

Executive Committee Meeting (Special)
ASC Conference Room (CP 250)
January 25, 2011 :: 2:30 pm

Present: Bill Barrett, Ted Bremner, Willie Hagan (via phone), Bob Hall, Barry Pasternack.

Excused: Bill Dickerson, Joseph Lopez, Frank Mumford, Ron Rangel.

Staff: Ann Ehl, John Jay.

1. Call to Order

Chair Bremner called the meeting to order at 2:40 p.m.

2. Report: Executive Director Search Committee

Mr. Barrett reported that the search committee, after conducting four telephone interviews, recommended that they do not go to the next stage of second round of interviews but make an immediate offer of the Executive Director position to Frank Mumford. Mr. Bremner noted that the Executive Directors (ED) of Aztec Shops (SDSU), Pomona (Cal Poly) & 49er Shops (CSULB) all make in the \$170K range. Specifically, ED Aztec Shops receives \$189K plus an annual car allowance of \$7800; ED 49er Shops earns \$179K; ED Pomona receives \$174K plus a \$12K car allowance; and the current ASC ED makes \$172K with no car allowance. As Associate ED, Mr. Mumford receives just under \$150K and no health benefits (which he receives from PERS as a retired state employee and accounts for a health benefit savings of \$10K). Mr. Bremner added that in doing research of similar sized companies, current compensation range is \$170K-\$200K with stock options.

VP Hagan said that the comparative data is a good starting point and noted that Dickerson's salary had been held down the last couple years since the campus has not given increases during that time. He asked Executive Committee members to propose a salary, adding that President Gordon will want to remain comparable to campus vice president and associate vice president rates. Mr. Bremner suggested \$180K; Prof. Pasternack agreed that while the state is in serious hot water financially, that it might be insulting to Dickerson to start Mumford at a higher rate. Mr. Bremner and VP Hagan both agreed to consider \$172 as a ceiling. Mr. Barrett added that whoever is hired as the new Director of Finance & Administration wouldn't have as much experience as Mumford and so there would be salary savings there. VP Hagan suggested offering \$175K, which would be less than Dickerson's current salary, considering the \$10K health benefit savings.

Mr. Hall asked about comparable campus salaries; VP Hagan gave the figures for the all the campus vice presidents and the AVPs within his division. VP Hagan asked if the Executive Committee members were fine with the \$175K figure, he would make that recommendation to President Gordon; the members unanimously agreed with offering Mr. Mumford the Executive Director position at a salary of \$175,000/year, starting 03/01/11.

Within a couple minutes, VP Hagan called back, confirming that President Gordon's agreement with the proposed salary.

3. Reminders

Executive Committee meeting: Tuesday 02/01/11

Board of Directors meeting: Thursday 02/17/11

4. Adjournment

Chair Bremner adjourned the meeting at 3:20 p.m.

Approved by the Executive Committee, May 3, 2011.



Robert C. Hall, Secretary

BOARD OF DIRECTORS MINUTES

Titan Shops Conference Room / Senate Chambers

February 17, 2011 • 7:00 pm

Present: Bill Barrett, Ted Bremner, Pat Carroll, Bill Dickerson, Diana Guerin, Bob Hall, Dorota Huizinga, Andy Lopez, Joseph Lopez, Zeke Luna, William Meyer, Frank Mumford, Steve Murray, Barry Pasternack, Henoc Preciado, Ron Rangel, Brady Rhodes.

Excused: Sy Abrego, Raul Davis, Milton Gordon, Willie Hagan, Pam Hillman, Anil Puri.

Guests/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 7:25 pm.

II. Approval of 12/16/10 Minutes

Prof. Rhodes moved, Mr. Rangel seconded and motion carried to approve the minutes of the December 16, 2010 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 \$892,000 through 12/31/10. The ASC is \$535,000 above budget for the fiscal year. The financial summary showed the net income actuals of \$541,000 for Titan Shops; \$145,000 for Food/Vending; \$402,000 for Grants and Contracts; and \$689,000 for College Park. Students are spending less at both the bookstore and campus dining locations. We're in good shape now, but the numbers may be misleading as year end approaches.

IV. President's Report

There was no report.

V. Graduate Programs & Research Report

Dr. Huizinga reported that last year's increased activity was an anomaly, with stimulus funds increasing success rates and funding amounts. For an even comparison, numbers were compared to 2008. Year to date, we have 74 proposals submitted, 27 awarded, 27 pending compared to 78, 48 and 1, respectively, for the same time period in 2008. Additionally, the mid-year report shows that total funding received is \$16.3M compared to \$10.7M two years ago.

VI. Executive Director's Report

Mr. Dickerson reported that this is his last ASC Board of Directors meeting after 23 years and has seven more days until retirement.

VII. Ratification: ASC Executive Director

Mr. Bremner reported that there were over 100 applicants for the ASC Executive Director position; 10 were selected in the first round for further review. This group was then reduced to four, with Mr. Mumford resulting as the most qualified.

Prof. Rhodes moved, Mr. Luna seconded and motion carried; the Board unanimously ratified the following:

ASC Executive Director

WHEREAS, the search committee tasked with selecting a new Executive Director for the Corporation conducted a nationwide search for the position; and

WHEREAS, after interviewing the top candidates for the Executive Director position, the search committee unanimously voted to offer the position to Frank A. Mumford, the Corporation's current Associate Executive Director and Chief Financial Officer; and

WHEREAS, the Executive Committee of the Board and the University President reviewed the search committee's recommendation and authorized the Chair to offer the position to Mr. Mumford effective March 1, 2011; and

WHEREAS, Mr. Mumford has agreed to accept the position of Executive Director; and

WHEREAS, the Board concurs with the search committee's decision and believes that Mr. Mumford has demonstrated that he possesses the skill, experience and judgment to serve as the Corporation's Executive Director; therefore

BE IT RESOLVED that the Board ratifies the appointment of Frank A. Mumford as Executive Director of the Corporation.

VIII. Resolutions

A. Chief Financial Officer

VP Murray moved to adopt the following resolution, Prof. Pasternack seconded and motion carried unanimously.

Appointment of Tariq Marji as Chief Financial Officer

WHEREAS, Frank A. Mumford, the Corporation's Chief Financial Officer has accepted the position of Executive Director effective March 1, 2011; and

WHEREAS, Tariq Marji has served the Corporation as Controller for five years; and

WHEREAS, during such time Mr. Marji has demonstrated that he possesses the requisite skill, experience and judgment to serve as the Corporation's Chief Financial Officer; and

WHEREAS, both the current and the incoming Executive Directors recommend the appointment of Tariq Marji as the Corporation's Chief Financial Officer; therefore

BE IT RESOLVED that the Board appoints Tariq Marji as Chief Financial Officer of the Corporation effective March 1, 2011.

B. Fiscal Account Authorization

Mr. Mumford noted that this recurring fiscal resolution addresses Patriot Act issues, is only used a couple times a year and removes VP Hagan as an agent since his authorization has never been utilized.

AVP Barrett amended the resolution to include VP Hagan as a third authorized individual; Prof. Guerin seconded and motion carried.

Fiscal Account Authorization

RESOLVED, that Executive Director Frank A. Mumford, Chief Financial Officer Tariq Marji or CSUF Vice President for Administration & Finance Willie J. Hagan are hereby individually authorized to open accounts on behalf of the CSU Fullerton Auxiliary Services Corporation with financial institutions for the purposes of (1) investing funds; (2) transferring funds from one financial institution to another; and (3) opening accounts with financial institutions, in order to effect banking relationships. Such authorization is limited to actions taken in accordance with the Corporation's policies and procedures.

C. Sale of Stock Authorization

Mr. Mumford said that this resolution provides ASC the authority to sell stock; but, ASC, in turn, allows their investment managers to do this. This also removes VP Hagan as an agent. AVP Barrett moved to amend the resolution to include VP Hagan; Prof. Guerin seconded and motion carried.

Sale of Stock Authorization

RESOLVED, that Executive Director Frank A. Mumford, Chief Financial Officer Tariq Marji or CSUF 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. Such actions may be taken without board action when said parties act jointly; or such actions may be taken individually when the party is acting at the direction of the Investment Committee or the Board. Such authorization is limited to actions taken in accordance with the Corporation's policies and procedures.

IX. Reports

A. Titan Shops

Mr. Kissel reported that requisition submissions increased and our rental income and online sales are up. Titan Shops will change offerings from serialized rentals to non-serialized rentals which are expected to increase sales. The bookmark being distributed now (and to students) shows sales prices of various competitors.

Prof. Rhodes asked whether Titan Shops plans to include digital prices from other vendors; Mr. Kissel replied that they do. He added that the bookmark provides

information that is presently available and that Titan Shops continues to offer the lowest price guarantee as long as it is not marketplace. Also, most students prefer non-digital textbooks; total digital volume is less than 1% of total books.

Mr. Lopez said that most students aren't aware of the bookstore's price-match policy; Prof. Rhodes replied that faculty can add the price matching hotlink to their Blackboard syllabus.

B. Campus Dining

Mr. Lynch reported that the new TSU operations agreement was finalized late last year, with a five year term and a five year extension. Panda Express was installed during intersession and opened one week prior to classes. It is the highest grossing Panda Express within the CSU system's 14 units. At Togo's (both at the Food Court and Nutwood Café), toasted sandwiches are now offered. The app "Punchd" is now being used at campus dining locations.

Mr. Lopez noted that foursquare is very popular with students as is Panda; Mr. Henoc added that Panda accepts coupons which has been very popular with students. Prof. Rhodes said that we need another outlet for Starbucks as the lines are very long.

X. Acknowledgement

Mr. Bremner acknowledged Bill Dickerson's long-time leadership and vision and wished him the best as he presented him a plaque and an iPad. Mr. Dickerson said for the last seven years, he was the most-senior Executive Director within the CSU auxiliaries, whereas at one time, he was often the youngest person in his position. He acknowledged his management team as part of his success, noting that Mr. Mumford did this job (as Executive Director) at Cal Poly for five years before he joined CSUF. Mr. Dickerson said that he leaves the organization in Frank's very good hands. He thanked the board for the gifts, the recognition and the opportunity to work with everyone present.

XI. Announcements

Bill's Retirement Drop-in: Mon 02/28/11 @ 3pm, CP 250

Budget Workshop: Tue 05/03/11 @ 5pm

Next Board meeting: Thu 06/23/11

XII. Adjournment

Mr. Bremner adjourned the meeting at 8:30 p.m.

Approved by the Board of Directors, September 22, 2011.

Robert C. Hall, Secretary



EXECUTIVE COMMITTEE MEETING (REGULAR)

ASC CONFERENCE ROOM (CP 250)

MAY 3, 2011 :: 4:00 PM

Present: Bill Barrett, Ted Bremner, Bob Hall, Tariq Marji, Frank Mumford, Barry Pasternack, Ron Rangel.

Excused: Pres. Gordon, Willie Hagan, Joseph Lopez.

Staff: Pearl Cheng, Ann Ehl, 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 MINUTESA. 12/07/10 Regular Meeting

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

B. 01/25/11 Special Meeting

Prof. Pasternack moved, Mr. Hall seconded and motion carried to approve the minutes of the January 25, 2011 Special Executive Committee meeting.

3. TREASURER'S REPORTA. Financial Report

Mr. Marji reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net surplus of \$783K through 03/31/11, resulting in a net income of (\$408K). Bookstore revenues exceeded budget by 5%, netting a surplus of \$1M. Sales declined for new, used and rental texts by 7%, 8% and 5%, respectively. Campus Dining revenues almost matched budget. College Park exceeded budget by \$184K. General fund had expenditures of \$1,462,635, resulting in a budget variance of (\$29K).

There was some concern expressed regarding the competition in food venues across from College Park (The Habit, Which Wich, Flame Broiler and Tully's). Additionally, Sonic recently opened at Chapman and Placentia Avenues and Five Guys will open soon at State College Boulevard and Chapman Avenue. To compete, Chef Dean will rework The Grill's menu at Nutwood Café. Sales, however, continue to grow at Togo's.

There was a question regarding where Shop 24 was in the financials; Mr. Kissel replied that it was under Bookstore food. It currently has \$10K in sales during the semester when students are on campus.

B. Audit Information Update

Mr. Marji reported that the OC Assessor's Office conducted a Business Property Statements Audit in March; in April we received a final report, with no audit findings or tax obligations. On the same day we received the Assessor's final report, we received word from the State Board of Equalization that they will conduct an e-waste audit in June. This will be a review of the 2008-2010 calendar years.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Mumford reported the resignation of the recently hired HR director. Pat Simms, ASC's HR manager of several years, retired last summer and a new individual was hired to replace her last fall. By virtually unanimous decision, an HR director was hired. Upon her resignation, Senior HR Manager Rosario Borromeo--who has been overseeing the 403B audit--began overseeing HR. Ms. Borromeo has been in her current capacity for six months. Also, long standing MIS Director Omar Iftikhar resigned after 15 years at ASC. Over the years, he worked extensively with MBS at the bookstore and Titan Shops became a premier account for MBS' innovative products. MBS offered Mr. Iftikhar the position of Director, Product Development. This leaves a vacancy in a critical area; however, we have identified a candidate. Background checks are currently being completed and depending on that outcome, an offer may be made as soon as next week. Serving on our search committee for ASC IT Director are two campus representatives from IT.

Regarding our 403B audit, regulatory changes required an external audit. We hired a CPA firm who reviewed our records and found a possible liability of \$400K. We also hired a law firm who sets up 403B and retirement plans. Making some corrections, we were able to reduce our liability to \$27K plus \$3K in lost earnings. Additionally, the law firm found an advisory opinion by the Department of Labor (relative to CSU Hayward), that auxiliaries do not fall under guidelines for Form 5500 filing. The law firm will draft a letter addressing their finding and ASC will not file Form 5500. The plan had too many exclusions, making it cumbersome to administer; the corrected plan will be more uniform for all employees.

In the new fiscal year, ASC will start a new timekeeping system; the current system is cumbersome and only captures commercial operations and administration. The new system will be computer-based, be ready by 07/01/11 and capture all ASC staff.

Lastly, Mr. Mumford reported that upcoming projects include property development behind College Park. This includes a parking structure and apartment-style housing with first floor retail; other uses are also being reviewed. Additionally the City of Fullerton is considering a college town for the Commonwealth/Nutwood area. Schematics of possible CP parking reconfiguration were distributed; this has been submitted to PAB.

5. POLICY REVIEW

A. AUTOMOBILE ALLOWANCE POLICY

Mr. Mumford said that Bob Farrell works at 3 Banting (Irvine Campus), University Gables, University Heights and College Park; he travels extensively among the four locations and we would like to offer him an auto allowance of \$500/month. At 12,000 miles per annum, \$500 /month equates to \$0.50/mile. We plan to use this

policy very sparingly, with employees provided automobile allowance to be determined by the Executive Director. This policy has an effective date of 07/01/11; this will be submitted to the Board in June.

B. FIXED ASSET POLICY

Mr. Mumford reported that this policy codifies the current policy already in place.

6. REPORT: SPONSORED PROGRAMS

Ms Cheng distributed a report presented to the Council of Deans which shows a 25% increase in volume over last year. Our income increased, but furloughs affected last year's figures. This year was very busy, with revenues exceeding budget; next year is anticipated to remain flat. We had one program which had issues in its administration; there is a possibility that we have to return some funding. Unfortunately, this WeCare program does not benefit university too much. On another note, the Chancellor's Office is looking to auxiliaries to process student stipends centrally. Lastly, when SPO Coordinator Mary Thoen resigned, her position was reclassified to Administrator and we hired Denise Bell from CSULB.

7. ANNOUNCEMENTS

Executive Committee Retreat: Wed 05/25/11 – Fri 05/27/11

Next ExComm meeting: Tue 06/02/11

Next Board meeting: Thu 06/23/11

8. OTHER BUSINESS

There was no other business.

9. ADJOURNMENT

Mr. Bremner adjourned the meeting at 5:10 p.m.

Approved by the Executive Committee, August 16, 2011.


Robert C. Hall

BOARD OF DIRECTORS MINUTES

Titan Shops Conference Room / Senate Chambers

June 23, 2011 • 6:00 pm

Present: Diana Guerin, Bob Hall, Dorota Huizinga, Zeke Luna, Tariq Marji, William Meyer, Frank Mumford, Anil Puri, Ron Rangel.

Excused: Sy Abrego, Bill Barrett, Ted Bremner, Raul Davis, Milton Gordon, Willie Hagan, Pam Hillman, Andy Lopez, Joseph Lopez, Steve Murray, Barry Pasternack, Henoc Preciado, Brady Rhodes.

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

I. Call to Order

Vice-Chair Rangel called the meeting to order at 7:12 pm. Due to a lack of quorum, reports were received but no actions were taken.

II. Approval of 02/17/10 Minutes

No action taken.

III. Treasurer's Report + Audit Update

Mr. Marji reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a net income of \$989,622 through 04/30/11. The ASC is \$306,315 behind budget for the fiscal year.

Mr. Marji said that two audits were conducted last quarter. The OC Assessor's Office conducts their audit every four years to review tax exempt status. The report came back clean, with no findings or tax obligations. The other audit was recently conducted by the State Board of Equalization to review e-waste. Preliminary reports indicate another clean report with no audit findings or tax liabilities.

IV. President's Report

Mr. Carroll reported on President Gordon's behalf, who is at the CSU Presidents' Retreat hosted by the Chancellor's Office. The CSUF enrollment target will be the same as last year within a few hundred students; furthermore, we do not expect to accept any more applications for the spring semester unless we receive additional state support. Due to state budget constraints, there will be a \$25M budget cut before fee increases.

V. Graduate Programs & Research Report

Dr. Huizinga reported that final numbers will not be available until July. This year, we submitted \$70M in grant proposals. It appears that the larger proposals are collaborative, multi-year projects, so we need to focus developing grant-writing skills of new faculty.

Regarding IDC, it is the only true income for Sponsored Programs, so efforts were made to track IDC rates. Our off-campus rates are unusually low. While we submitted a lot of institutional proposals, we did not leverage our HSI (Hispanic Serving Institution) status. Programmatic grants have small IDC rates as mandated by funding agencies. However, as of 06/09/11, 130 proposals have been awarded \$26M. We will look into restructuring pre-awards office and the possibility of hiring additional staff for both pre- and post-awards offices.

VI. Executive Director's Report

Mr. Mumford reported that ASC IT Director Omar Iftikhar resigned to accept a position with Missouri Books Systems (MBS). We are in process of a search; though we thought we had a viable candidate, the background check proved problematic. We have asked campus IT to provide someone on a contract basis, if the second round search for an IT Director does not result in a viable candidate.

With our 403B audit, our potential liability is smaller than initially anticipated and approximates \$27K plus missed growth of \$3K. Our law firm found a department of labor advisory issued to CSU Hayward which will provide our defense that we are not subject to ERISA filings.

At the ASC Executive Committee, we distributed our 2010-11 PR piece. This was initially developed by campus Public Relations who shared it with other campuses; our numbers will be updated at the conclusion of our annual audit. Baja Fresh will replace Green Burrito and is expected to open by fall semester. Dorota Huizinga joined us at the retreat to give us the campus perspective on grants and contracts. She gave a balanced scorecard update on the committee review of Sponsored Programs from a few years ago (co-chaired by ASC Board members Steve Murray and Bill Dickerson). We also discussed the viability and repurposing of the Housing Authority and concluded the retreat with Jay Bond giving an update on College Town.

This summer, ASC will work on the College Park entrance to remove the planter and address pedestrian issues. We continue to have discussions regarding the area behind College Park for university use. SB (Senate Bill) 8 passed and will go into effect 01/01/2012. This bill states that auxiliaries are subject to the open records act. A board member suggested that the ASC consider hiring a staff person to deal with the initial onslaught of requests. Lastly, today's meeting is the last meeting for departing board members whose term ends 06/30/11: faculty member Bill Meyer, Academic Senate Chair Diana Guerin and administrative director Anil Puri.

VII. Resolutions

A. Employee Benefits

No action taken.

B. ASC Budget

No action taken.

VIII. Policy Approvals

A. Automobile Allowance

No action taken.

B. Fixed Assets

No action taken.

IX. 2011-12 Meeting Schedule

Mr. Rangel asked that Board members review the meeting schedule for possible conflicts. Mr. Mumford mentioned that at the retreat, a poll was taken on when to hold it; general consensus was that it be held in the fall, with the next off-campus retreat to be held early September 2012. In light of that, we may schedule a one-day, on-campus retreat this September.

X. Reminder

Next Board meeting: Thu 09/22/11

XI. Adjournment

Mr. Rangel adjourned the meeting at 8:00 p.m.

Approved by the Board of Directors, September 22, 2011.

Robert C. Hall, Secretary



Executive Committee Meeting (Special)
CP 250 Conference Room/ Dial-in: 657-278-4701
June 27, 2011 :: 2:00 pm

Present: Bill Barrett, Ted Bremner (via phone), Bob Hall (via phone), Tariq Marji, Frank Mumford, Barry Pasternack (via phone), Ron Rangel (via phone).
Excused: Milton Gordon, Willie Hagan, Joseph Lopez.
Staff: Ann Ehl, Chuck Kissel, Tony Lynch.

1. Call to Order

Chair Bremner called the meeting to order at 2:03 p.m.; roll-call was taken.

2. Resolutions

A. Employee Benefits

Mr. Mumford reported that there is an expected increase of 9-10% in health benefit premiums. With the ASC (like the campus) not providing employees any salary increases this year, management recommends that it pay for the increases in health insurance premiums. Regarding its 403b plan, ASC has a complicated TIAA-CREF plan which is difficult to administer and not always administered appropriately. The plan called for full-time staff to be employed two years before mandatory participation. Management recommends that this be an elective retirement plan effective immediately upon hire with a two year 'cliff' vesting and eliminating automatic elective deferral. The last part of the employee benefit recommendation is that "non-exempt, grade 9-11" vacation accrual category be eliminated. ASC currently does not have a grading system in practice and only a handful of staff are categorized in that group (they will be grandfathered into the exempt group).

Prof. Pasternack asked how the ASC's portion of four- or eight-percent is determined; Mr. Mumford replied that is a matching rate. If the employee contributes two percent into their retirement, the ASC matches with four percent; if the employee contributes five percent, the ASC matches with eight percent.

Mr. Hall asked if the changes to the health benefits contribution are an annual or a one-time change; Mr. Mumford answered that this is a one-time change and that the benefits package is reviewed annually.

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

Benefit Plan, Fiscal Year 2011-2012

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 2011-2012 fiscal year and beyond, in absence of any change.

B. ASC Budget

Mr. Mumford stated that the budget was discussed in detail with Board members who attended the budget workshop in May and that there were no significant changes. Prof. Pasternack asked what the “CSU Additional Pay 8226” for \$4K was on page seven (last line item); Mr. Lynch replied that it was textbook rentals and tuition reimbursement for employees. Prof. Pasternack asked what “Employee Relations 8170” for \$17K was (middle, page seven); Mr. Mumford replied that, according to Ms. Cheng, it is an Institutional Review Board charge from the Chancellor’s Office.

Mr. Hall moved to approve the budget resolution, Mr. Rangel seconded and motion carried unanimously.

Operating Budget & Capital Outlay, Fiscal Year 2011-12

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, 2011 and ending June 30, 2012; 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, 2011.

3. Adjournment

Mr. Mumford thanked the Executive Committee for their participation on such short notice. Mr. Bremner adjourned the meeting at 2:20 p.m.

Approved by the Executive Committee, August 16, 2011.


Robert C. Hall, Secretary

EXECUTIVE COMMITTEE MINUTES

ASC Conference Room @ CP 250

August 16, 2011 • 4:00 pm

Present: Bill Barrett, Ted Bremner, Tariq Marji, Frank Mumford, Ron Rangel.

Excused: Willie Hagan, Bob Hall, Pres. Gordon, Barry Pasternack.

Staff: Pat Carroll, Pearl Cheng, Ann Ehl, John Jay, Chuck Kissel, Tony Lynch, Mike Marcinkevicz.

1. **CALL TO ORDER**

Chair Bremner called the meeting to order at 4:00 p.m.

2. **APPROVAL OF MINUTES**

A. **05/03/11 Regular Meeting**

Mr. Rangel moved, Mr. Mumford seconded and motion carried to approve the minutes of the May 3, 2011 Executive Committee meeting.

B. **06/27/11 Special Meeting**

Mr. Mumford moved, Mr. Rangel seconded and motion carried to approve the minutes of the June 27, 2011 Special Executive Committee meeting.

3. **TREASURER'S REPORT**

A. **Financial Report**

Mr. Marji reported that the Bookstore, Food & Vending, Grants/Contracts, Other Commercial Operations and Administrative divisions' combined activities generated a surplus of \$1.4M, resulting in a budget variance of (\$491K) for April. For June 2011, net surplus was \$978K with a net loss of \$241K. Year-to-date, Bookstore revenues exceeded budget by 12%, netting a surplus of \$1.2M. Campus Dining revenues met budget by 99.4%, netting a surplus of \$260K. College Park exceeded budget by \$105K. General fund had expenditures of \$1.5M, resulting in a favorable budget variance of \$144K. On investments, a snapshot of our portfolio shows that we currently have \$7.7M.

B. **Actuarial Report**

Mr. Marji reported that this year's annual adjustment for post-retirement benefits expense is \$192K. Our total obligation as of June 30 is \$4.8M. Next year's expense is estimated to be \$270K.

C. **Investments**

The right hand side of the report charts the year end values over five years, with the realized/unrealized gains showing gains and losses. Investments took a hit during 2008-09. Page two shows that 80% of funds is invested in equity.

Mr. Mumford added that the other chart shows we have 50% invested in fixed and we're not entirely skewed on equity, noting that short term cash is balanced internally. Mr. Marji said that the LAIF chart shows volatile yield activity over 30+ years from a low of 0.5 to a high of 12.50. Lastly, enclosed in the reports is the latest draft of the ASC audit.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Mumford reported that after the second round of interviews for IT Director, ASC decided to contract with the university's IT department for a temporary replacement. Mike Marcinkevicz has joined ASC on a one year contract; the ASC will compensate the university for 75% time he will spend here.

From Tariq's report, we learned his department has been busy with the audit. Every year, it seems that the CSU wants to move the audit submission dates earlier. We've discussed with the auditors the potential liability of the WeCare grant and the continued viability of Housing Authority and, in particular, University Heights.

The Office of the Inspector General's audit into the administration of the CSUF WeCare program indicated several violations and asked for reimbursement of \$469,687 in disallowed expenditures. Since then, we investigated the audited records and argued that many of the findings were incorrect, and those that were valid should be reviewed on a pro-rata basis based on dates when actions were actually taken. We submitted a rebuttal indicating that the disallowed amount should be \$52,000; we hope to reach a conclusion with them soon. The auditors continue to monitor the Housing Authority, which does not incur a lot of expenses.

On other matters, HR manager Rosario Borromeo recently completed the ASC Employee Handbook. It's now on the ASC website, with all employees required to sign an acknowledgement of receipt. Discussions continue regarding a possible parking structure here at College Park; there is some desire to have a faculty/staff rental housing with a first floor retail space. Titan Shops Director Chuck Kissel and staff continue to work on opening a location at Brea Mall; they anticipate an early October opening. Campus plans to offer state employees the computer "loan to own" program was recently denied by the Chancellor's Office.

Mr. Bremner asked if the Brea Mall shop is temporary; Mr. Kissel replied that we have a six-month lease and can determine at the end of the six months whether to extend that lease. A permanent location would triple or even quadruple the rent. Current rent is \$2/square foot (sf); the 3000 sf space is near the food court, next to Tilly's on the second floor. Conversations with other campuses have indicated that off-campus retail stores will affect how operations are conducted at the campus store. The store is set to open 10/01/11, but they will have access to it as of 09/15/11.

5. **RESOLUTION:**

Mr. Mumford reported that the approval to participate in the CSU Risk Management Authority's Auxiliary Organizations Risk Management Alliance could offer the same services currently provided by AQUIT (which will be dissolved) at a reduced cost at a smaller funding level.

Mr. Rangel moved, Mr. Barrett seconded and motion carried to approve the following resolution on behalf of the Board of Directors.

Approval to Participate in CSURMA AORMA UIP

WHEREAS, CSU Fullerton Auxiliary Services Corporation (ASC) has received information regarding the opportunity to join the California State University Risk Management Authority (CSURMA) Auxiliaries Organizations Risk Management Alliance (AORMA) Unemployment Insurance Program (UIP) to benefit from the pooling and group purchase concepts; and

WHEREAS, on September 22, 2011, the Board of Directors concluded that benefits to ASC of joining CSURMA AORMA Unemployment Insurance Program are sufficient to participate as required by the program members.

NOW, THEREFORE, the Board of Directors of CSU Fullerton Auxiliary Services Corporation authorizes and directs its Executive Director to (i) execute the Participation Agreement for the CSURMA AORMA UIP and (ii) take any other actions necessary to effect participation in the UIP.

6. **ANNOUNCEMENTS**

Next ExComm meeting: Tue 09/13/11

Next Board meeting: Thu 09/22/11

7. **ADJOURNMENT**

Mr. Bremner adjourned the meeting at 4:40 p.m.

Approved by the Executive Committee, September 13, 2011.

Robert C. Hall, Secretary

EXECUTIVE COMMITTEE MINUTES

ASC Conference Room @ CP 250

September 13, 2011 • 4:00 pm

Present: Bill Barrett, Bob Hall, Tariq Marji, Frank Mumford, Barry Pasternack, Ron Rangel.

Excused: Ted Bremner, Willie Hagan, Pres. Gordon.

Staff: Pat Carroll, Ann Ehl, John Jay, Chuck Kissel, Tony Lynch, Mike Marcinkevicz.

1. **CALL TO ORDER**

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

2. **APPROVAL OF 08/16/11 MINUTES**

Mr. Mumford moved, Mr. Marji seconded and motion carried to approve the minutes of the August 16, 2011 Executive Committee meeting. Prof. Pasternack and Mr. Hall abstained.

3. **TREASURER'S REPORT**

Mr. Marji reported that the General and Enterprise combined activities generated a deficit of \$33.7K, with a favorable budget variance of \$319K for July 2011. Also for the same time period, Auxiliary Enterprises generated a net loss of \$145K with a positive variance of \$23K. Year-to-date, Bookstore had a net loss of \$90K; Campus Dining had a net loss of \$55K; and building operations had a net income of \$105K. General fund had expenditures of \$82K, resulting in a favorable budget variance of \$91K.

4. **EXECUTIVE DIRECTOR'S REPORT**

Mr. Mumford reported that the census headcount is just over 36K, slightly higher than last year's 35K. There are 4200 first-time freshmen this year compared to last year's 3900 and 4000 from 2009. In the past, communication to the board was provided quarterly with (i) goals and objectives and (ii) an information update sent via email. Information updates will now be distributed monthly after the first of the year with new hires, new venues and other current and relevant information. Goals and objectives will now be an internal tool for use by management. Also undergoing change will be the ASC logo. While our legal name "CSU Fullerton Auxiliary Services Corporation" will remain the same, we'll update our logo since we can't use the campus mark. We're also moving our December board schedule one week earlier, after comments from the last meeting indicated that it would conflict with finals. The Executive Committee agreed to combine the November and December meetings, with the next meeting now scheduled for Wed 11/30/11.

SB8 is the new state law that subjects auxiliaries to the public records act. We will establish a board policy on records retention and will expect to mirror the Chancellor's Office policy. We are also working with the university on a parking structure, housing and lower level retail space in conjunction with College Town, just south of College Park.

Lastly, President Gordon announced his retirement earlier today at this year's convocation. He will step down as soon as a successor can be found.

5. REPORTS:

A. DRAFT FINANCIAL AUDIT

Mr. Marji distributed a work-in-progress audit, updated from the one in the packet. We have a clean opinion, no findings, no comments. Page three balance sheet statement of financial position shows cash and cash equivalents of \$17M, an increase of \$3.6M from prior year. The increase is primarily due to positive cash balance of \$2.2M for Grants & Contracts and other operations net cash flow of \$1.4M. Bookstore's inventory increased by \$1M due to early textbook adoption. Year-end Other assets; due from affiliates is at \$17.2M comprised of \$13.85M loan to the Housing Authority, \$1.25M additional line of credit for the Housing Authority, and loan of \$2.1 to the University for CBE construction. Page 4 reflects long-term notes liabilities in the amount of \$42.3 that includes \$21.5M for the College Park Building, \$14M Housing Authority note and \$6M for the Police building. Our unrestricted net asset increased in the amount of \$2.2M due primarily to unrealized gains on investment in the amount of \$1.53M. Our commitments and contingencies, Section C discusses \$4.8M for the photo voltaic which did not materialize until July. Current ratio analysis for June 30 is 2.64, which is a good grade. Debt to Assets ratio that measures the solvency of the organization is at 73% which is high, most of our long-term liability resides with the Chancellors Office. Profit margin on sales for the bookstore is 6% and dining services at 3%. So, in all, the ASC is in good shape. There is no management letter, just comments and recommendations regarding internal control improvements

B. CAMPUS DINING

Mr. Lynch reported that the porcupine shrimp and lumpias offered today are by Chef Dean. Starbucks is expanding their menu as part of their warm food project. Also expanding their menu is Carl's Jr which will be offering a biscuit program. While they're currently working to install ovens, one challenge they face is that the ovens do not have a fire suppression system as required by the State of California. Baja Fresh looks to replace the Green Burrito at the end of the year, while Nutwood Café opened the semester with a new menu. Also new to campus are the mobile food trucks which are at the Humanities Plaza; these will be tested in the future at the Irvine Campus.

C. TITAN SHOPS

Mr. Kissel reported that textbook requisitions for this fall had the best submission rate, with 95% received by the first day of instruction. Back-to-school sales were up 4.1% over last year. While the rental program shows us lower, it does not account for the US Department of Education pilot program. Also, the Chancellor's Office Digital Marketplace is migrating to recognize the value of the on-campus stores for content delivery.

6. ANNOUNCEMENTS

Next Board meeting: Thu 09/22/11 @ 5:45 p.m.

Next ExComm meeting: Tue 10/11/11 @ 4:00 p.m.

7. ADJOURNMENT

Mr. Rangel adjourned the meeting at 5:20 p.m.

Approved by the Executive Committee, November 30, 2011.

Robert C. Hall, Secretary

BOARD OF DIRECTORS MINUTES

Titan Shops Conference Room / Senate Chambers
September 22, 2011 • 7:00 pm

Present: Sy Abrego, Matthew Badal, Jack Bedell, Ted Bremner, Diana Guerin, Bob Hall, Jay Jefferson, Zeke Luna, Tariq Marji, Frank Mumford, Steve Murray, Eric Niu, Barry Pasternack, Ron Rangel Brady Rhodes.

Excused: Bill Barrett, Raul Davis, Milton Gordon, Willie Hagan, Pam Hillman, Dorota Huizinga, Anil Puri.

Guests/Staff: Pat Carroll, Ann Ehl, Patrick Guzman (auditor), John Jay, Chuck Kissel, Tony Lynch, Mike Marcinkevicz, Ira Unterman.

I. Call to Order

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

II. Approval of Minutes

A. February 17, 2011

Prof. Pasternack moved, Mr. Luna seconded and motion carried to approve the minutes of the 02/17/11 Board of Directors meeting.

B. June 23, 2011

Mr. Hall moved, Mr. Rangel seconded and motion carried to approve the minutes of the 06/23/11 Board of Directors meeting.

III. Treasurer's Report + Audit Update

Mr. Marji reported that General and Enterprises combined year-to-date activities generated a net surplus of \$720K; a net income variance of \$270K. The Enterprises reported a surplus of \$562K, resulting in a variance of (\$61K) thru August 2011. Bookstore revenues of \$4.8M were 7% below budget; Dining Services is within 93% of budget. Building operations exceeded budget by \$76K; general fund (which includes administration and Grants & Contracts) operations were (\$190K), resulting in a positive variance of \$113K.

VP Murray asked why Grants & Contracts is reported under general fund; Mr. Marji replied that this is the administrative portion of Grants & Contracts and is limited to IDC (indirect cost) and administration.

IV. President's Report

Mr. Carroll reported on President Gordon's behalf, that he (President Gordon) announced his retirement last week. The fall semester started well, with lots of students back on campus and applications for spring semester already being accepted. He noted that VP Murray has managed enrollment well, considering the budget cuts.

V. Graduate Programs & Research Report

VP Murray reported that Dorota Huizinga's husband died in a car accident in July and she has been out of the office since then. She will resume work a couple days/week. There was extensive discussion at the ASC retreat regarding restructure and a reorganization is being planned. We recognize that resources need to be added to both pre- and post-awards and will identify external funding opportunities and submit proposals in a competitive manner.

Mr. Carroll added that at last week's Convocation, President Gordon identified research as an important component and identified \$1M to go towards research.

VI. Executive Director's Report

Mr. Mumford reported that Pearl Cheng (Sponsored Programs Director) will retire 11/30/11 and this would have been her last meeting (she is out sick today). Seven months ago, we hired Denise Bell as a Sponsored Programs Administrator who brought with her several years of experience; she will step into Pearl's position. We will fill the vacancy created in the Sponsored Programs Administrator position as soon as possible. At the Executive Committee meeting, we discussed the mini-census report: first time freshman are up 200 over last year. This drives spending at both campus dining and the bookstore. While overall enrollment isn't much higher than the previous year, the increase in freshman has helped spur sales.

In our past communications with the Board, we issued quarterly "Goals & Objectives" and "Information Updates." The Goals & Objectives will now be an internal document to be used by management and a new format will be determined for the monthly Information Update. Also, we will draft a new mission statement for the Board's review. Together with this will be a new ASC logo. While the campus changed its logo over a year ago, we cannot use the campus mark due to our legal name (CSU Fullerton Auxiliary Services Corporation vs. the campus' Cal State Fullerton). Instead of changing our name, which would require extensive paperwork, we are working with Art 495 to develop a new mark. We expect to review first drafts in October, with final reviews to be submitted to the Board.

As requested by faculty at the last meeting, we will move the December Board meeting up one week from 12/15/11 to 12/08/11 to avoid conflict with final exams. One last item of note is the campus' real estate committee, whose recent focus has been College Park south. Overall, the concept is first floor retail along Commonwealth Avenue with second floor and above housing. This will not include a lot of debt as we will partner with an outside entity. The City of Fullerton plans to close Nutwood Avenue for a pedestrian area, as Commonwealth Avenue becomes a feeder to the campus; the campus will collaborate with the City on College Town.

Prof. Pasternack asked whether we would consider moving the June meeting as well, since most faculty are off campus by then. Mr. Mumford replied that with budget planning scheduled for May that rescheduling the meeting would not be possible.

Prof. Guerin asked if phase three of student housing (Gastronome) has affected Campus Dining; Mr. Mumford said that we have not seen major issues from the dorm's food court.

VII. Action Items

A. Ratification: Employee Benefits

Prof. Pasternack moved, Prof. Guerin seconded and motion carried; the Board unanimously ratified the following:

Benefit Plan, Fiscal Year 2011-2012

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 2011-2012 fiscal year and beyond, in absence of any change

B. Ratification: 2011-12 Budget

Mr. Rangel moved, Mr. Luna seconded and motion carried; the Board unanimously ratified the following:

Operating Budget & Capital Outlay, Fiscal Year 2011-12

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, 2011 and ending June 30, 2012; 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, 2011.

C. Ratification: Fixed Assets Policy

VP Abrego moved, Mr. Hall seconded and motion carried; the Board unanimously ratified the Fixed Assets Policy.

D. Ratification: Automobile Allowance Policy

Mr. Rangel moved, Prof. Pasternack seconded and motion carried; the Board unanimously ratified the Automobile Allowance Policy.

E. Resolution: Audit Acceptance

(This agenda item was addressed after Agenda Item II. Approval of Minutes.)

Mr. Marji introduced Mr. Pat Guzman, CPA of Guzman & Gray. Mr. Guzman directed our attention to page four, liabilities and net assets; he said that working capital is current assets less current liabilities. Our working capital last year was \$18M, this year it was \$20M. He said this was very healthy compared to other non-profits. ASC's post-retirement benefit amount is unfunded, with long-term balance at \$4.7M. On page five, income statement, revenues went from \$55M in the prior year to \$64M this year, with Grants & Contracts up by \$6M and enterprise activities staying even. There are several pages of notes which detail the balance sheet and include supplemental info required by the campus and the Chancellor's Office. We are also preparing the A-133 audit which will be issued shortly. There were no findings and this was an unqualified opinion. There will be no material weaknesses letter and no significant deficiencies were found. The audit was smooth, with no excess problems; there is a list of six to eight items that require follow-up.

Mr. Rangel moved, Prof. Pasternack seconded and motion carried; the Board unanimously adopted the following resolution:

Acceptance of 2010-11 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, 2011; and

WHEREAS, Guzman & Gray CPAs certifies 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, 2011.

VIII. Reports

A. Campus Dining

Mr. Lynch reported that capital was approved last year for the Starbucks warming project. Carl's Jr will also be introducing a new program which requires installing ovens; the installation process has consumed a lot of time, due to State requirement that ovens have a fire-suppression system. We requested some changes and are now awaiting fire inspector approval to install the oven. Work continues with Baja Fresh, with a grand opening scheduled for Spring 2012. CSUF has joined the food truck fray, with the trucks offering unique foods curbside at Humanities Plaza.

B. Titan Shops

Mr. Kissel reported that past fall's on-time submission rate was 89%; this year, it was 95% on the first day of class, with only eight departments submitting less than 70%. Back-to-School sales were also busy, with an increase in sales. Text sales, which carry a low margin, were down. Titan Shops will be switching over to non-serialized rental program. The digital marketplace pilot project where we rented digital units to students had a sell-thru rate of 72%; the Chancellor's Office has decided that this was not the best approach and will now work with publishers to determine which titles will be available. The Trunk, Titan Shops off-campus location at the Brea Mall, will open next month. The 2700 square foot location sits between Wet Seal and Macy's Home Store on the second floor. Grand Opening is set for October 1, with a \$1 t-shirt "secret sale" planned. There will be a similar product mix from the bookstore, but with added pet and golf sections that offer Calloway and Ping products. The Trunk will also co-merchandise Disney and Hello Kitty items. This is a temporary six-month lease; the end of which will determine whether to commit permanently. Initial investment was approximately \$15-18K.

Prof. Brady mentioned that he has found students obtaining books for free, usually thru a peer-to-peer network. Mr. Kissel replied that that practice can't be stamped out; the Titan Shops goal is to provide content at the best price. Prof. Brady also asked whether there is an option to extend the six month lease for the Trunk at a favorable rate; Mr. Kissel answered that they could extend as a "temporary" for an additional two years. The current rate for Titan Shops is \$2.40/sf, while the going (permanent) rate is \$10-15/sf.

VP Murray asked how disabled students are affected when textbook requisitions are not submitted in a timely manner; Mr. Kissel said that he met with Dr. Faust to improve these numbers. Prof. Guerin added that the ATI committee has met with department chairs and that pressure from other faculty might improve future requisition return rates.

IX. Conflict of Interest Statements

Mr. Mumford asked Board members to sign the Conflict of Interest statements before them.

X. Reminder

Next Board meeting: Thu 12/08/11

XI. Adjournment

Mr. Bremner adjourned the meeting at 8:30 p.m.

Approved by the Board of Directors, December 8, 2011.

Robert C. Hall, Secretary

EXECUTIVE COMMITTEE
Minutes – Regular Meeting
ASC Conference Room @ CP 250
November 30, 2011 • 4:00 pm

Present: Ted Bremner, Bob Hall, Tariq Marji, Frank Mumford, Barry Pasternack, Ron Rangel.

Excused: Bill Barrett, Willie Hagan, Pres. Gordon.

Staff: Denise Bell, Rosario Borromeo, Pat Carroll, Ann Ehl, John Jay, Chuck Kissel, Tony Lynch, Mike Marcinkevicz.

1. **CALL TO ORDER**

Chair Bremner called the meeting to order at 4:00 p.m.

2. **APPROVAL OF 09/22/11 MINUTES**

Mr. Mumford moved, Mr. Rangel seconded and motion carried to approve the minutes of the September 22, 2011 Executive Committee meeting.

3. **TREASURER'S REPORT**

A. **Financial Report**

Mr. Marji reported that the ASC had a net surplus for general and enterprise activities of \$592,301, resulting in a favorable budget variance of \$187,936 for October 2011. Year-to-date, Bookstore had a net gain of \$402,658; Campus Dining's net gain was \$66,087; and College Park's net income was \$293,402.

Mr. Kissel added that recent inventory revealed a shortage of \$100K due to theft. The \$117K inventory shrinkage equates to a \$70-80K wholesale shortage. The loss was uncovered during cycle count; it became apparent that it had been going on for a while. Titan Shops worked with campus police and three arrests were made; back tapes are currently being reviewed to determine if others are involved. With a \$5K deductible, the true loss amounts to \$67K. Most of theft was done outside busy times. Meetings with campus police are on-going to determine how the theft was done; there are two CSOs (community service officers) that are on staff at Titan Shops at all times. While there is a theft-deterrent tower system, replacing them is expensive and time intensive.

Prof. Pasternack asked if books were shipped with radio tags; Mr. Kissel replied that RFID (radio frequency identity) were expensive at last review. Mr. Mumford added that various theft-deterrent options are currently being reviewed.

Mr. Rangel asked about the higher COGS; Mr. Kissell said that the jump in September is attributed to matching, but the increase in October is due to shrinkage.

Mr. Marji added that Form 990 is typically done earlier in the year but is now due 11/15/11. We are submitting extensions to allow time for Board review; the final Form 990 will be ready for the Board meeting next week.

4. EXECUTIVE DIRECTOR'S REPORT

Mr. Mumford distributed the "Where ASC Money Goes" report, which provides an annual overview of how ASC's revenues generated and how those monies are spent. He then discussed the David Palmer Scholarship action taken in 2003. After review, it was determined that this scholarship was not set up as an endowment, which now has \$8500 in the fund. He proposed that a \$500 scholarship be made to CBE each year and the ASC donate \$500 annually when the funds are depleted. Prof. Pasternack said that students won't want to apply for \$500, but if we made the scholarship for \$1000 every other year, it would spur student applications. He suggested discussing this with Dean Anil Puri for his recommendation.

On the contribution summary, the biggest difference is the waiver of administrative service fees. This year, there were \$230K in IDC (indirect cost) that was not recovered. On another matter, an RFI (request for information) will be disseminated to develop ideas and determine interest levels for the area behind College Park (CP). We are also in discussions to convert the CP entrance to an unimpeded walkway. This will be even more desirable with the closing of Nutwood Avenue to vehicles. While cost estimates have been received, we are working with campus to finalize the matter.

Regarding University Heights (UH), ASC will begin a thorough review of the project. We are considering bringing the Housing Authority under ASC since we are already responsible for the debt. One option is to liquidate the UH property. There are \$10-11M in unsold (leased) homes which could be parceled to fee-simple. The present value payment to the Elks is approximately \$1.4M; we will run scenarios if interest rates go up and compare them on a 10-year basis. Mr. Carroll suggested that we assume a flat, 5% and 10% markets. Mr. Mumford said that our annual costs are \$200K plus interest; Prof. Pasternack added that we can't lose sight of why UH was created, which was to provide affordable housing.

Mr. Mumford said that Baja Fresh will be installed and is expected to finish construction in January; the contract will be finalized next week. Also in the horizon is our tri-annual Chancellor's Office audit which will begin 01/17/12.

With President Gordon retiring, the campus scheduled an event to recognize his service to which board members were invited. At a cost of \$250/seat (\$100/seat is the actual donation), ASC will not purchase tables and will donate directly to recognize President Gordon's accomplishments. Mr. Carroll acknowledged that a (non-endowment) fund will be created. Prof. Pasternack and Mr. Rangel both suggested donating \$5,000.

Mr. Rangel moved that the ASC to contribute \$5000 to President Gordon's research fund; Prof. Pasternack seconded and the motion carried unanimously.

5. ACTION ITEMS:

a. **RESOLUTION: VACATION ACCRUAL**

Mr. Mumford reported that the current vacation accruals need to be updated; current policy states that once an employee obtains 240 hours, they will not accrue additional vacation hours until vacation is used. In the past, payouts were permitted to those who reached the maximum of 240 hours in conflict with the policy. We are looking to increase the accrual to 320 hours, to be more in line with the university's. This has no additional cost as liability is accrued every pay period.

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

Benefit Plan, Vacation Accrual

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

WHEREAS, during a recent review of its vacation accrual policy, ASC's maximum vacation accrual limit was found to be substantially lower than most of its peers; therefore,

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the increase in the maximum vacation accrual from 240 hours to 320 hours for all employees.

b. **RESOLUTION: APPROVAL TO JOIN AOA VEBA**

Mr. Mumford stated that this resolution authorizes ASC to join the Auxiliary Organizations Association's (AOA's) Voluntary Employer Benefits Association (VEBA) which will reduce our costs for retired employee medical benefits.

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

Approval to Participate in VEBA

WHEREAS, the Board wishes to fund currently all or a portion of the Corporation's retiree welfare benefit plan obligation, and the Auxiliaries Multiple Employer VEBA (the "VEBA") provides a cost-effective means of accomplishing that goal.

NOW, THEREFORE, the following resolutions are hereby adopted:

RESOLVED, that the participation in the VEBA by the Corporation is approved; and

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them is, hereby authorized and directed, in the name of and on behalf of the Corporation, to execute and deliver the attached Participation Agreement, Retiree Welfare Benefit Plan and Loan Agreement and to do all other things, including the execution of all other documents pertaining to the VEBA, which they deem necessary or appropriate to implement the foregoing resolution; and

RESOLVED FURTHER, that any actions previously taken by any of such officers which are within the authority conferred in the foregoing resolutions be, and they hereby are, ratified, confirmed and approved in all respects.

Mr. Mumford reported that the following five policies address compliance with various federal, state and local laws, along with audit requirements.

Mr. Rangel moved, Prof. Pasternack seconded and motion carried to adopt the following five policies with a single action.

- c. POLICY: RECORDS RETENTION
- d. POLICY: OPEN MEETING
- e. POLICY: CONFLICT OF INTEREST-BOARD OF DIRECTORS
- f. POLICY: CONFLICT OF INTEREST-EMPLOYEES
- g. POLICY: AFFIRMATIVE ACTION

6. REPORT: HUMAN RESOURCES

Ms. Borromeo, HR Director, gave a PowerPoint report providing an overview of the HR department, their mission and statistics. ASC currently employs 144 full-time, 36 part-time benefitted and 638 part-time staff. ASC HR oversees recruitment, interviews and selection; handles all varieties of benefits issues (medical leaves, disabilities, retirements, etc.); has participated in salary and benchmark surveys; handled a few employee issues; attended and gave training; and met legal compliance. HR is staffed by one part-time and three full-time employees.

7. ANNOUNCEMENTS

Next Board meeting: Thu 12/08/11 @ 5:45pm

Next ExComm meeting: Tue 02/07/12 @ 4:00 pm

8. ADJOURNMENT

Mr. Bremner adjourned the meeting at 5:50 p.m.

Approved by the Executive Committee, February 7, 2012.

Robert C. Hall, Secretary

Board of Directors
Minutes – Annual Meeting
Titan Shops Conference Room / Senate Chambers
December 8, 2011 • 7:00 PM

Present: Sy Abrego, Matthew Badal, Bill Barrett, Jack Bedell, Ted Bremner, Raul Davis, Diana Guerin, Bob Hall, Dorota Huizinga, Jay Jefferson, Zeke Luna, Tariq Marji, Frank Mumford, Steve Murray, Eric Niu, Barry Pasternack, Anil Puri, Ron Rangel Brady Rhodes.

Excused: Milton Gordon, Willie Hagan, Pam Hillman.

Guests: Denise Bell, Rosario Borromeo, John Jay, Chuck Kissel, Renee Larum, Tony Lynch.

I. **CALL TO ORDER**

Chair Bremner called the meeting to order at 7:06 PM.

II. **ELECTIONS**

A. **OFFICERS**

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

Chair:.....Ted Bremner
Vice Chair:Ron Rangel
Secretary:Bob Hall
Treasurer:Tariq Marji
Executive Director:Frank Mumford

Mr. Rangel asked for nominations from the floor; there were none. Prof. Pasternack moved, Mr. Luna seconded and motion carried unanimously to accept and continue the current slate of officers for another one year term, expiring 12/31/12.

B. **EXECUTIVE COMMITTEE**

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

Barry Pasternack Anil Puri

Mr. Rangel asked for nominations from the floor; there were none. Board members unanimously approved Barry Pasternack and Anil Puri to serve one year terms expiring 12/31/12 on the Executive Committee.

III. **APPROVAL OF 09/22/11 MINUTES**

Mr. Luna moved, Prof. Pasternack seconded, and motion carried to approve the minutes of the September 22, 2011 Board of Directors meeting.

IV. TREASURER'S REPORT + AUDIT UPDATE

Mr. Marji reported that general and enterprise activities generated a net surplus of \$592,300 through 10/31/11. The ASC is \$187,900 ahead of budget for the fiscal year. The Bookstore generated a net income of \$402,700, and an unfavorable budget variance of (\$67,500). In a recent inventory count the bookstore discovered shortage in the cost of goods sold. The shortage was contributed to theft, with an estimated cost of \$117,000. This amount is reflected as a write-off in the October financials. We are processing insurance claims to cover the losses. Dining Services had a negative budget variance to net income due to reduced sales and increased costs. While Building operations had a net surplus of \$293,400, it had an unfavorable budget variance of (\$46,300). General fund operations, which includes Administration and Grants & Contracts, came in at (\$169,800), a favorable variance of \$351,500 (due to workers comp insurance dividends and interest income). Grants & Contracts had a net income of \$257,400, a positive variance of \$196,300. Investments reported an unrealized loss of (\$447,100), Extended Education had a net income of \$1,574,300, and Campus Programs also had a net income of \$93,600. Some Campus Programs will be moved to the university, Philanthropic Foundation or ASI in preparation to the upcoming Chancellor's Office audit.

Mr. Kissel reported that bookstore staff have performed double counts on inventory since the thefts, where three students were arrested. Investigation is on-going with the possibility that more students may be involved. The Trunk at the Brea Mall has been open for one month and had \$30,000 in sales during November. Mr. Mumford added that The Trunk is open on a trial basis and long-term viability will depend on holiday and post-holiday sales. Mr. Hall asked if it was on a month-to-month lease; Mr. Kissel said the lease was for six months.

V. PRESIDENT'S REPORT

There was no report.

VI. GRADUATE PROGRAMS & RESEARCH REPORT

Dr. Huizinga reported that in the first quarter of 2010-11 OGC had 44 submissions. As we look at the number of submissions, some colleges doubled their figures in first quarter comparisons: NSM had 10 submissions in 2010-11, 19 in 2011-12; HHD had 5 submissions last year, 10 in 2011-12; ECS had 3 submissions in 2010-11, and 8 in 2011-12. The distribution of awards per quarter is on the back of the handout.

As we look at grant submissions, one goal is to review all award rejections. Last year we had 40 rejections; we can contact them to find out what we can do to help them move forward on their projects. On the second handout, there will be research administration restructuring. VP Murray will be increasing the amount of proposals, processing and administering them. We will receive better support from administration in four major offices. Denise Bell in post-award administration would like to see the four offices work more actively together.

VII. EXECUTIVE DIRECTOR'S REPORT

Mr. Mumford distributed "Serving the University," ASC's PR piece showing how funds are spent. The David Palmer Scholarship fund which was initially set to provide \$500/year

will now provide \$1,000 every other year. The College Park parking area of six acres will potentially be developed for possible student housing, classes and retail shops. There is a plan to close Nutwood Avenue. ASC will issue a RFI to various developers to get ideas as to what should go there; this will be a long-term process. Dean Puri asked if there is a plan for entire six acres or just the part in front of College Park (CP); Mr. Mumford replied that we are looking at the best use for the entire property. Prof. Pasternack asked if there will be weekend use; Mr. Mumford said that ASC leases the CP lot to the University and there are events that take place on the weekends. Mr. Mumford continued that the entrance to CP will be changed to remove vehicle/pedestrian conflict and updates will be reported to the Board.

We expect Baja Fresh to come to campus in 2012 and that Chancellor's Office compliance audit will begin January 17, 2012. ASC will contribute \$5,000 to Pres. Gordon's research fund.

VIII. ACTION ITEMS

A. RESOLUTION: VACATION ACCRUAL

Mr. Rangel moved, Mr. Hall seconded and motion carried; the Board unanimously adopted the following resolution.

Benefit Plan, Vacation Accrual

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

WHEREAS, during a recent review of its vacation accrual policy, ASC's maximum vacation accrual limit was found to be substantially lower than most of its peers; therefore,

BE IT RESOLVED, that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation approves the increase in the maximum vacation accrual from 240 hours to 320 hours for all employees.

B. RESOLUTION: APPROVAL TO JOIN AOA VEBA

Mr. Rangel moved, Prof. Pasternack seconded and motion carried; the Board unanimously adopted the following resolution.

Approval to Participate in VEBA

WHEREAS, the Board wishes to fund currently all or a portion of the Corporation's retiree welfare benefit plan obligation, and the Auxiliaries Multiple Employer VEBA (the "VEBA") provides a cost-effective means of accomplishing that goal.

NOW, THEREFORE, the following resolutions are hereby adopted:

RESOLVED, that the participation in the VEBA by the Corporation is approved; and

RESOLVED FURTHER, that the proper officers of the Corporation are, and each of them is, hereby authorized and directed, in the name of and on behalf of the Corporation, to execute and deliver the attached Participation Agreement, Retiree Welfare Benefit Plan and Loan Agreement and to do all other things, including the execution of all other documents pertaining to the VEBA, which they deem necessary or appropriate to implement the foregoing resolution; and

RESOLVED FURTHER, that any actions previously taken by any of such officers which are within the authority conferred in the foregoing resolutions be, and they hereby are, ratified, confirmed and approved in all respects.

The following five policies were adopted with a single action. Mr. Hall moved, Prof. Pasternack seconded and motion carried. The Board unanimously accepted the five policies.

C. POLICY: RECORDS RETENTION

D. POLICY: OPEN MEETING

E. POLICY: CONFLICT OF INTEREST – BOARD OF DIRECTORS

F. POLICY: CONFLICT OF INTEREST – EMPLOYEES

G. POLICY: AFFIRMATIVE ACTION

IX. REPORT: HUMAN RESOURCES

Ms. Borromeo gave a Powerpoint presentation, providing an overview of ASC's Human Resources department. Services and statistics provided by HR was given, noting that turnover is high, but it was due to grants and contracts hires and terminations. The CSUF Carl's Jr has been accident free for 16 years.

X. OTHER BUSINESS

There was no other business.

XI. REMINDER

Next Board meeting: Thu 03/15/12.

XII. ADJOURNMENT

Mr. Bremner adjourned the meeting at 8:29 PM.

Approved by the Board of Directors, March 15, 2012.

Robert C. Hall, Secretary