

**HUMBOLDT STATE UNIVERSITY CENTER
BOARD OF DIRECTORS**

Regular Meeting on Thursday, March 18, 2021

Zoom Meeting ID: 851 3362 1955

Zoom Link: <https://humboldtstate.zoom.us/j/85133621955>

5:15 p.m. PST

The Humboldt State University Center Board of Directors met on the above date online via Zoom, consistent with the CA Governor’s Executive Order N25-20, suspending certain open meeting law restrictions. Vice Chair, Jourden Lamar, called the meeting to order at 5:20 p.m.

Directors Present: David Lopez, Jeremiah Finley, Jourden Lamar, Jeremiah Plata, Eboni Turnbow, Genevieve Marchand, Lynne Sandstrom, Casey Hague, Kintay Johnson, Steve Martin, Mark Rizzardi, Marissa Miller (arrived at 5:45 p.m.)

Directors Absent: None

Others Present: Wendy Sotomayor, Mike Fisher, Bridget Nichols, Roy Furshpan, Sarah Long, Amber Blakeslee, Mary McDowell, Heidi Chien, Sherie Gordon, Joan Tyson, Casey Park

MINUTES

SUBJECT: Approval of Agenda

MOTION: It was moved (Lamar) and seconded (Plata) to adopt the agenda

ACTION: The motion was **APPROVED** unanimously.

SUBJECT: Approval of Minutes

MOTION: It was moved (Lamar) and seconded (Plata) to adopt the minutes dated [February 18, 2021](#)

ACTION: The motion was **APPROVED** unanimously.

SUBJECT: Public Comment

There was no public comment at this time.

SUBJECT: Chair’s Report – Jeremiah Finley had nothing to report at this time.

SUBJECT: Executive Director’s Report – Wendy Sotomayor reporting

Endowment and Agreement Updates – Discussion of the endowment with the Foundation and at the Finance Committee has occurred since the last Board meeting. These discussions are happening concurrently with the consideration of the UC assets, the transfer of assets, and the remaining UC liabilities. Full documents of the endowment, transfer of assets, and any agreement with the state

are still being drafted. UC accountants are being consulted to ensure the UC remains compliant with the requirements of a 501(c)3 organization.

Arcata Community Pool Letter – Per the Finance Committee’s direction, an email with the draft of a letter to the Arcata Community Pool was sent out to board members individually. The letter requests the payment of the \$75,000 to be paid in full to the UC by June 30th.

MOTION: It was moved (Lamar) and seconded (Martin) to accept the report.

ACTION: The motion was **APPROVED** unanimously.

SUBJECT: Audit Committee Report – Jeremiah Finley and Wendy Sotomayor reporting
Chancellor's Office Audit Report – The Committee reviewed the report line by line. During the meeting, Sotomayor and Sandstrom noted the items that are no longer applicable, and highlighted the items that still need to be addressed.

MOTION: It was moved (Martin) and seconded (Rizzardi) to accept the report.

ACTION: The motion was **APPROVED** unanimously.

The Board progressed to the time certain item on the agenda

SUBJECT: Old Business: Termination of Operating Agreement Considerations
Student Union Service Elevator & Roof – TIME CERTAIN at 5:30 p.m.
Mike Fisher, Planning Director for Facilities Management, spoke to the Board to explain that these deferred maintenance projects on the Student Union service elevator and roof would need to be approved soon for the University to be able to initiate the projects in time for the summer. Fisher explained that the Facilities Condition Audit was used to identify where the building is at in its life cycle and the roof and elevator are two items that need replacement. It was noted in response to a question about repairs versus replacement that repairs do allow for extensions on the life cycle of a building. Additionally, “Deferred Maintenance” at HSU, campus wide and in the student union building, is extensive.

SUBJECT: Finance Committee Report – Lynne Sandstrom reporting
Loan to Northern Humboldt Recreation and Park District: Arcata Community Pool – The committee discussed that the UC Board should act sooner than April to request payment from the Pool to show that the University Center has made every effort to be made whole. The Committee authorized the drafting of a letter to send to the Northern Humboldt Recreation and Park District: Arcata Community Pool to give notice on their loan and request their repayment plan.

Assets – The Committee reviewed the UC Balance Sheet as of February 28, 2021, the UC Income Statement & Projections, and the Proposed Asset Transfer and then discussed these documents in relation to the proposed endowment that the

UC could have with HSU's Foundation.

Reserves – The Committee recommended that the time certain presentation from Facilities Management appear first on the Board's agenda, but that the action on the reserve allocations occur after the Board was presented with new information related to the endowment, and the assets. This timing was recommended to allow all Board members to have a fuller understanding of the breadth of the funds available for these deferred maintenance projects.

MOTION: It was moved (Martin) and seconded (Miller) to accept the report.

ACTION: The motion was **APPROVED** unanimously.

SUBJECT: Old Business continued: Termination of Operating Agreement Considerations

Authorization for Lease Agreements with HSU for Use of UC Assets beyond March 31, 2021 – Sotomayor explained that without an updated operating agreement, it would be likely that a monthly lease agreement would need to be authorized. She requested that the Board authorize her as the Interim Executive Director to work with University Contracts to extend the agreement with Humboldt State as needed on a month-to-month basis.

MOTION: It was moved (Sandstrom) and seconded (Sotomayor) to authorizing the Interim Executive Director to work with University Contracts to extend the agreement with Humboldt State as needed on a month-to-month basis.

ACTION: The motion was **APPROVED** unanimously.

Quasi-Endowment Creation Proposal – At this time, there is no proposal drafted for approval. The Board discussed the proposal to set-up a quasi-endowment or investment fund to cover the post-employment benefit obligations of the University Center and support student programs.

MOTION: It was moved (Rizzardi) and seconded (Johnson) to move forward with the creation of a quasi-endowment proposal.

The motion was rescinded as the Board already gave approval to create a quasi-endowment, but there is not a currently drafted proposal to approve, meaning there was no further action to be taken at this time.

Remaining UC Assets and Liabilities – Sotomayor presented the [Proposed UC Asset Transfer-Sale as of February 28, 2021](#) to the Board, showing the items that are proposed to transfer and highlighting some items in Dining have the potential to be sold. There was discussion around HSU's perspective on the proposal. Vice President Sherie Gordon spoke to HSU's acknowledgement of their fiduciary responsibility to work with the University Center to meet the OPEB and pension obligations. There was further discussion on the timeline of documents that remain to be drafted, like the quasi-endowment, or an operating agreement.

MOTION: It was moved (Rizzardi) and seconded (Lopez) to authorize UC management to work on an agreement with HSU that transfers the UC assets in exchange for the future and remaining obligations

ACTION: The motion to authorize was **APPROVED** unanimously.

UC Reserve Allocations: Student Union Service Elevator & Roof – The Board heard from Mike Fisher earlier in the meeting, and after considering the potential transfer of assets, again considered the recommendation from the Finance Committee to allocate \$922,500 of reserve funds to go towards the previously approved maintenance projects on the student union service elevator (\$172,500) and the student union roof (\$750,000). There was further discussion to the UC assets and liabilities, and these deferred maintenance costs. Members posited options of allocating funds for one project versus the other.

ACTION: It was moved (Sandstrom) and seconded (Turnbow) to allocate the \$922,500 of reserve funds to go towards the previously approved maintenance projects on the student union service elevator (\$172,500) and the student union roof (\$750,000), with the stipulation that the UC gets the University’s commitment in writing that they will cover the pension and post-employment benefits if there is a shortfall.

A member spoke in favor of allocating the full amount as planned in the approved budget. Other members spoke against approving this allocation at this time as the approved budget was created when the UC had student fee revenue and enterprise revenues that could cover operations, maintenance, and the other obligations, like post-employment benefits and pensions.

MOTION: The motion to authorize was APPROVED unanimously.

SUBJECT: New Business

CLOSED SESSION: Potential Litigation– Action Item

Potential Litigation. [one] ([Education Code § 89923.](#))

The Board did not move into closed session as it was clarified by legal counsel that the topic of a written notice to the North Humboldt Recreation and Park District Board aka the Arcata Pool did not require a closed session or any further action from the Board. Under direction from the Finance Committee, UC management drafted a letter to remind the Arcata Pool Board of the 90-day notice and that their payment would be due soon.

Due to time, the remaining items will table to the following meetings.

UC Bylaws – Discussion Item

To discuss the University Center Bylaws, the [tabled amendments](#), and the upcoming discussions on Board composition.

SUBJECT: General Board Comments

SUBJECT: Announcements

SUBJECT: Adjournment

MOTION: It was moved (Rizzardi) and seconded (Sandstrom) to adjourn the meeting.

ACTION: The meeting adjourned at 7:27 p.m.