



BOARD OF DIRECTORS MEETING – REGULAR
TITAN SHOPS CONFERENCE ROOM (SENATE CHAMBERS)
JUNE 11, 2009
7:00 – 9:00 PM

Present: Ted Bremner, Gary Del Fium, Bill Dickerson, Diana Guerin, Bob Hall, Scott Hewitt, Pam Hillman, Zeke Luna, Steve Murray, Linda Patton, Daniel Ramsey, Ron Rangel, Juli Santos, Curtis Schlaufman, Ephraim Smith.

Excused: Raul Davis, Milton Gordon, Willie Hagan, William Meyer, Frank Mumford, Robert Palmer, Barry Pasternack,

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

I. CALL TO ORDER

Chair Bremner called the meeting to order at 7:20 p.m.

II. APPROVAL OF MINUTES

Mr. Luna moved, Prof. Guerin seconded and motion carried to approve the minutes of the March 12, 2009 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 \$748,000 through April 2009. The ASC is \$226,000 above budget for the fiscal year. The financial summary showed the net income actuals of \$270,000 for Grants and Contracts; \$338,000 for Food/Vending; \$1,524,000 for Titan Shops; and \$548,000 for College Park.

IV. PRESIDENT'S REPORT

President Gordon was not present to give his report.

V. GRANTS & CONTRACTS REPORT

Ms. Patton reported that \$19M is anticipated to be awarded by the end of June. Some highlights from this office include collaborating with campus units, local counties, sheriffs and probation departments to obtain funding to address prisoner re-entry efforts; and NSM's Victoria Costa selection as NASA's faculty instructor for their airborne research experience for educators project. Dean Murray added that Ms. Costa is a director of a collaborative project/center between the colleges of NSM (natural sciences and mathematics) and Ed (education).

VI. EXECUTIVE DIRECTOR'S REPORT

Mr. Dickerson reported that Lennar has agreed to extend the University's lease for another year and that we will receive an amendment soon. Mr. Dickerson also gave a brief, privileged update on the Valeo lawsuit.

On the homefront, Mr. Dickerson reported that two of eight available University Gables homes were signed for purchase, with an additional two more expected next week. He also asked that board members review the accompanying goals and objectives update as of March 31.

Also distributed this evening is a letter from President Gordon to all faculty and staff. This letter will be of particular interest to the community members who have not yet seen this; it's the first official university statement regarding the current economic status of the State of California and the implications for the campus and the ASC.

VII. RATIFICATIONS

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

Patent Application – Professor Marcelo Tolmasky

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (“ASC”) has been designated by the University as the responsible entity to oversee the coordination of University-related patents; and

WHEREAS, the ASC, in carrying out this responsibility may elect to seek a patent to protect some aspect of University-related research; and

WHEREAS, research efforts of Professor Marcelo Tolmasky in the field of Biochemistry, have already produced one patent application that is currently proceeding through the Patent Review Process and should receive a determination by the end of the year; and

WHEREAS, Professor Tolmasky's efforts have produced additional results that appear to be both patentable, and perhaps valuable; therefore

BE IT RESOLVED, that the Executive Committee of the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes Patent Attorney Leonard Tachner, to provide legal assistance in the filing of a provisional patent application at a cost that is not expected to exceed \$6,000.

BE IT FURTHER RESOLVED that this authorization is contingent upon execution of a satisfactory Intellectual Property Assignment Agreement assigning Professor Tolmasky's patent rights to the CSU Fullerton Auxiliary Services Corporation.

The approval was unanimous.

VIII. RESOLUTIONS

Dean Murray moved, Prof. Hewitt 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

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.

D. RECLASSIFICATION OF SECTION S509(a) STATUS

Dean Murray moved, Prof. Guerin seconded and motion carried to adopt the following resolution.

Reclassification of Section §509(a) Status

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (“Corporation”) has been formed for the purpose of furthering the educational programs of California State University, Fullerton (“University”) as more fully described in the Articles of Incorporation of the Corporation (“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 previously received an IRS determination of tax exempt status under IRC §501(c)(3) – as a charitable organization, and is further defined as a §509(a)(1) organization, classifying it as a “public charity”; and

WHEREAS, the Corporation desires to change its section §509(a) status to be in compliance with IRC Sec. 3121(b)(10)(B), relating to the taxability of student employees for FICA/FUTA; therefore,

BE IT RESOLVED that the Board of Directors of the Corporation authorizes the proposed federal exempt status reclassification as a supporting organization described in Section §509(a)(3). Furthermore, the Board authorizes and directs the Corporation’s Executive Director, or his designee, for and in the name and on behalf of the Corporation, to execute the required documentation.

The approval was unanimous.

E. LOAN POLICY AMENDMENT

VP Hillman moved, Mr. Luna seconded and motion carried to adopt the following resolution.

Amendment Approval: Policy on Loans

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation adopts and approves the revised Loans to the University Policy, which is attached, effective June 11, 2009.

The approval was unanimous.

F. EMPLOYEE BENEFITS

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

Benefit Plan, Fiscal Year 2009-2010

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 2009-2010 fiscal year and beyond, in absence of any change.

The approval was unanimous.

G. ASC BUDGET

Mr. Dickerson reported that the budget for the upcoming year projected an FTE drop to 26-27,000, but will continue the Dell laptop presentation to the President's Scholars. This also considers a plan to move Titan Coffee to the Library which will increase available retail space at Titan Shops and the Irvine Campus lease extension. The proposed net income is \$273K due to the challenges in the economy, while University Needs remains at \$325K which will be funded from this year's 2009 surplus. Investment income will be reduced dramatically due to lower interest rates; salaries will be frozen for 2010, although a pool has been established for selected promotions and equity adjustments. The budget also considers health insurance increases.

The capital budget projects spending \$797K in 2009 and \$498K next year. Depreciation will be \$446K this year and \$494K next.

Mr. Schlaufman moved, Mr. Luna seconded and motion carried to adopt the following resolution.

Operating & Capital Outlay Budgets, Fiscal Year 2009-2010

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, 2009 and ending June 30, 2010; 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, 2009.

The approval was unanimous.

H. BUSINESS SERVICES AGREEMENT APPROVAL

Mr. Del Fium moved, Mr. Luna seconded and motion carried to adopt the following resolution.

Business Services Agreement

WHEREAS, the CSU Fullerton Housing Authority (“Authority”) seeks service support functions to be performed by the CSU Fullerton Auxiliary Services Corporation (“ASC”); and

WHEREAS, the present Business Services Agreement (“BSA”) for such service support functions by and between the ASC and Authority is scheduled to expire on June 30, 2009; and

WHEREAS, a new BSA has been agreed to between the parties to serve as the framework for such service support functions by and between the ASC and Authority for another three year period ending June 30, 2012; therefore,

BE IT RESOLVED by the Board of Directors of the Corporation as follows:

That the Corporation approves the Business Services Agreement by and between the ASC and the Authority in substantially the form presented; and

That the Corporation’s Executive Director, or his designee, is hereby authorized to execute the approved Business Services Agreement, together with any related implementing instruments; and

That the Corporation’s Executive Director, or his designee, to take all further actions that are necessary or appropriate to implement the Business Services Agreement.

The approval was unanimous.

Prof. Hewitt moved, Mr. Del Fium seconded and motion carried to adopt the following two resolutions together.

I. VENDOR AGREEMENTS

Vendor Agreements

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (“Corporation”) has been formed for the purpose of furthering the educational programs of California State University, Fullerton (“University”) as more fully described in the Articles of Incorporation of the Corporation (“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 brings benefit to the University by providing or contracting with outside entities for the delivery of certain goods and services to the campus; and

WHEREAS, the following list of vendors have contracts or agreements which are due for renewal by June 30, 2009:

1. Web Laundry Service
2. Busy Bee Franchise Corporation

AND WHEREAS, these contracts and agreements are renewals of existing agreements which will not substantially change in form, content or terms; therefore,

BE IT RESOLVED by the Board of Directors of the Corporation as follows:

That the Corporation's Executive Director, or his designee, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute the required documentation to renew or amend the above mentioned contracts or agreements.

The approval was unanimous.

J. UNIVERSITY GROUND LEASES

University Ground Leases

WHEREAS, the CSU Fullerton Auxiliary Services Corporation ("Corporation") has been formed for the purpose of furthering the educational programs of California State University, Fullerton ("University") as more fully described in the Articles of Incorporation of the Corporation ("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 brings benefit to the University by providing opportunities for external entities to occupy space and offer goods and services to the campus by leasing space from the University and in turn subleasing it to those external entities; and

WHEREAS, the following list of Ground Leases currently in place with the University are due for renewal by June 30, 2009:

1. Satellite Food and Vending
2. Carl's Jr.

AND WHEREAS, these Ground Leases are renewals of existing agreements which will not substantially change in form, content or terms; therefore,

BE IT RESOLVED by the Board of Directors of the Corporation as follows:

That the Corporation's Executive Director, or his designee, is hereby authorized and directed, for and in the name and on behalf of the Corporation, to execute the required documentation to renew or amend the above mentioned ground leases.

The approval was unanimous.

K. THE YUM SUBLEASE APPROVAL

Mr. Schlaufman moved, VP Hillman seconded and motion carried to adopt the following resolution.

TSU – Yum Sublease

WHEREAS, the CSU Fullerton Auxiliary Services Corporation (ASC), through its operating agreement with the Trustees of the California State University, is contracted to provide convenience store operations on the CSU Fullerton campus; and

WHEREAS, Titan Student Union (TSU) - 156 (The Yum) is controlled by the Associated Students Inc (ASI) in its capacity as owner and landlord of the TSU; and

WHEREAS, both the ASI and the ASC are desirous of entering into an agreement in which ASC will operate the above named location to provide convenience store services to the campus; 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, commencing July 1, 2009 until June 30, 2013, in accordance with the terms and conditions of the attached agreement in substantially the form presented

The approval was unanimous.

L. POLICY APPROVAL: TECHNOLOGY USAGE & SECURITY

Mr. Del Fium moved, Prof. Hewitt seconded and motion carried to adopt the following resolution.

Policy Approval: Technology Usage & Security

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation adopts and approves the Technology Usage and Security Policy, which is attached, effective June 11, 2009.

The approval was unanimous.

M. GRANT ACKNOWLEDGEMENT

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

Grant Approval & Acknowledgement – Recovery WECARE Project

WHEREAS the Board of Directors of the CSU Fullerton Auxiliary Services Corporation (“ASC”) acknowledges the benefits and responsibilities to be shared between the Corporation for National and Community Service/California Volunteers and the ASC in the proposed agreement; and

WHEREAS, the ASC also acknowledges the award of the Recovery–WECARE Project in the amount of \$235,123 and agrees to accept fiduciary responsibility for the grant award; therefore,

BE IT RESOLVED that the Board of Directors of the CSU Fullerton Auxiliary Services Corporation authorizes Executive Director William M. Dickerson or his designee to sign and execute said agreement and all amendments thereto, except to increase the financial liability of said corporation

The approval was unanimous.

IX. PROPOSED 2009-2010 MEETING SCHEDULE

Mr. Dickerson asked that board members review the dates and inform him or Ms. Ehl of any possible conflicts.

X. OTHER BUSINESS

There was no other business.

XI. REMINDERS

Next Executive Committee Meeting: Tuesday 08/04/09 @ 5:00 pm

Next Board of Directors Meeting: Thursday 09/17/09 @ 6:00 pm

XII. ADJOURNMENT

Mr. Bremner adjourned the meeting at 8:20 p.m.

Approved by the Board of Directors, September 17, 2009.

Ronald Rangel, Secretary