjourned the meeting at 7:55 p.m.

Approved by the Board of Directors, June 17, 2010.



Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)

ASC CONFERENCE ROOM (CP 250)

APRIL 6, 2010 | 4:00 PM

Present: Bill Barrett, Ted Bremner, Pat Carroll, Bill Dickerson, Bob Hall, Frank Mumford, Steve Murray.

Excused: Barry Pasternack, Ron Rangel.

Staff: Pearl Cheng, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 4:07 p.m.

2. APPROVAL OF MINUTES

Mr. Carroll moved, Mr. Barrett seconded and the motion carried to approve the minutes of the March 2, 2010, Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$511,000 through February 28, 2010. ASC has a \$306,000 negative variance to budget for the fiscal year. He further reported that the net income actuals are \$1,388,000 for Titan Shops; \$152,000 for Campus Dining; \$215,000 for Grants & Contracts; and \$775,000 for College Park. Administrative net expenditures were \$1,244,000.

Mr. Mumford also reported that the ASC has begun the budget process for FY2011. A part of that process requires that all departments make projections for the remainder of FY2010. Those projections indicate an overall estimated net income of \$146,000, approximately \$130,000 below the annual budget. The very preliminary look at the submitted budgets for FY2011 shows a projected net loss of \$50,000. Over the next few months, we will revise those estimates and make required reductions in expenditures to present a positive budget proposal to the Board.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that the ASC and the university have been working with a company to lease space for the Irvine campus. A resolution to be acted upon will be discussed later in the meeting. Mr. Barrett reported that Mr. Hagan has a verbal agreement with Lennar to extend the current lease for an additional term, but that the document has not yet been received.

Mr. Dickerson then reported on the recently completed refunding of the bonds for the College Park Building through the Systemwide Revenue Bond process. Total savings on the remaining 20 years for the bonds is anticipated to be in excess of \$1.8 million.

He reported on the painting program underway at University Gables, indicating that approximately 1/3 of the homes were finished. He also reported on recent activity relative to the homeowners at University Heights. The homeowners have sent a letter to President Gordon alleging numerous representations on the part of the Housing Authority (HA) and requesting subsidation of \$100,000 per home. President Gordon responded, recommending that the homeowners address their concerns with the HA. Mr. Dickerson has subsequently met with the Housing Advisory Committee representing University Heights. Representatives reported that they were not interested in meeting to discuss the letter, but instead were looking for a written response to their demands. He is currently drafting a written response.

He also reported on the progress of the potential acquisition of the Hope International University property.

Finally, he gave a brief report on the completed legal action between the HA and the Valeo Corporation. Detailed information will be presented to the HA Board at their upcoming meeting.

5. RESOLUTION: IRVC, 3 BANTING

Mr. Carroll moved, Mr. Barrett seconded and the motion carried to adopt the following resolution.

Lease Agreement: 3 Banting, Irvine

WHEREAS, California State University Fullerton ("University") requested that the CSU Fullerton Auxiliary Services Corporation ("ASC") lease property located at 3 Banting, Irvine, California from CLPF—BANTING, L.P., a Delaware limited partnership, for the relocation of the University's Irvine Campus; and

WHEREAS, the ASC and the University have agreed that they will enter into a sublease arrangement in which the University will rent 100% of the leased space at a cost that, at a minimum, will reimburse the ASC for all its out of pocket costs associated with the project, including financing, management and maintenance costs for the entire seven (7) years of the lease; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into a seven (7) year lease with the CLPF—BANTING, L.P. to rent the property located at 3 Banting, in a form substantially similar to that attached

6. REPORTS

A. CAMPUS DINING REPORT

Mr. Lynch reported that OC Choice Catering had recently participated in the Chamber of Commerce North Orange County Business Expo. They had a successful exhibit and are seeing good results from both the visitors to the exhibits and other exhibitors.

He reported on the recent "Restaurant Operations Review" on the new Togo's located in the Nutwood Café. Our operation was ranked in the top ten in the 350 location restaurant chain with an overall score of 97.75%.

He also reported that the ASC is in negotiations with the Titan Student Union to establish a new Food Service Operations Agreement. This agreement will provide for a 10-year partnership. As a result of the agreement, we are exploring the possibility of bringing a Panda Express concept into the food court as early as fall 2010.

Finally, he reported that the Ziing Yogurt concept at the bookstore is about to start construction and will hopefully be ready for operation also by the start of the fall semester.

B. TITAN SHOPS REPORT

Mr. Kissel reported briefly on operations at the bookstore. He provided the Board with a recap of the spring semester back-to-school sales by department. Seeing declines in virtually all categories confirms that students are cutting back in spending in all areas. Overall, sales were down 4.8% from last year.

He reported on the bookstore's operational reduction during Spring Break, which should show a net savings of approximately \$10K in payroll expense for the period.

Finally, he reported on the receipt by the bookstore of their order of Apple's new iPads.

C. LEGAL UPDATE

Mr. Jay reported that there was currently no litigation outstanding against the ASC. The only potential legal action was that mentioned during the Executive Director's report pertaining to the Housing Authority.

7. OTHER BUSINESS

There was no other business.

8. REMINDERS


Executive Committee: Tuesday 05/04/10 @ 4:00 pm

Board of Directors: Thursday 06/17/10 @ 6:00 pm

9. ADJOURNMENT

Chair Bremner adjourned the meeting at 4:58 p.m.

Approved by the Executive Committee, May 4, 2010.


Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (EMERGENCY)

ASC CONFERENCE ROOM (CP 250)

APRIL 22, 2010 | 11:00 AM

Present: Bill Barrett, Ted Bremner, Pat Carroll, Bill Dickerson, Bob Hall, Frank Mumford, Steve Murray, Barry Pasternack.

Excused: Ron Rangel

Staff: Ann Ehl, John Jay.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 11:00 a.m.

2. RESOLUTIONS

Bill Barrett reported that meetings have been ongoing for the last few months, but activity increased much quicker than anticipated this past month. Bill Dickerson added that this arrangement is similar to El Toro lease and College Park purchase where the ASC acted on the University's behalf and the University has subleased both properties and guaranteed all payments.

Hope University plans to stay on their campus for two to five years, leasing the property from the ASC. The complicated easement issues (power plant, cell phone towers, etc) are still being considered.

Steve Murray asked what responsibilities we (the ASC) have while Hope remains on campus and in what condition the dorms are. John Jay said that as structured, Hope would be our responsibility, although they (Hope) would operate the dorm while they remain on campus. They have a 500-bed dorm which is in good condition. \$39M purchase price does not include the \$7M in required seismic upgrades.

Bill Barrett added that this is subject to CSU Board of Trustees approval and due diligence.

Pat Carroll moved, Barry Pasternack seconded and motion carried to adopt the following resolution as amended.

Approval of the Purchase of Hope University

WHEREAS, California State University, Fullerton ("University") desires to acquire the Hope International University campus; and

WHEREAS, the University has asked ASC to facilitate this acquisition by financing the purchase thru the borrowing of California State University System Revenue Bonds for a period of up to 30 years; and

WHEREAS, the ASC intends to repay those bonds thru a parallel Memorandum of Understanding (MOU) with the University in which the University guarantees to rent up to 100% of the space at a cost that, at a minimum, will reimburse ASC for all out of pocket costs associated with the project, including financing and management costs; therefore,

BE IT RESOLVED, that the Executive Committee of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into a purchase agreement with Hope University for the purchase of its campus, contingent upon the approval by the CSU Board of Trustees and the ASC/CSUF Hope MOU resolution.

The approval was unanimous.

3. RESOLUTIONS

Pat Carroll moved, Barry Pasternack seconded and motion carried to adopt the following resolution as amended.

Approval of ASC/CSUF Hope International University MOU

WHEREAS, the California State University, Fullerton ("University") has agreed that the CSU Fullerton Auxiliary Services Corporation ("ASC") will purchase Hope International University for the benefit of the University; and

WHEREAS, the ASC intends to finance this project by borrowing California State University System Revenue Bonds for a period of up to 30 years; and

WHEREAS, the University has agreed to sublease Hope International University at a cost that, at a minimum, will reimburse the ASC for all its out of pocket costs associated with the project, including financing and management costs; therefore

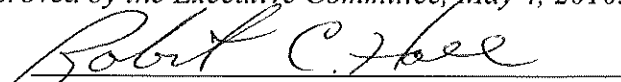
BE IT RESOLVED, that the Executive Committee of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into a Memorandum of Understanding (MOU) with the California State University, Fullerton, who assures full payment of all costs associated with this purchase, to sublease the Hope International University campus, in a form substantially similar to the attached.

The approval was unanimous.

4. ADJOURNMENT

Chair Bremner adjourned the meeting at 11:20 am.

Approved by the Executive Committee, May 4, 2010.


Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)
ASC CONFERENCE ROOM (CP 250)
MAY 4, 2010 · 4:00 PM

Present: Ted Bremner, Pat Carroll, Bill Dickerson, Frank Mumford, Steve Murray, Ron Rangel.

Excused: Bill Barrett, Bob Hall, Barry Pasternack.

Staff: Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 4:05 p.m.

2. APPROVAL OF MINUTES

A. 04/06/10 REGULAR MEETING

Mr. Carroll moved, Mr. Rangel seconded and motion carried to approve the minutes of the April 6, 2010 regular Executive Committee meeting.

B. 04/22/10 SPECIAL MEETING

Mr. Carroll moved, Mr. Rangel seconded and motion carried to approve the minutes of the April 22, 2010 special Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$278,000 through March 2010. The ASC is \$339,000 below budget for the fiscal year. He further reported that the net income actuals are \$1,208,000 for Titan Shops; \$222,000 for Food/Vending; \$261,000 for Grants and Contracts; and \$774,000 for College Park. Administrative net expenditures were \$1,414,000.

Mr. Mumford referenced page 10 of the budget, and noted that the cash balance remains steady. Also, he believes the campus will ask the ASC to forward fund TI improvements at Irvine Campus. Dean Murray asked about the property owner's construction work standards compared to the campus'. Mr. Carroll noted that usually, the property owner prefers to do the TIs to maintain consistency and quality control throughout the building.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that for Hope University, a contract was signed two weeks ago and a deposit was made last week. If no decision made by 05/17/10 to go forward, we will receive a refund on our deposit; however, the money goes hard if we go forward. The Chancellor's Office (CO) will not consider this for the May meeting, but will in July. So we can either cancel the contract or the money goes hard. Mr. Carroll added that due to failures at other campuses, CO is looking for a back-up in a worst case scenario.

At University Heights, a response was sent last week to the homeowners and no reply has been received. There have been rumors of owners going to CO seeking a remedy. At the Elks Lodge, we are moving closer to a resolution on final issues, with a meeting last week. At University Gables, painting is expected to be completed late this month.

Mr. Bremner asked if the money goes hard, will the University refund our money; Mr. Dickerson replied that while there is not yet an MOU, a verbal agreement is in place in support of the Executive Committee Resolution that was passed at the April Meeting.

Mr. Rangel asked now the Valeo suit is resolved, who provides warranty; Mr. Jay replied that the subcontractors are responsible for the warranty. Mr. Carroll asked for a summary of expenditures.

5. RESOLUTION: COMMENCEMENT FLOWERS

Mr. Rangel moved, Dean Murray seconded and motion carried to adopt the following resolution. Mr. Mumford said that this is a company that we've been using and updates the current agreement by providing a guarantee which includes Valentines in the new pricing structure. This guarantees \$21,200 per year; past guarantees were \$13,000-15,000.

Commencement Flowers – Agreement

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) operates retail bookstore services (Titan Shops) for California State University Fullerton and provides flower sales services; and

WHEREAS, Hall-Magner Group (Commencement Flowers) provides flower sales services throughout the academic year for colleges and universities; and

WHEREAS, both Commencement Flowers and the ASC are desirous of entering into an agreement in which Commencement Flowers will provide services, support and products as outlined in the agreement; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes the Executive Director or his designee to enter into an agreement terminating December 31, 2014, in accordance with the terms and conditions of the attached agreement

The approval was unanimous.

6. REPORTS

A. SPONSORED PROGRAMS

Ms Cheng reported that \$20.2 M was received thru March, compared to \$13.6 M last year. NSM is still the largest recipient of all awards at \$6.1 M. She distributed a summary of awards received during the current academic year. SPO net income exceeds budget by \$111K, with \$208K distributed back to campus. IDC income was \$20 K higher than budgeted. More grants do not often mean more IDC revenue. True research grants provide full rates. There have been more off-campus projects which means very small IDC, with many collaborative projects providing no IDC.

The WeCare Program of California takes seniors to provide service to hospitals. There are stringent requirements, frequent reports and 150% in-kind matches (which are difficult to obtain). There is a pre-audit currently in place and the risk exposure is high. All these volunteers require training in federal, state and local policies. If the A-133 audit doesn't pass, this creates a high potential to jeopardize future funding.

Dean Murray noted that the system for in-kind matching is broken. Ms. Cheng acknowledged this and added that they are working on cost match and effort reporting, much of which is difficult. Dean Murray said that what keeps faculty members from signing the reports is that the documents are often inaccurate. Ms. Cheng said that she was sending her coordinators to training sessions and will review all documents before they go out. Dean Murray added that faculty are asked to fill out effort reports twice a year and the match at grant-end; instead, these should come more frequently. He also stated the need for more research grants which provide the highest IDC. He recommended that the effort and matching report protocols be repaired and that written guidelines be established for IDC forgiveness.

B. IT

Mr. Iftikhar reported that the new POS system will be implemented during the summer and that equipment is being obtained at very low rates. All registers and three servers are being replaced; the current processor along with the current gift card program will also be replaced. There will be a very small window after year-end inventories when the semester will soon start again. They anticipate the week of 07/19/10 to install and have the systems up and running.

Dean Murray asked whether the ASC is using the same credit card vendor that the university uses, adding that currently, the university on occasion can't accept Visa. Mr. Iftikhar replied that we've been going back and forth with Wells Fargo; the credit card system is expensive and the rates are fixed. Dean Murray said that the CO is working on a master contract for credit card processing. Mr. Kissel added that the issue with Visa was that they charge students a flat rate instead of a percentage.

7. OTHER BUSINESS

There was no other business.

8. REMINDERS


Executive Committee Meeting: Tue 06/01/10 @ 4:00 pm

Board of Directors Meeting: Thu 06/17/10 @ 5:45 pm.

9. ADJOURNMENT

The meeting was adjourned at 6:15 p.m.

Approved by the Executive Committee, June 1, 2010.


Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)

ASC CONFERENCE ROOM (CP 250)

JUNE 1, 2010 | 4:00 PM

Present: Ted Bremner, Bill Dickerson, Bob Hall, Frank Mumford, Barry Pasternack, Ron Rangel.

Excused: Bill Barrett, Pat Carroll, Steve Murray.

Staff: Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 4:02 p.m.

2. APPROVAL OF MINUTES

Mr. Rangel moved, Prof. Pasternack seconded, and motion carried to approve the minutes of the 05/04/10 Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$305,000 through 04/30/10. The ASC has a budget variance of (\$215,000) for the fiscal year. The net income actuals are \$1,312,000 for Titan Shops; \$285,000 for Food/Vending; \$270,000 for Grants and Contracts; and \$873,000 for College Park. Administrative net expenditures were \$1,561,000.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that while Lennar gave a verbal lease extension for the CSUF Irvine Campus location, the amendment has yet to be received. We have signed a letter of intent for another Irvine location when the current lease expires. As for Hope University, that purchase is no longer being actively pursued at this time. Hope's timetable to make the purchase happen conflicted with the CSU's schedule.

At University Gables, the painting of home exteriors is almost complete. One detached and one attached homes are available for sale. At University Heights, homeowners have not replied to the Housing Authority's response to their \$100,000/home demand. The rumor mill suggests that the homeowners may ask the Chancellor's Office (CO) to intervene. Lastly, the Chancellor's Office has reviewed university funds being held by the auxiliary and expressed concerns. The new CO Vice Chancellor for Finance, Ben Quillian has been directed to develop policies and procedures determining which accounts would be auxiliary-held and which must be held by the university. This transfer for the ASC could approximate \$3M.

5. RESOLUTIONS

Prof. Pasternack moved, Mr. Rangel seconded, and motion carried to adopt the following three recurring fiscal resolutions.

A. FISCAL ACCOUNT AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford or Vice President for Administration & Finance Willie J. Hagan, or any one of them acting individually, are hereby authorized to open the necessary accounts on behalf of the CSU Fullerton Auxiliary Services Corporation (ASC) with financial institutions for the purposes of (1) investing ASC funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships.

B. SALE OF STOCK AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford, or Vice President for Administration & Finance Willie J. Hagan are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this Corporation, when any two of the named act together or any one of the named acts upon approval from the Executive Committee.

C. WIRE TRANSFER AUTHORIZATION

Prof. Pasternack noted that it would seem prudent to have two signatures for wire transfers. Mr. Mumford clarified that this resolution is to open accounts, not to do wire transfers. To do the transfers, it does take two: an accounting staff person to first set up the transfer; and then Bill Dickerson, Frank Mumford or Bill Herbert completing the transfer by authorizing it. Neither Mr. Dickerson nor Mr. Mumford sets up the transfer. Management agreed to review the language of the resolution to make this clear.

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford or Vice President for Administration & Finance Willie J. Hagan, or any one of them acting individually, are hereby authorized to enter into agreement with Citizens Business Bank, Wells Fargo Bank, Local Agency Investment Fund or The Common Fund for the transfer of funds from the account or accounts of this Corporation by wire, as shall be mutually agreeable, and, to appoint persons who shall be authorized to order such transfers, in accordance with such agreements or to otherwise act in accordance with such agreement. The authority conferred herein shall continue in full force and effect until written notice of its revocation shall be received by said Banks.

The approval was unanimous.

D. BENEFITS

Mr. Mumford said that ASC will not give raises this year; to offset that, management recommends that ASC increase employer-paid health benefits, increase vacation

accruals to part-time benefitted employees with 121 months or more, and increase the education reimbursement.

Prof. Pasternack asked if the ASC would consider providing 50% of the \$212/unit supplemental fee charged for MBA courses. This increase is a CSU wide supplement, where the additional funds will be used to promote research. Additionally, Chancellor's Office employees are exempt from this fee. Both Mr. Dickerson and Mr. Mumford agreed to add this reimbursement (or some portion thereof) to the Educational Reimbursement package.

Prof Pasternack moved to approve the amended benefits package, Mr Rangel seconded, and motion carried.

Benefit Plan, Fiscal Year 2010-2011

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) desires to provide a competitive benefit plan for its salaried and hourly employees; and

WHEREAS, the ASC regularly reviews its employee benefit plans as part of the annual budgeting process; therefore,

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the attached benefit plan for the 2010-2011 fiscal year and beyond, in absence of any change.

The approval was unanimous.

E. BUDGET

Mr. Dickerson reported that although the numbers are slightly better, they are not where they should be. It became clear that areas where we have control (staffing, cost of goods sold, inventory protection) have done well. Where we have limited control (sales), even with marketing, has been challenging in many respects, but particularly due to significantly reduced sales. Although ASC was budgeted to net \$273K thru operations, actually net is \$75K; a \$200K shortfall. Next year, we are looking to reestablish a \$275K gain. Catering is short approximately \$30K, with campus deciding to continue off-campus catering trials which has negatively impacted sales. Even thriving operations like Starbucks are not contributing to the bottom line since those revenues are used to pay down (CBE) loans. The \$325K in the 2010-11 prefunds next year's University Needs (a cash distribution for the President's discretionary use). The University continues to request that the ASC fund \$325K in lean times; this means ASC will need to borrow from reserves to fund University Needs.

Mr. Bremner asked if it was possible to add language to University Needs, with Mr. Rangel clarifying that it be "up to 80% of net operating income not to exceed \$325K." Mr. Rangel stressed that it be distinguished "net operating income" and not "net income" so it does not include gain/loss on investments.

Mr. Mumford noted that ASC is no longer compelled to set College Park (CP) funds aside, so that CP is another operation of ASC and the income need not be segregated. The restriction was removed 03/01/10 upon the refunding of the CP Bonds. Furthermore, ASC needs reserves for working capital, retirement and CP. Prof. Pasternack agreed about these reserves and also asked (referring to page 47), why the property management and reserves doubled. Mr. Mumford answered that the change in fees reflect utilization of ASC resources (specifically, accounting). Mr. Rangel recommended that the reserves be changed to \$500K this year.

Prof Pasternack moved, Mr Rangel seconded, and motion carried to approve the resolution.

Operating & Capital Outlay Budgets, Fiscal Year 2010-2011

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) operates on a fiscal year beginning July 1st and ending June 30; and

WHEREAS, the CSU Fullerton ASC Board of Directors approves operating and capital outlay budgets for each fiscal year; and

WHEREAS, said budget also includes a University Needs component which is intended to enable the University to further its educational mission in a manner consistent with the stated public relations policies of both the ASC and the University; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the attached operating and capital outlay budgets for the fiscal year beginning July 1, 2010 and ending June 30, 2011; and

BE IT FURTHER RESOLVED, that with his signature below, CSUF President Milton A. Gordon signifies his approval of said budget and authorizes ASC management to proceed with implementation effective July 1, 2010

The approval was unanimous.

6. REPORTS

A. CAMPUS DINING

Mr. Lynch reported that the Ziing Yogurt operation held its kick-off meeting last week. Physical plant has started work which was reviewed by campus Design & Construction. The 10-12 week schedule will be closely monitored. Most recent high-profile catering activity included visitors from Normal University of China. The President's guests were treated to a 5-star dinner, with everyone very pleased with chefs Mary Jane and Roberto Gerometta. Campus Carl's Jr recently celebrated its 15-year accident free record, a rare feat in the food industry. Campus Dining "Gives Back" is a repository for change from diners at various campus locations; the change is then forwarded to three charities. Over a one-year period, \$3,600 has been collected and forwarded to the OC Food Bank, Second Harvest Food Bank and the Women's Transitional Living Center. Campus Dining and ASC management is

working with the TSU on a new 10-year Food Court agreement. Hopefully, this new agreement will include the addition of Panda Express.

Prof. Pasternack asked about the possibility of OC Choice hosting dinners in the Senate Chambers before various campus shows. Mr. Lynch replied that costs associated with this will be reviewed.

B. TITAN SHOPS

Mr. Kissel provided a report card on textbook requisitions. The campus went from 75% to 67% on time for Fall 2010 requisitions, a grade of "D+". Department requisitions affect which books students can sell back, so an increase in the requisitions benefit students not only at buyback, but also at the time of purchase. On a good note, if CSUF enrollment is restored for fall, it may result in higher sales. As for commencement sales, this was the second best year for weekend sales. The commencement flowers resolution that approved the new agreement in March increased commission from \$14K to \$21K. Lastly, the digital pilot program is going forward; the names of faculty who are working with Titan Shops are provided.

C. 2010-11 MEETING SCHEDULE

Mr. Dickerson asked that Executive Committee members review the schedule and report possible conflicts.

7. ANNOUNCEMENTS

Board of Directors: 06/17/10 @ 5:45, Titan Shops/Senate Chambers

8. ADJOURNMENT

Mr. Bremner adjourned the meeting at 5:37 p.m.

Approved by the Executive Committee, August 3, 2010.



Robert C. Hall, Secretary



BOARD OF DIRECTORS MEETING – REGULAR
TITAN SHOPS CONFERENCE ROOM (SENATE CHAMBERS)

JUNE 17, 2010

7:00 – 9:00 PM

Present: Ted Bremner, Bill Dickerson, Diana Guerin, Bob Hall, Linda Hawkins, Zeke Luna, William Meyer, Frank Mumford, Steve Murray, Linda Patton, Ron Rangel, Ephraim Smith.

Excused: Pat Carroll, Raul Davis, Gary Del Fium, Milton Gordon, Willie Hagan, Scott Hewitt, Pam Hillman, Joseph Lopez, Robert Palmer, Barry Pasternack, Henoc Preciado, Juli Santos.

Guests/Staff: Pearl Cheng, Ann Ehl, John Jay, Chuck Kissel, Tony Lynch.

I. CALL TO ORDER

Chair Bremner called the meeting to order at 7:15 p.m.

II. APPROVAL OF MINUTES

VP Smith moved, Mr. Rangel seconded and motion carried to approve the minutes of the 03/11/10 Board of Directors meeting.

III. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$305,000 through 04/30/10. The ASC is \$215,000 below budget for the fiscal year. The financial summary showed the net income actuals of \$1,312,000 for Titan Shops; \$285,000 for Food/Vending; \$270,000 for Grants and Contracts; and \$873,000 for College Park.

Mr. Mumford referenced page 13 of his report, with particular attention to the net results for each commercial operation. For April 2008, net sales were \$22.6M; \$22.0M for April 2009; \$19.8M for April 2010. This year's sales are 10% lower than last year.

Mr. Mumford also noted that the Audit Committee (which includes Prof. Meyer and a student representative and chaired by Mr. Rangel) has selected Guzman & Gray CPAs to continue to be our auditor.

IV. PRESIDENT'S REPORT

There was no report.

V. GRANTS & CONTRACTS REPORT

Ms. Patton reported that numbers are up in all areas, particularly dollars. She stressed the need to monitor and change how we permit waivers of off-campus IDC rates. The College of Health and Human Development has recently hired Grants Research Officer Christen Turgeson. This is expected to continue growth in applications submitted by that college; Ms. Turgeson will also serve as the liaison between faculty and the post awards office.

VI. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that the current Irvine Campus lease with Lennar will expire in August and we are awaiting an amendment to extend the lease to year-end. We have also signed a lease at a new location in Irvine to start in 2011.

Mr. Dickerson also reported that former Foundation Executive Director Karl Lorentzen passed away on 06/15/10 at the age of 88. Mr. Lorentzen was serving as the Executive Director of Titan Shops when the decision was made to merge Titan Shops with the Foundation. Mr. Lorentzen continued in that capacity until his retirement in 1986. Earlier in his career, he was one of the country's most prominent bookstore directors. Therefore, to honor Mr. Lorentzen's memory, a donation will be made in his name to the National Association of College Stores Foundation.

VII. RATIFICATION: COMMENCEMENT FLOWERS

Mr. Rangel moved, VP Smith seconded and motion carried to adopt the following resolution.

Commencement Flowers – Agreement

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) operates retail bookstore services (Titan Shops) for California State University Fullerton and provides flower sales services; and

WHEREAS, Hall-Magner Group (Commencement Flowers) provides flower sales services throughout the academic year for colleges and universities; and

WHEREAS, both Commencement Flowers and the ASC are desirous of entering into an agreement in which Commencement Flowers will provide services, support and products as outlined in the agreement; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes the Executive Director or his designee to enter into an agreement terminating December 31, 2014, in accordance with the terms and conditions of the attached agreement.

The approval was unanimous.

VIII. RESOLUTIONS

Dean Murray moved, Prof. Guerin seconded and motion carried to adopt the following two recurring fiscal resolutions.

A. FISCAL ACCOUNT AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford or Vice President for Administration & Finance Willie J. Hagan, or any one of them acting individually, are hereby authorized to open the necessary accounts on behalf of the CSU Fullerton Auxiliary Services Corporation (ASC) with financial institutions for the purposes of (1) investing ASC funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships.

B. **SALE OF STOCK AUTHORIZATION**

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford, or Vice President for Administration & Finance Willie J. Hagan are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this Corporation, when any two of the named act together or any one of the named acts upon approval from the Executive Committee.

The approval was unanimous.

C. **ASC AUDIT ACCEPTANCE**

Mr. Mumford said that the Chancellor's Office requires audits to be submitted to the campus for inclusion in the campus' financial packet to the CSU. Since our audit is not always completed prior to the scheduled September Board meeting, we need to provide a structure to permit the Executive Committee to be able to accept the audit on behalf of the Board.

Dean Murray moved, Mr. Rangel seconded and motion carried to adopt the following resolution.

Authorization to Approve Audited Financial Statements

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (the "Corporation") has been formed for the purpose of furthering the educational programs of California State University, Fullerton (the "University") as more fully described in the Articles of Incorporation of the Corporation (the "Articles of Incorporation"); and

WHEREAS, the Corporation is an auxiliary organization of The California State University governed by California Education Code Sections 89900 *et seq.* and the administrative regulations of The California State University as set forth in Title 5 of the California Code of Regulations; and

WHEREAS, the Corporation annually retains the services of an independent Certified Public Accounting firm to perform an audit of its fiscal operations; and

WHEREAS, the CSU Chancellor's Office requires submission of the independent audit to the University for inclusion in the campuses submission of financial information for the preceding fiscal year; and

WHEREAS, the meeting schedule of the Board of Directors of the Corporation does not coincide with the University's required schedule for audit submission; and

WHEREAS, the independent audit requires Board of Directors approval prior to submission to the University; and

WHEREAS, the Board of Directors Executive Committee has delegated authority to act on behalf of the Board between regularly scheduled meetings; therefore

BE IT RESOLVED that the Board of Directors of the Corporation approves specific delegation to the Executive Committee to receive and accept the audited financial statements on behalf of the Board; and

BE IT FURTHER RESOLVED that a complete report on the audited statements and actions taken by the Executive Committee will be provided at the subsequently scheduled Board of Directors meeting.

The approval was unanimous.

D. **EMPLOYEE BENEFITS**

Mr. Rangel moved, VP Smith seconded and motion carried to adopt the following resolution.

Benefit Plan, Fiscal Year 2010-11

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) desires to provide a competitive benefit plan for its salaried and hourly employees; and

WHEREAS, the ASC regularly reviews its employee benefit plans as part of the annual budgeting process; therefore,

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the attached benefit plan for the 2010-2011 fiscal year and beyond, in absence of any change.

The approval was unanimous.

E. **ASC BUDGET**

Mr. Mumford gave the fiscal 2010 highlights: Sponsored Programs ends the year with \$26M in awards; the College Park (CP) bond refinancing is anticipated to save \$2M over the life of the bonds; we continue the Dell laptop scholarship partnership; a lot of time was spent on the attempted acquisition of Hope University and 3 Banting. The following assumptions are incorporated in the budget for 2011, projected enrollment is 25K, down from 28K; the 3K difference in FTE will affect food service and bookstore. Furloughs will end. Titan Shops will lease the former coffee space on the second floor to Ziiing's frozen yogurt which will be operational by fall. Shop24 ("c-store in a box") will be installed at Humanities Plaza. There is a possible change-out of the Chinese food concept at the food court. There will also be a new seven-year lease for the new Irvine Campus location.

Possible challenges for the coming year include declining enrollment; technology affecting bookstore sales; entertainment/hosting reduced or eliminated which will affect catering; changes in buying patterns and habits; less discretionary student spending; reduced beverage purchases; more brown bagging; smaller purchases.

In the past, College Park (CP) rental income was earmarked for debt service and operations of the building; the Chancellor's Office (CO) refinancing took away the earmarks. Reserves will now be set up and revenues will drop down and become another line item for the ASC. Without the CP revenues, the ASC would be dipping into the reserves this year. The proposal for 2010-11, does not have a lot of changes from the previous year except for an increase in titan shops, with net income of over \$600K. The capital budget was also restrained.

Mr. Rangel moved, Mr. Hall seconded and motion carried to adopt the following resolution.

Operating Budget & Capital Outlay, Fiscal Year 2010-11

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) operates on a fiscal year beginning July 1st and ending June 30; and

WHEREAS, the CSU Fullerton ASC Board of Directors approves operating and capital outlay budgets for each fiscal year; and

WHEREAS, said budget also includes a University Needs component which is intended to enable the University to further its educational mission in a manner consistent with the stated public relations policies of both the ASC and the University; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the attached operating and capital outlay budgets for the fiscal year beginning July 1, 2010 and ending June 30, 2011; and

BE IT FURTHER RESOLVED, that with his signature below, CSUF President Milton A. Gordon signifies his approval of said budget and authorizes ASC management to proceed with implementation effective July 1, 2010.

The approval was unanimous.

IX. REPORTS

A. TITAN SHOPS

Mr. Kissel reported that textbook requisition submissions were down to 67%. Digital Marketplace is a Chancellor's Office pilot project with CSUs Fullerton and Long Beach participating. With this program, a \$100 textbook will cost \$35 digitally and \$25 for a stripped down hard copy, reducing cost for students. Six faculty are participating in this pilot project this fall, with hopes to increase numbers in spring. Lastly, the Fire Marshall found three minor issues which have already been addressed.

B. REPORT

Mr. Lynch reported that on the second floor of this building (the Commons/Titan Shops) Ziiing's frozen yogurt operation is under construction and expected to be done in 5-6 weeks. Campus Dining is in the midst of negotiations with the Titan Student Union (TSU) to partner with Panda Express and replace the current Busy Bee Asian. The Fire Marshall had some issues with ventilation system which has been addressed.

Prof. Guerin asked what happened to the library coffee service; Mr. Lynch replied that although the project was ready to go, when Amir Dabirian left CSUF to work for the CO, plans changed. Mr. Dabirian is now back at CSUF, although we have not been informed whether the project will proceed.

C. GOALS & OBJECTIVES, Q3

Mr. Dickerson reported that 11 of 21 completed or achieved significant completion. With one more quarter to go (two weeks), those numbers are anticipated to change. The team is in process of developing a G&O for the upcoming year.

D. PROPOSED 2010-11 MEETING SCHEDULE

Mr. Bremner asked that Board members review the enclosed schedule and notify Mr. Dickerson of possible meeting conflicts.

X. REMINDERS

Next meeting is scheduled for **Tuesday** 09/14/10.

XI. ADJOURNMENT

Mr. Bremner adjourned the meeting at 7:55 p.m.

Approved by the Board of Directors, September 14, 2010.



Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)
ASC CONFERENCE ROOM (CP 250)
AUGUST 3, 2010, 4:00 PM

Present: Ron Rangel, Bill Barrett, Pat Carroll, Bill Dickerson, Bob Hall, Frank Mumford.

Excused: Ted Bremner, Steve Murray, Barry Pasternack.

Staff: Pearl Cheng, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Rangel called the meeting to order at 4:05 p.m.

2. APPROVAL OF MINUTES

Moved to later in the agenda.

Mr. Hall moved, Mr. Barrett seconded (Mr. Carroll abstained), and motion carried to approve the minutes of the 06/01/10 Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$211,000 for the fiscal year. The ASC has a budget variance of (\$44,000). The net income actuals are \$1,308,000 for Titan Shops; \$330,000 for Food/Vending; \$295,000 for Grants and Contracts; and \$810,000 for College Park. Administrative net expenditures were \$1,722,000.

Non-operating results for the year will include adjustments for the defeasance of the College Park Bonds, recognition of income from university support programs, an adjustment for post-retirement medical liability and recognition of unrealized gains on investments.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that, in conjunction with the university, we have entered into a lease for a new CSUF Irvine Campus location. Renovations are currently underway in anticipation of classes beginning in January 2011. Negotiations are continuing with Lennar for a continuation of our current lease through the Fall Semester.

Hope International University is once again a possibility as Hope and CSUF are continuing to discuss a possible purchase. With the due diligence essentially completed, the major obstacle would appear to be fine-tuning of the Finances in order to satisfy the Chancellor's Office.

The last remaining “items” from the settlement with the Elks are nearly complete with the commencement of the soil monitoring and the resolution of the occasional smell of sewer gas. The smell was caused by improper ventilation in the restrooms due to non-vented doors. The doors have been replaced and the problem appears to be eliminated. Preliminary results regarding slope stability are encouraging.

The new yogurt venue in the former Titan Shops Starbucks is nearing completion and should be ready for the start of classes. Shop24, the “convenience store in a box” should also open near the start of classes, as the concrete pad is scheduled to be poured this week. CSUF will be the first west coast campus to have the unit and will likely be a showcase for other campuses.

5. REPORTS

A. CO COMPLIANCE AUDIT

Mr. Mumford reported that the CO Compliance Audit from the spring of 2009 still had open issues relating to “campus program” accounts. These accounts represent funds that the ASC manages on behalf of various campus colleges and departments. These programs consist primarily of Centers, Institutes, Conferences and Workshops. These programs are responsible for providing delivery of non-credit, instructionally related programs and services provided by ASC.

B. GOALS AND OBJECTIVES FOR 2009-10

Mr. Dickerson provided the committee with the June 30, update of our standard report. He offered to answer any questions, and commented that goals for the 2010-11 year would be forthcoming.

C. SPONSORED PROGRAMS

Ms. Cheng reported on the summary of awards for the fiscal year, indicating total awards of \$28,733,000, a 34% increase over the prior fiscal year. Operationally, net income exceeded budget by \$197,000, with \$289,000 re-allocated to the Colleges and administrative units.

OSP has developed an annual closing schedule to ensure that each of the administrative operations have been reconciled. These processes have started and will be included in the standard operating procedure manual.

The WECARE program has been selected for an A-133 annual audit since the program has been pushed into the high risk category of grants and must be audited as a major program.

The ASC is working with the university to attempt to improve the campus Indirect Cost Recovery rate. An RFP process was completed to select a consultant to assist with the review and submission of our next proposal. If possible, we will develop a long-form proposal for our next submission.

D. INFORMATION TECHNOLOGY

Mr. Iftikhar reported on the completion of a new point-of-sale system at Titan Shops. The installation took less than a week and included 38 new registers and 4 servers.

Training was also completed that week. Final adjustments are being made in preparation for full operation at the start of fall semester.

The next major system upgrade will be to replace obsolete point-of-sale devices at Carl's Jr. The equipment has been ordered and we expect to be completed in the next 2 – 3 weeks.

We are in the final phase of implementing a self-administered Campus Dining gift card. This will permit the use of the card for promotional activities without incurring processing charges. Training and implementation will begin this week.

6. CLOSED SESSION

The Board went into closed session at 5:15, and returned to open session at 5:22. No actions were taken by the Board.

7. ANNOUNCEMENTS


Executive Committee Meeting: Tuesday 09/07/10 @ 4:00 p.m.

Board of Directors Meeting: Tuesday 09/14/10 @ 6:00, Titan Shops/Senate Chambers

8. ADJOURNMENT

Mr. Rangel adjourned the meeting at 5:25 p.m.

Approved by the Executive Committee, September 7, 2010.



Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)
ASC CONFERENCE ROOM (CP 250)
SEPTEMBER 7, 2010 · 4:00 PM

Present: Bill Barrett, Ted Bremner, Pat Carroll, Bill Dickerson, Bob Hall, Frank Mumford, Ron Rangel.

Excused: Barry Pasternack.

Staff: Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 4:11 p.m.

2. APPROVAL OF MINUTES

Mr. Rangel moved, Mr. Carroll seconded and motion carried to approve the minutes of the 08/03/10 Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net loss of \$128,000 through July 2010. The ASC is approximately \$182,000 above budget for the fiscal year. He further reported that the net income actuals are (\$80,000) for Titan Shops; (\$25,000) for Food/Vending; \$41,000 for Grants and Contracts; and \$90,000 for College Park. Administrative net expenditures were \$155,000.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that headcount for the first day of classes was 35,103. Hope University is now being negotiated for purchase once again. The Housing Authority now owns another home, for a total of 27, due to a foreclosure. Prospective tenants are ready for move-in once the home is cleaned and prepared. At the annual National Association for College Auxiliary Services (NACAS) conference in November, our Associate Executive Director Frank Mumford will be installed as NACAS President.

5. REPORTS

A. DRAFT FINANCIAL AUDIT

Mr. Mumford reported that changes in the audit presentation have been made. We received an unqualified opinion from our auditors. Pages three and four show financial comparison to previous year; this provides a better, quicker year to year view. Other assets section (page three), we see that restricted cash debt reserve/service pertains to the College Park refinance. This went to zero this year when we refinanced with the Chancellor's Office. There is a significant increase on page four; it is the increase on noncurrent portion on retirement benefit. Commercial

operations are \$2M lower than last year; the reduction is the result of reduced students and furlough days. Contract and grant activities are down \$1M from last year, while award activity is up. New to the report are the university support programs: these were previously recorded as agency accounts. As a result of the Chancellor's Office audit, these accounts were analyzed and some were moved to campus. These programs deliver noncredit courses and instruction.

Mr. Guzman reported that the report is an unqualified, clean opinion. The management letter discusses the findings, with sensitive estimates regarding the post retirement benefit. The allowance accounts are reasonable; due from affiliates refer to the Housing Authority. Single audit will be submitted later and is also an unqualified report. We have control deficiencies, but no material weaknesses. The organization does not have a contribution policy that deals with due diligence on unusual contributions.

B. BYALWS AMENDMENT, AB 1233

Mr. Mumford distributed the highlights of the bylaws changes. This is a summary of AB 1233 by Robert Griffin for AOA; this explains how the act impacts organizations. There are some issues with our bylaws with respect to non-voting ex-officio directors. The new act requires all directors to be voting directors and these votes cannot be by proxy. Questions raised by Executive Committee members included (1) whether we want to make the designees actual board members; (2) whether the right people are on the board; (3) whether full voting privileges be given to current ex-officio members; and (4) if a quorum would be a concern if busier members are no longer represented by their designees. Mr. Mumford added that this act became law the beginning of this year.

C. EXECUTIVE COMMITTEE VACANCY

Mr. Dickerson reported that Steve Murray, who was recently appointed acting Vice President of Academic Affairs, has resigned from the Executive Committee. While we can operate with a vacancy, Mr. Dickerson recommends filling his seat with ASI President Joseph Lopez for the duration of Steve Murray's term which ends 12/31/10. This recommendation is mostly based on (1) that we already have three community members; (2) that we have faculty representation; (3) the Academic Administrative Director (Anil Puri) is newly appointed, which leaves (4) a student appointment.

Ron Rangel moved; Bill Barrett seconds the recommendation—of filling the current term with ASI President Joseph Lopez—to the board. The motion was unanimously approved.

D. CAMPUS DINING

Mr. Lynch reported that Juice It Up! frozen yogurt has opened in the second floor of Titan Shops; it now occupies the space previously held by Titan Coffee. OC American Red Cross recently acknowledged ASC Campus Dining as "Employer of the Year" for hiring individuals with disabilities. On another positive note, the concrete pad has been poured at Humanities Plaza in preparation for Shop24, scheduled to open in early October. Campus Dining continues to work on finalizing

the TSU agreement and installing Panda Express during intersession. Finally, plenty of competition exists across from College Park with WhichWich and The Habit; marketing efforts will be expanded to keep foot-traffic at Nutwood Café.

E. TITAN SHOPS

Mr. Kissel reported that back to school (BTS) sales are up 5%, while gross margin is down 10%. Rental income up 28%, however, rental income reduces sales income. Overall, it was a good BTS period, even with challenges. CSUF is one of five CSU campuses to participate in the Digital Marketplace Pilot -- a program that delivers course material electronically at a significantly reduced fee. Titan Shops submitted another Department of Education (ED) grant, this time seeking one of the 10 awards to be granted for \$1M.

F. G&O 2010-11

Mr. Dickerson reported that a draft goals and objectives for 2010-11 include 32 goals, a few carried from last year. Feedback and questions are welcome.

6. ANNOUNCEMENTS

Our next Board meeting is on Tuesday 09/14/10.

7. ADJOURNMENT

Chair Bremner adjourned the meeting at 6:00 p.m.

Approved by the Executive Committee, December 7, 2010.



Robert C. Hall, Secretary



BOARD OF DIRECTORS MEETING – REGULAR
TITAN SHOPS CONFERENCE ROOM (SENATE CHAMBERS)
SEPTEMBER 14, 2010 · 7:00

Present: Bill Barrett, Ted Bremner, Pat Carroll, Raul Davis, Gary Del Fium, Bill Dickerson, Diana Guerin, Bob Hall, Pam Hillman, Andy Lopez, Joseph Lopez, Zeke Luna, William Meyer, Steve Murray, Robert Palmer, Barry Pasternack, Linda Patton, Henoc Preciado, Anil Puri, Ron Rangel, Brady Rhodes.

Excused: Milton Gordon, Linda Hawkins, Frank Mumford.

Guests/Staff: Kim Ball, Pearl Cheng, Ann Ehl, Patrick Guzman CPA/Auditor, Omar Iftikhar, John Jay, Tony Lynch, Tariq Marji.

I. CALL TO ORDER

Chair Bremner called the meeting to order at 7:15 p.m.

II. APPROVAL OF MINUTES

Mr. Rangel moved, Prof. Guerin seconded and motion carried to approve the minutes of the 06/17/10 Board of Directors meeting.

III. TREASURER'S REPORT

Mr. Marji reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of (\$128,000) through 07/31/10. The ASC is \$182,000 ahead of budget for the fiscal year. The financial summary showed the net income actuals of (\$80,000) for Titan Shops; (\$25,000) for Food/Vending; \$41,000 for Grants and Contracts; and \$90,000 for College Park.

IV. PRESIDENT'S REPORT

Mr. Carroll reported that student fees increased 5% (\$200 for undergrads) and 10% for doctorate students. There were 34,890 students on opening day enrollment; today, there are 35,568. Applications to the University for this year increased, for a total of 62,000 applications for all levels; the biggest change was in upper division transfers (20,000). Due to budget cuts, 11,000 CSU-qualified students were not admitted. CSUF continues to hire full time faculty and now has 753 tenure and tenure-track faculty.

VP Murray added that nationally, the average student now has in excess of \$25K in debt upon graduation; Mr Carroll noted that over 50% of students require financial aid.

V. GRANTS & CONTRACTS REPORT

Ms. Patton reported that they have had their best year ever, with \$28.7M in awards received for AY 2009-2010. The College of Natural Sciences and Mathematics had the highest total award at \$8.9M, HHD with \$5.1M, and CBE with \$4.6M. The Office of Grants & Contracts (OGC) will be implementing the Collaborative Institutional Training Initiative. This online program allows the University to document appropriate training provided to faculty and students in particular areas of research. This is expected to be implemented by 11/01/10. OGC will also be working to review IDC waivers and increase F&A rates. They will also need to rebalance the growth of OGC, since there has been no growth in SPO (Sponsored Programs Office). The patent policy is also being studied and needs Academic Senate approval. Prof Pasternack added that Academic Senate spent many hours working on the patent policy, but was later informed by the Chancellors Office that the policy was subject to collective bargaining.

VI. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that the ASC signed a lease amendment for the Irvine Campus (IRVC) to extend the lease of the current location until 01/31/11. Work is currently underway at 3 Banting, the new location, and is expected to be completed by December in time for spring semester. IRVC enrollment, at its highest, was 3600 a few years ago; today, enrollment is 2600. Hope International University is once again a possibility for purchase. CSUF administration is working on clearing a few obstacles to make this happen. At University Heights (UH), the Housing Authority made a recent purchase of a foreclosed home, bringing the total number of homes owned to 27. Our Associate Executive Director Frank Mumford will be inducted as the President of the National Association of College Auxiliary Services (NACAS) in November. Mr. Mumford has played an active leadership role in both the national and state associations of university auxiliaries.

Regarding IRVC, Prof Pasternack added that in the past, the campus admitted students based solely on the condition that they would take all their classes there. VP Murray said that we could easily meet our target if we had the resources to add classes.

VII. ACTION ITEMS

A. RESOLUTION: AUDIT ACCEPTANCE

Mr. Marji welcomed and introduced CPA auditor, Patrick Guzman. Mr. Guzman reported that this is an unqualified opinion and that grantors and contributors should have no problem reading this. Compliance audits were also performed and will be completed next week; these were also unqualified. There were no major difficulties with the audit. Mr. Guzman listed a handful of recommendations, which are not deficiencies, but nonetheless are areas of note; the ASC is a low risk auditee (the most favorable kind). Mitigating control items include no inventory print-out on 06/30 (in retail). Internal controls for Amazon.com sales have improved, but other aspects can still be improved, such as which books go in and are sold. A contribution policy is needed. One grant had an overpaid stipend (not prorated).

Prof Pasternack moved, Mr. Rangel seconded and motion carried to adopt the following resolution.

Acceptance of 2009-10 ASC Audit

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC) operates on a fiscal year beginning July 1 and ending June 30; and

WHEREAS, the ASC entered into a contract with the accounting firm of Guzman & Gray CPAs to conduct an audit for the fiscal year ended June 30, 2010; and

WHEREAS, Guzman & Gray CPAs certified various other audit reports required by the CSU and the federal government; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation accepts Guzman & Gray's audit reports of the CSU Fullerton Auxiliary Services Corporation for the fiscal year ended June 30, 2010.

The approval was unanimous.

B. EXECUTIVE COMMITTEE VACANCY

Mr. Dickerson reported that when VP Smith took a position at the Chancellor's Office, President Gordon appointed Steve Murray acting VP of Academic Affairs. In his new capacity, VP Murray found no time to continue serving on the ASC's Executive Committee and resigned. Mr. Dickerson suggested that ASI President Joseph Lopez may be an appropriate fit to fill the position.

VP Murray moved, Mr. Davis seconded and motion carried to approve ASI President Joseph Lopez to complete VP Murray's term on the Executive Committee (which expires 12/31/10).

The approval was unanimous.

VIII. REPORTS

A. CAMPUS DINING

Mr. Lynch reported that Juice It Up! Yogurt is now open on the second floor of Titan Shops. Sampling was available on 08/20/10 and students lined up while shopping for books. Campus Dining was awarded "Employer of the Year" by OC American Red Cross for hiring individuals with disabilities. The concrete pad has been poured at Humanities Plaza in preparation for Shop24, scheduled to open in early October.

B. TITAN SHOPS

In for Mr. Kissel, Ms. Kim Ball, Senior Manager for Textbooks reported that on the first day of classes, 86% of textbooks requested were on the shelves. Cancelled titles and book changes caused some to be out of stock. And interestingly, students are coming in sooner to purchase books. For Back-to-School (BTS), sales were up 5% over last year and there was a healthy growth in Apple sales. Sales at IRVC, however, were down due to lower enrollment. So far, the text rental program has 309 titles, approximately 9370 units available for rent, with 7100 rented. Overall, 63 are regular rental titles and 246 are US Dept of Ed titles. We are currently reviewing some used-book wholesalers to determine whether to include them in the program.

C. PROPOSED GOALS & OBJECTIVES

Mr. Dickerson noted that 14 of 21 goals have been completed or substantially completed for 2009-10; attached is the 32 new goals and objectives for 2010-11.

IX. OTHER BUSINESS

A. 2010-11 BOARD MEETING SCHEDULE

Mr. Dickerson asked board members to review the schedule and alert him of possible conflicts.

B. CONFLICT OF INTEREST STATEMENTS

Mr. Dickerson asked board members to sign the conflict of interest statements and return them to Ms. Ehl.

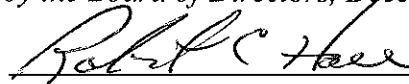
X. ANNOUNCEMENTS

Mr. Dickerson announced that the next board meeting is 12/16/10.

XI. ADJOURNMENT

Mr. Bremner adjourned the meeting at 9 p.m.

Approved by the Board of Directors, December 16, 2010.



Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)

ASC CONFERENCE ROOM (CP 250)

DECEMBER 7, 2010 :: 4:00 PM

Present: Bill Barrett, Ted Bremner, Bill Dickerson, Bob Hall, Frank Mumford, Steve Murray, Barry Pasternack, Ron Rangel.

Excused: Pat Carroll.

Staff: Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Chuck Kissel, Tony Lynch.

1. CALL TO ORDER

Chair Bremner called the meeting to order at 4:05 p.m.

2. APPROVAL OF 09/07/10 MINUTES

Mr. Rangel moved, Prof. Pasternack seconded and motion carried to approve the minutes of the September 7, 2010 Executive Committee meeting.

3. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$874,000 through 10/31/10. The ASC has \$181,000 positive budget variance for the fiscal year. He further reported that net income actuals are \$729,000 for Titan Shops; \$72,000 for Food/Vending; \$219,000 for Grants and Contracts; and \$451,000 for College Park. Administrative net expenditures were \$598,000.

Prof. Pasternack asked about the concessions loss on page 7; Mr. Lynch said that the Golden Baseball league activity taken into consideration during budget did not take place and accounts for the loss. Prof. Pasternack then asked why Starbucks is generating a lower profit; Mr. Lynch responded that start-up costs incurred at the beginning of the semester along with the typical losses sustained during the summer account for the lower profit. Prof. Pasternack questioned the large jump in custom publishing; Mr. Kissel replied that he will determine what accounts for the change and would report back. Prof. Pasternack asked that future reports that have changes of 40% or more from the previous year be highlighted.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that the Housing Authority's most recent acquisition at University Heights has been leased. The President's office will be relocating to the tenth floor of College Park; renovations are expected to be completed by 01/31/11. The most recent Information Update mentioned the TIAA-CREF (ASC's 403b) audit. This is the first year a financial report of 403b funds has been required. To assist us, we have retained an attorney recommended by the auditors. There is a clause in our plan document called

mandatory elective deferral. The plan has a two-year waiting period for new employees; the plan is immediate for employees who come from an educational institution. When the 30-hour employee benefit category was created, there was concern that the mandatory 5% employee contribution might be too costly for some, so a 2% employee (4% employer) contribution rate was created. If, after 24 months of service, the employee was not enrolled, they were to be automatically enrolled at 2%. Unfortunately, our HR department interpreted the plan incorrectly and a few employees were enrolled at 5%. While easy to undo, the auditors believe that the ASC should pay a penalty with interest and the employee's portion of their contribution. We hope to have a new plan document in place by January 2011. Lastly, Gary Del Fium indicated his wish not to renew his term.

5. ACTION ITEMS

A. FIDUCIARY POLICY

Mr. Mumford reported that the state requires a fiduciary for trusts of four or more. We currently have four trusts, the minimum for this policy.

Prof. Pasternack moved to accept with an amendment to section Practice (1) to read, "Make investment decisions on behalf of the trusts while acting in accordance with the ASC's investment policies and after consultation with the ASC's fiscal advisors and management", Mr. Rangel seconded and motion carried to adopt the fiduciary policy.

The approval was unanimous.

Prof. Pasternack moved, Mr. Rangel seconded and motion carried to adopt the following recurring fiscal resolutions.

B. RESOLUTION: FISCAL ACCOUNT AUTHORITY

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford or Vice President for Administration & Finance Willie J. Hagan, or any one of them acting individually, are hereby authorized to open the necessary accounts on behalf of the CSU Fullerton Auxiliary Services Corporation (ASC) with financial institutions for the purposes of (1) investing ASC funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships.

C. RESOLUTION: SALE OF STOCK AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford, or Vice President for Administration & Finance Willie J. Hagan are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this Corporation, when any two of the named act together or any one of the named acts upon approval from the Executive Committee.

The approval was unanimous.

D. RESOLUTION: IRVC @ 3 BANTING SUBLEASE

Mr. Mumford reported that ASC is advancing significant amount of tenant improvement costs, but will be repaid by the campus over a period of time.

Prof. Pasternack moved, Mr. Barrett seconded and motion carried to adopt the following resolution.

University Sublease Agreement: 3 Banting, Irvine

WHEREAS, pursuant to a memorandum of understanding between the California State University Fullerton (“University”) and the CSU Fullerton Auxiliary Services Corporation (“ASC”), ASC entered into a lease for an office building located at 3 Banting, Irvine, California (“Banting Building”); and

WHEREAS, the University has agreed to sublease from ASC the entire Banting Building for use as a satellite campus; and

WHEREAS, the University has requested that the ASC advance the cost of a portion of the tenant improvements needed to prepare the Banting Building for occupancy by the University and ASC has agreed to do so; and

WHEREAS, in addition to rent due to the ASC under the sublease with the University, the University has agreed to reimburse the ASC for all its out of pocket costs associated with the project, including construction of the tenant improvements, financing, management and maintenance costs for the term of ASC’s lease of the Banting Building; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into a sublease with California State University, Fullerton for the Banting Building, in a form substantially similar to the attached.

The approval was unanimous.

E. RESOLUTION: PANDA EXPRESS SUBLEASE

Mr. Lynch reported that this has been in negotiations for a long time, but is finally coming to fruition. Panda Express will open on 01/24/11.

Mr. Rangel moved, Prof. Pasternack seconded and motion carried to adopt the following resolution.

Panda Express Food Court Sublease

WHEREAS, the Corporation (“ASC”) operates the food court on the CSU Fullerton campus (“University”); and

WHEREAS, ASC strives to provide a mix of contemporary and nutritious dining options for University students and staff; and

WHEREAS, ASC, in response to demand for the presence of a recognized Chinese food restaurant in the food court, has negotiated a mutually beneficial business arrangement with Panda Express, Inc. ("Panda"); and

WHEREAS, ASC's agreement with Panda calls for a sublease between the ASC and Panda for a portion of the food court space currently operated by the ASC; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes the Executive Director to enter into a sublease with Panda Express, Inc. in a form substantially similar to the agreement attached hereto.

The approval was unanimous.

6. REPORTS

A. ASC BYLAWS

Mr. Mumford reported that the state no longer allows ex-officio, non-voting directors or designees on non-profit boards of directors. So the Bylaws will be amended to reflect that the Executive Director and CFO are now voting members. And after consultation with the campus, there will be an additional change to the Bylaws redefining the composition of the board to (1) include both VP Administration & Finance (Willie Hagan) and AVP Administration/HR (Bill Barrett), who previously acted as the VP's designee, and (2) replace the Director, Grants & Contracts (Linda Patton) with AVP Graduate Programs & Research (Dorota Huizinga). The President's Office also noted that while Pat Carroll was not appointed to the Board, that he would continue to attend meetings.

B. EXECUTIVE DIRECTOR SEARCH COMMITTEE

Mr. Bremner reported that there were over 100 applicants to the Executive Director position, which was narrowed down to 8-10. The committee met twice, narrowing that field to four and will start the phone interviews next week.

C. INFORMATION TECHNOLOGY

Mr. Iftikhar said that IT is working on a new ASC website, reorganized with a new look and a new corporate governance section related to the Board in a searchable format. The website is currently undergoing internal review and is expected to go live in January. The IRVC move timetable has changed again and the system move to 3 Banting will take place in the first week of January. The new Yum will also be relocated; this too will need a system move. Lastly, in the works are (1) a help desk log to track and follow-up on IT requests and (2) LearnerWeb for HR training applications.

D. SPONSORED PROGRAMS

Ms. Cheng reported that we have \$15.7M in awards. This year's A-133 audit was clean due to pre-audit adjustments. Sponsored Programs had a day retreat to discuss the recent Office of the Inspector General visit as case study. We discussed and determined the office's responsibilities, strengths, weaknesses and will rely on increased training to improve skill and competency levels. Last week, Sponsored

Programs Coordinator Mary Thoen resigned to relocate and accept a similar position with CSU Stanislaus. This vacancy will be reclassified to an Administrator position. On indirect costs recovery, policies will be established to more finely define which grants are eligible for off-campus IDC rates.

7. ANNOUNCEMENTS

Next Board meeting: Thursday 12/16/10

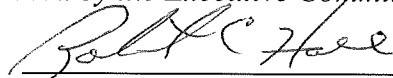
Carol Candlelight: Saturday 12/18/10

ExComm meeting: Tuesday 02/01/11

8. ADJOURNMENT

Mr. Bremner adjourned the meeting at 6:00 p.m.

Approved by the Executive Committee, May 3, 2011.



Robert C. Hall, Secretary



CSU FULLERTON

Auxiliary Services Corporation

Serving the University in the Spirit of Excellence

BOARD OF DIRECTORS
ANNUAL MEETING
TITAN SHOPS CONFERENCE ROOM (SENATE CHAMBERS)
DECEMBER 16, 2010 :: 7:00 PM

Present: Bill Barrett, Pat Carroll, Gary Del Fium, Bill Dickerson, Bob Hall, Dorota Huizinga, Andy Lopez, Joseph Lopez, Zeke Luna, Frank Mumford, Steve Murray, Linda Patton, Anil Puri, Ron Rangel, Brady Rhodes.

Excused: Ted Bremner, Raul Davis, Milton Gordon, Diana Guerin, Willie Hagan, Pam Hillman, William Meyer, Robert Palmer, Barry Pasternack, Henoc Preciado.

Guests/Staff: Kim Ball, Pearl Cheng, Ann Ehl, Omar Iftikhar, John Jay, Tony Lynch, Tariq Marji, Gerald Patton.

I. CALL TO ORDER

Vice Chair Rangel called the meeting to order at 7:10 p.m. He welcomed new board member Dorota Huizinga, guest Gerald Patton and noted that this will be the last meeting for Gary Del Fium and Linda Patton. Mr. Del Fium, after 22 years, wishes to retire from the board and chose not to renew his term.

II. APPROVAL OF MINUTES

Bob Hall moved, Zeke Luna seconded and motion carried to approve the minutes of the September 14, 2010 Board of Directors meeting.

III. ELECTIONS

The following slate of officers was submitted by the nominations committee:

Chair:	Ted Bremner
Vice Chair:	Ron Rangel
Secretary:	Bob Hall
Treasurer:	Frank Mumford
Executive Director:	Bill Dickerson

Mr. Rangel asked for nominations from the floor; there were none. The Board of Directors voted unanimously to accept and continue the current slate of officers for another one year term, expiring 12/31/11.

The nominations committee also submitted the following Board members to serve a one year term to expire 12/31/11 on the Executive Committee:

Barry Pasternack Joseph Lopez

Mr. Rangel asked for nominations from the floor; there were none. With Joseph Lopez abstaining, all other Board members approved both nominees to serve one year terms expiring 12/31/11 on the Executive Committee.

IV. TREASURER'S REPORT

Mr. Mumford reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$874,000 through 10/31/10. The ASC is \$181,000 above budget for the fiscal year. The financial summary showed the net income actuals of \$729,000 for Titan Shops; \$72,000 for Food/Vending; \$219,000 for Grants and Contracts; and \$451,000 for College Park.

Mr. Mumford directed his report to page three (Statement of Activity), the unrestricted column, realized/unrealized gain (loss) of \$799K; this is the current market value gain on investments. He also noted on page eight, that the unrestricted balance over a two-year period is approximately \$22.2M in total investments

V. PRESIDENT'S REPORT

Mr. Carroll, on Dr. Gordon's behalf, wished Board members a very Merry Christmas. He reported that the campus spent last spring and summer working to bring enrollment down. After 09/14/10, Steve Murray received a memo from the Chancellor's Office which raised enrollment; then on 10/08/10, the state budget passed which included an increase in funding for CSU campuses. Shortly thereafter, the Chancellor's Office sent a memo setting the target at 26,158, while the state only provided support for 25,903. An increase in student population is anticipated for the Spring semester and new governor Jerry Brown is not planning on budget cuts in the second half of the year. All CSU campuses worked to push enrollment down and now have to bring them up.

VP Steve Murray said that the next governor will likely roll out budget cuts next year. We will plan on admitting approximately 4000 freshman and 4000 transfers for Fall 2011. If the budget drops, the target will drop as well. We are also looking at various strategies—not to lower the bar but—to provide assistance to students so they can graduate in a timely manner. Fee increases mean working more hours and taking fewer classes and making graduation rates longer.

Dean Anil Puri added that four-year graduation rates are for liberal arts colleges. With comprehensive schools like ours, students work and change majors thus prolonging graduation times. Mr. Carroll noted that there have been improvements in graduation rates over the last ten years.

VI. GRANTS & CONTRACTS REPORT

Ms. Patton reported that submissions and awards are both slightly down. Additionally, there have been a couple staffing issues, with one on disability and another who may return on a part-time basis; in total, they have been down one support staff since summer. OGC also needs to update and review the patent policy that requires academic senate approval. They also need to review and revise conduct in science policy. OGC held a retreat in October with participation from various campus-wide colleagues. Lastly, Kirsten

Torguson is the new HHD research officer hired to increase funding in that college. OGC looks forward to working with her to review existing policies and procedures of this and other CSU campuses on the use of F&A rates and waiver requests for proposal applications.

VII. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that Hope University is (again) no longer being pursued. In the next couple months we are looking at the possibility of payroll-deducted computer purchases at Titan Shops, a benefit to CSUF employees known as the "Loan to Own" program. This was recently approved by the state controller's office; so campus (state) employees can make interest-free computer purchases from Titan Shops over a two year period.

Presently, the Housing Authority owns 27 homes at University Heights. The most recent acquisition was due to foreclosure. President Gordon will make his new home on the 10th floor of College Park sometime this spring. The target for completion of tenant improvements is the first week of February. The TIAA-CREF audit is underway, with a meeting with the ERISA attorney scheduled for next week. Initial audit showed that 403b audits were not conducted nationwide until just this year. We're finding that there are issues with the plan document which should be resolved by January. Sadly, our newest board member Linda Hawkins (elected to board last December) died unexpectedly of a heart attack; she was 64 years old. With Gary Del Fium's resignation, this creates three vacancies in our community membership. Mr. Dickerson reminded Board members that President Gordon recommends nominees to the board for approval. Lastly, Frank Mumford was inducted as NACAS president last month and is on the cover of the current NACAS magazine.

VIII. RESOLUTIONS

Prof Rhodes moved, Mr. Del Fium seconded and motion carried to adopt the following two recurring fiscal resolutions.

A. FISCAL ACCOUNT AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford or Vice President for Administration & Finance Willie J. Hagan, or any one of them acting individually, are hereby authorized to open the necessary accounts on behalf of the CSU Fullerton Auxiliary Services Corporation (ASC) with financial institutions for the purposes of (1) investing ASC funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships.

B. SALE OF STOCK AUTHORIZATION

RESOLVED, that Executive Director William M. Dickerson, Treasurer Frank A. Mumford, or Vice President for Administration & Finance Willie J. Hagan are hereby authorized to sell, assign and endorse for transfer, certificates representing stocks, bonds or other securities now registered or hereafter registered in the name of this Corporation, when any two of the named act together or any one of the named acts upon approval from the Executive Committee.

The approval was unanimous.

C. IRVC @ 3 BANTING SUBLEASE

VP Murray moved, Dean Puri seconded and motion carried to adopt the following resolution.

University Sublease Agreement: 3 Banting, Irvine

WHEREAS, pursuant to a memorandum of understanding between the California State University Fullerton (“University”) and the CSU Fullerton Auxiliary Services Corporation (“ASC”), ASC entered into a lease for an office building located at 3 Banting, Irvine, California (“Banting Building”); and

WHEREAS, the University has agreed to sublease from ASC the entire Banting Building for use as a satellite campus; and

WHEREAS, the University has requested that the ASC advance the cost of a portion of the tenant improvements needed to prepare the Banting Building for occupancy by the University and ASC has agreed to do so; and

WHEREAS, in addition to rent due to the ASC under the sublease with the University, the University has agreed to reimburse the ASC for all its out of pocket costs associated with the project, including construction of the tenant improvements, financing, management and maintenance costs for the term of ASC’s lease of the Banting Building; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into a sublease with California State University, Fullerton for the Banting Building, in a form substantially similar to the attached

The approval was unanimous.

D. CSUF PHOTO VOLTAIC PROJECT FUNDING REQUEST

Mr. Barrett reported that this project would generate one megawatt; the campus currently uses 12. This project has gone thru several iterations; presently, this is a \$6M project which requires a short term loan of \$4.8M. In the first five years of the program, there would be \$1.7M in rebates. Additional funding has been identified for additional payments so that the total loan amount will be paid back in six years. Mr. Barrett added that it was VP Hagan’s desire to payback as quickly as possible. Mr. Rangel noted that this loan would tie-up half of ASC’s cash.

Mr. J. Lopez moved, AVP Barrett seconded and motion carried to adopt the following resolution.

CSUF Photo-Voltaic Project Funding Request

WHEREAS, the California State University, Fullerton (“University”) desires to construct, own and maintain photo-voltaic projects which will provide a capacity of one megawatt of electric power for the campus; and

WHEREAS, the University has requested funding of up to four-million eight-hundred thousand dollars (\$4,800,000) for a period of up to six (6) years from the CSU Fullerton Auxiliary Services Corporation (“ASC”) to complete the projects; and

WHEREAS, the University intends to repay the funds to ASC through incentives and utility savings provided by the projects; therefore

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes its Executive Director or his designee to enter into an agreement with the University to provide the financing required for construction of photo-voltaic projects on the campus of California State University, Fullerton, in accordance with the terms and conditions contained in the attached Memorandum of Understanding

The approval was unanimous.

E. PANDA EXPRESS SUBLEASE

VP Murray moved, Dean Puri seconded and motion carried to adopt the following resolution.

Panda Express Food Court Sublease

WHEREAS, the Corporation (“ASC”) operates the food court on the CSU Fullerton campus (“University”); and

WHEREAS, ASC strives to provide a mix of contemporary and nutritious dining options for University students and staff; and

WHEREAS, ASC, in response to demand for the presence of a recognized Chinese food restaurant in the food court, has negotiated a mutually beneficial business arrangement with Panda Express, Inc. (“Panda”); and

WHEREAS, ASC’s agreement with Panda calls for a sublease between the ASC and Panda for a portion of the food court space currently operated by the ASC; therefore

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes the Executive Director to enter into a sublease with Panda Express, Inc. in a form substantially similar to the agreement attached hereto

The approval was unanimous.

F. BYLAWS AMENDMENT

VP Murray moved to accept with the amendment of “Associate Vice President for Administration & Human Resources” to “Associate Vice President for

Administration” within the Bylaws; Mr. Del Fium seconded and motion carried to adopt the following resolution.

Approval of Amended & Restated Bylaws

WHEREAS, the California legislature has enacted certain changes to the California Corporations Code (“Code”) to address concerns related to the governance and operation of California non-profit corporations; and

WHEREAS, in order to comply with the requirements imposed by the changes to the Code, this Board recognizes the need to amend the Bylaws; and

WHEREAS, in light of procedural changes necessitated by the changes to the Code, this Board recognizes the need to modify the composition of the Board; and

WHEREAS, the proposed amended and restated Bylaws accomplish these goals; therefore,

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the amended Bylaws attached hereto

The approval was unanimous.

IX. REPORTS

A. EXEC DIR SEARCH COMM

Mr. Rangel reported that 102 applications were received for the position of Executive Director and phone interviews were conducted with four candidates. The search committee will meet after the holidays and decide which of the four to invite to campus. The schedule is to have interviews in January with an offer made by early February.

B. REPORT

Mr. Iftikhar reported that IT is working to replace the current ASC website; they are in the final stages working with the various departments to finalize content. The goal is to go live in the by 01/03/11. With the new Irvine campus (IRVC) moving to 3 Banting, IT is also moving the IRVC Bookstore system to the new location. The move requires working with campus IT and construction to make sure that connectivity is in place and meets ASC requirements. He is also working to add IT help desk software, which has recently become more affordable, to document and track the numerous IT requests. With the hiring of a new HR director, we are also looking to facilitate online training.

C. REPORT

Ms. Cheng reported that, to date, the dollar amount awarded this year is lower than last year. Operations generated revenue thru IDC (indirect cost) is higher than last year by 29% (transactions carried over from the previous year) and activity is also higher by \$1M. Pre-audit adjustments resulted in a clean A133 audit with no findings. A whistleblower on the program side resulted in an Office of Inspector

General review. While ASC documentation and the audit trail were clean, there was a question of integrity of initial documentation. On the personnel side, ASC Coordinator Mary Thoen resigned to relocate to (and accept a similar position at) Humboldt. This position will be reclassified from coordinator to administrator.

X. OTHER BUSINESS

Mr. Dickerson thanked Ms. Patton for her years of service to the ASC. With the change in Bylaws, the Director of Grants & Contracts will no longer serve on the Board. However, Dorota Huizinga, AVP Graduate Programs & Research, will represent the pre-awards side of research. Mr. Dickerson also recognized and thanked Mr. Del Fium for his many years of service to the Board in addition to working as director, property development of the CSUF Housing Authority for three years.

XI. ANNOUNCEMENTS

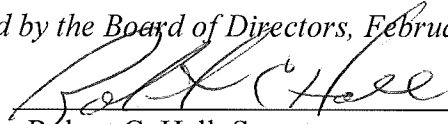
Carol Candlelight: Saturday 12/18/10 @ 6:30, TSU

Next Board meeting: Thursday, 02/17/11 (date change!)

XII. ADJOURNMENT

Mr. Rangel adjourned the meeting at 8:55 p.m.

Approved by the Board of Directors, February 17, 2011.



Robert C. Hall, Secretary