



CAL STATE EAST BAY

CSU East Bay Foundation, Inc.

September 24, 2020

1-2:30 p.m.

Via Zoom

Board Meeting Minutes

Members in Attendance

Bill Johnson (Chair)

Debbie Chaw (Secretary-Treasurer)

Dr. Albert Gonzalez

Dr. Gretchen Reevy

Dr. Jeff Seitz

Dr. Edward Inch (Vice Chair)

Hoang Dao

Kim Huggett

Omer Shakoor

Members not Present

Pam (Euridice) Sanchez-Martinez

Staff

Carmen Rusca, Exec. Asst. to VP Administration & Finance/CFO

Maureen Pasag, AVP, Finance/Chair Foundation Audit Committee

Josephine Capiral, Accounting Manager

Guests

Dan Tichenor

Morgan Stanley Graystone Institutional Consulting

MINUTES

I. Meeting called to order by Chair Johnson at 1:02 pm.

Approval of September 24, 2020 Agenda

Minute Action: To approve September 24, 2020 meeting agenda

Motion: Reevy Second: Chaw Motion passed

II. Approval of Minutes of May 8, 2020 Meeting

Minute Action: To approve of minutes of May 8, 2020 Meeting

Motion: Chaw Second: Inch Motion passed

III. Review of Audit Committee Meeting

Maureen Pasag reported on the Audited Financial Statements for Fiscal Year Ending June 30,

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2020. She noted that auditors CliftonLarsenAllan presented a clean unmodified opinion. The Single Audit also received a clean unmodified opinion. She stated that the audit committee met on September 9 and approved the audited financial statements.

IV. Financial Portfolio Review

Dan Tichenor reviewed the Foundation's investment summary performance as of August 31, 2020. He noted reasons to remain bullish on the market; cited reasons for a likely correction; and stated that a V-shape recovery is happening faster than expected. He reported that the recommendations approved at the May 2020 meeting were implemented. Since then, they performed a comprehensive Asset Allocation Analysis using Morgan Stanley's 2020 Capital Market Assumptions on our investment portfolio which largely reaffirmed our current positioning.

- Continue to expect below-average returns over 7-year "Strategic" horizon
- Preference within Equities for International>US and Value>Growth, and Small>Large Cap

Recommendation:

Add 2.5% allocation to NEW Fuller & Thaler Small Cap Value SMA and fund it from SPDR S&P 1500 Composite Stock Market ETF (SPTM)

Minute Action: To approve recommended 2.5 % allocation to the NEW Fuller & Thaler Small Cap Value SMA

Motion: Chaw Second: Inch Motion passed

V. Proposed Budget FY 20/21

Debbie Chaw reviewed the proposed FY 20/21 operating budget. She pointed out that the administrative expenses charged from the University have been reduced due to a review of the cost allocation methodology. While this will help on the expense side, revenue is still a struggle and the Foundation will need to rely on investment revenue to help cover the retirement expenses which continue to increase. Current reserves in FD003 satisfy the Foundation's reserve policy requirements.

Minute Action: To approve the Proposed Budget FY 20/21

Motion: Inch Second Seitz Motion Approved

VI. Other Business

Dr. Seitz explained that board members should have received emails with debarment forms that needs to be completed through Adobe Sign. By signing the forms, each board member affirms that there is no reason for them to be debarred from serving on the board due to criminal activity. This is a Federal Regulation and the signing of the form occurs annually.

VII. With no further business, Chair Johnson adjourned the meeting at 1:57 pm.

Dated: Sept 24, 2020



Debbie Chaw, Secretary Treasurer

Recorded by Carmen Rusca

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