

## **UEC Board of Directors Meeting**

Friday, January 31, 2025 – 3:00 P.M.

### **Minutes**

<b><u>MEMBERS PRESENT:</u></b>	Tomás Morales, Sam Sudhakar, Rafik Mohamed, David Dufault-Hunter, Anthony Roberson, Timothy Akers, Jennifer Sorenson, Dorothy Chen-Maynard, Taewon Yang, Jeremy Dodsworth, Carson Fajardo, Juan Padilla, Valerie Zellmer, Evajuani Bynum, Mike Razo.
<b><u>MEMBERS ABSENT:</u></b>	Paz Oliverez, Robert Nava, Robin Phillips, Shardul Kulkarni, Maritza Gomez.
<b><u>STAFF PRESENT:</u></b>	Sesar Morfin, Michelle Mondorf, Michelle Bulaon, Julie Wessel, Andreina Dominguez.
<b><u>GUESTS PRESENT:</u></b>	Naomi Rodriguez.

---

#### CALL TO ORDER

Board Treasurer, Sam Sudhakar, called the meeting to order at 3:03 P.M.

This meeting was held in the University Enterprises Boardroom, UE-102, with a small number of Board Directors participating via zoom.

#### I. APPROVAL OF MINUTES – ACTION ITEM

The minutes of the September 27, 2024, UEC Board of Directors meeting were approved as presented.

Board Result (*Roberson/Zellmer - Motion Passed*)

#### II. PRESIDENT'S REPORT

President Tomás D. Morales provided updates on campus activities and upcoming events.

#### III. EXECUTIVE DIRECTOR'S REPORT

Sesar Morfin, AVP – Finance & Administrative Services provided updates and operational highlights:

- Negotiations with Chartwells have been ongoing for some time. In late fall, discussions were progressing, but shifts in the economic environment have presented new challenges. Specifically, Chartwells' campus sales have decreased by approximately 15% in the first quarter of this year compared to the same period last year. This decline has complicated the negotiation process. However, management remains committed to finalizing an agreement, with another meeting scheduled for next week. A more concrete update will be provided soon.

- To optimize labor resources, Wild Blue Sushi was moved to Howl n' Growl and Frutas de Coyote were integrated into Coyote Cantina at SMSU North. Discussions are ongoing to determine the best use for the remaining vacant space at SMSU South.
- Efforts are underway to actively promote on-campus dining offerings, with a focus on increasing participation in both mandatory and voluntary meal plans.
- UEC is working on implementing the EBT program at CSUSB, in compliance with AB 2033's requirements to apply by September 1, 2025.
- Based on feedback from students and faculty, a decision was made to pause the CDOTA program for the Spring 2025 semester. The program will be reassessed, and the feedback collected will be reviewed to determine whether the program should be reconsidered in the future. This financial impact on the lost revenues for the CDOTA program will be addressed in the upcoming Finance Committee meeting later this spring.
- The Chancellor's Office audit is ongoing, with significant progress being made and about half of the required actions having already been completed. The financial audit was also finalized during the UEC Audit Committee meeting which was held on December 16<sup>th</sup>.
- The UEC Executive Director search did not yield a strong fit in the final round of interviews conducted in December. The position was reposted on January 2<sup>nd</sup>, and applications will be reviewed next week. If a strong candidate pool is identified, the hiring process will proceed. Otherwise, a search firm will be hired to conduct the search.
- A Memorandum of Understanding (MOU) was established for Sesar Morfin, who is currently fulfilling the role of Interim Executive Director for UEC. Per the Chancellor's Office guidelines, a MOU specifying salary and benefits for the interim temporary position is required after it has exceeded a certain timeframe.

#### IV. CHANGES IN BOARD MEMBERSHIP FOR FY 2024/25 – ACTION ITEM

UEC Bylaws state that Faculty, Staff, Student, and Community Directors shall be elected by the Board of Directors and serve terms up to three years in length. Faculty Directors shall be elected from person(s) recommended by the Faculty Senate to serve a term of three years. Student Directors shall be elected from person(s) recommended by the Associated Students, Santos Manuel Student Union, and the Office of Student Affairs to serve a term of up to two years. Community Directors shall be elected by the Board of Directors to serve a term of three years.

There are currently two (2) vacant community director positions on the UEC Board of Directors. Based on the recommendation from the President, Evajuani D. Bynum and Mike Razo were nominated as community directors to the UEC Board of Directors.

#### RECOMMENDATION:

It is recommended that the UEC Board of Directors approve the following actions:

1. Appointment of Evajuani D. Bynum to a three-year term as Community Director (7/1/24 to 6/30/27)

2. Appointment of Mike Razo to a three-year term as Community Director (7/1/24 to 6/30/27)

Board Result – *(Morales/Dufault-Hunter - Motion Passed)*

V. POLICY REVIEW – ACTION ITEM

UEC Management presented two policies for review and approval by the Board as referenced below:

- 305.0 Hospitality Policy
- 420.0 Procurement Policy

UEC Hospitality Policy 305.0 was revised to better align with the hospitality policy recently adopted by campus. Previously, UEC utilized a separate corporate credit card program through Bank of America. However, all UEC corporate credit card holders have been transitioned over to the new corporate credit card program with US Bank. UEC Procurement Policy 420.0 was revised to align with the new corporate credit card program. Board member Zellmer suggested that we remove all references to the name US Bank within the revised procurement policy.

**RECOMMENDATION:**

It is recommended that the UEC Board of Directors approve the updated Policy Reviews with the condition that all references to US Bank be removed within the revised procurement policy.

*(Chen-Maynard/Roberson - Motion Passed)*

VI. AUDIT COMMITTEE REPORT

The Audit Committee met on December 16, 2024, to review and discuss the June 30, 2024, audited financial information prepared by our independent financial auditors Clifton, Larson, Allen (CLA). CLA reported a clean audit experience and provided an unmodified opinion on the UEC financial information. CLA identified one material weakness related to the internal controls over financial reporting related to how grant revenue for several grants was incorrectly recorded. Management concurred with this finding and adjusting entry was posted in FY 23/24 year to correct the error. A plan has been developed to avoid this issue from happening in the future.

VII. OFFICE OF THE ACADEMIC RESEARCH REPORT

Julie Wessel, Interim Director Sponsored Programs Administration, reviewed the summary of awards and proposal submissions from July-December 2024.

- 73 proposals, totaling approximately \$26 million in proposal submissions.
- 111 new awards, totaling approximately \$41.6 million.
- Sponsored Programs is collaborating with Financial Services to expedite federal invoicing and cash draws to ensure UEC maintains a stable cash flow.

VIII. FINANCIAL REPORT

Michelle Bulaon, CSUSB Associate Controller, presented UEC's financial statements as of September 30, 2024. Ms. Bulaon reviewed the revenues, operating expenses, and other income/expenses and noted the following:

- Bookstore commissions fell short by \$59k due to a commission adjustment for anticipated revenue not received, in line with CDOTA discussions.
- Dining Services commissions were lower than budgeted due to timing, with revenue expected to catch up later in the year.
- Sponsored Programs indirect cost recovery exceeded expectations, reaching \$1.4 million.
- Business Office revenue exceeded expectations, totaling \$373k, driven by strong market performance.
- Bookstore operating expenses were -\$73k, a variance due to rent credits being used up before resuming monthly rent payments.
- IDC activity showed a -\$134k variance, reflecting increased Sponsored Programs expenses.

IX. PUBLIC COMMENTS AND ANNOUNCEMENTS

There were no public comments or announcements.

ADJOURNMENT

The meeting was adjourned at 4:15pm

\*\*\*\*\*

*Approved by the UEC Board of Directors*

*Valerie J. Zellmer*

Valerie J. Zellmer (Feb 25, 2025 09:33 PST)

---

*Valerie Zellmer, Board Vice-Chair*