



**Regular Meeting Minutes**  
**Monday, February 27, 2023**

The California State University Channel Islands Site Authority (SA) and The California State University Channel Islands Financing Authority (FA) Board met on Monday, February 27, 2023, at 11:30 a.m. virtually via teleconference (Zoom webinar).

Site Authority Board Vice Chairperson Robert Eaton called the meeting to order at 11:30 a.m. A quorum was established.

Members present:

Robert Eaton, Vice Chairperson; Trustee Larry Adamson; John Broome, Jr.; Supervisor Jeff Gorell; Councilmember Laura Hernandez; Supervisor Vianey Lopez; President Richard Yao

Regrets:

None

Alternates present:

Supervisor Kelly Long; Councilmember Martita Martinez-Bravo; Laurie Nichols, AVP Administrative Services/HRO

Others present: Marc Mootchnik, University Counsel; Stephanie Bracamontes, Controller; Thomas Hunt, AVP Facilities Services; John Lazarus, Executive Director of Operations; Barbara Rex, SA Treasurer; Minna Chang, Auxiliary Accounting Manager; Terry Tarr, Associate Architect; Celina Zacarias, Executive Director of Community & Government Relations; Christina Sotelo, Secretary

**OPENING STATEMENTS**

Vice Chair Eaton called for public comment (pursuant to Government Code Section 11125.7).

Public Comment Period

Mary Kennedy, a townhome owner in University Glen, addressed her concern to the Site Authority board on the growing cost of living in the neighborhood. Ms. Kennedy proposed action steps to restore homeowners' trust. First Ms. Kennedy proposed the Site Authority acknowledge fiduciary responsibility for the reserve accounts and invest them following common interest development rules for reserve savings. Second, Ms. Kennedy proposed to seek economies of scale with the University, by increasing transparency by including the Budget Advisory Group. Ms. Kennedy suggested expanding the annual audit scope to include the financial systems and including a community member to attend the opening and closing conferences.

Tobey Wheeler, a townhome owner in University Glen, expressed his concern with the condition of the common area management. Townhome reserves have fallen below 40%. Common area reserves are below 60%, and single-family reserves have fallen to 80%. Mr. Wheeler suggested disclosing this information upon home sales. He would like necessities to be a priority of the community reserve maintenance. Mr. Wheeler welcomed the new board members and thanked them for their time.

Patrick McClone, a University Glen resident, expressed concern about the Common Area Maintenance fees increase. Since his townhome purchase in 2006, the Common Area Maintenance fees have risen from \$180 to \$480. Mr. McClone expressed his frustration with the underfunded reserves and increase in Common Area Maintenance fees with no substantial increase in services. Mr. McClone thanked the board for their time.

Carolyn Phillips, a University Glen resident since 2009, addressed her concern about the affordability of the homes in University Glen. Ms. Philips believes the townhome reserves are underfunded because the Site Authority was not contributing to the reserves when they owned the townhomes. Ms. Philips expressed her worries about the proposed budget. She stated in 2018 the budget was \$126,000 and the new proposed budget is \$357,000.

Sandi Boyd, a University Glen resident, expressed her concerns about the financial challenges University Glen faces. The unexpected shift of costs from the Site Authority to the Phase 1 homeowner makes living in University Glen financially unrealistic. Ms. Boyd stated the initial cost to build the infrastructure was 33.4 million dollars. No reserve study has been done before. The current funding level for the townhome reserves is estimated at 41%. To reach the 65% goal each town homeowner would owe \$6,718. Ms. Boyd expressed her concerns about the increased water budget and Mello-Roo's tax. Ms. Boyd suggested the Site Authority create a subcommittee to work with the Budget Advisory Group to outline a way forward. Ms. Boyd proposed, following the May Site Authority meeting, a public discussion would be helpful for the University Glenn residents.

Vice Chair Robert Eaton expressed his appreciation for all the public speakers' concerns.

#### Board Member Comment Period

Vice Chair Robert Eaton announced he would chair this Site Authority Board meeting. A vote to elect the new Chairperson is an agenda item. Vice Chair Eaton recognized two new members and an alternate member to the Site Authority Board. He welcomed County Supervisor Vianey Lopez, Supervisor Jeff Gorrell, and City Councilmember Matita Martinez-Bravo.

Ventura County Supervisor Vianey Lopez expressed her appreciation for being appointed as a member of the Site Authority Board. She is looking forward to working with the California State Channel Islands campus and community.

Councilmember Matita Martinez-Bravo expressed her appreciation for being an alternate on the Site Authority Board. She is looking forward to working with the community to ameliorate their concerns.

County Supervisor Jeff Gorell stated he is looking forward to working with everyone on the Site Authority Board.

No further comments were made.

## **CONSENT AGENDA**

- ACTION: Approval of Site Authority Board Minutes of November 7, 2022
- INFORMATION: Anacapa Canyon Project Update (Lazarus)
- INFORMATION: Site Authority Operations Report (Lazarus)
- INFORMATION: Financial Report (Bracamontes)

### Approve Consent Agenda

Motion was made by Larry Adamson to approve the consent agenda. The motion was seconded by John Broome, Jr. and carried unanimously by roll-call vote.

## **INFORMATION AND ACTION ITEMS**

### **ACTION: Resolution: Delegation of Authority to Execute Southern California Gas Easement Agreement for the University Glen Neighborhood (Nichols)**

Laurie Nichols deferred to Tom Hunt, AVP of Facilities Services. Tom Hunt explained in 2010 the California Public Utilities Commission (CPUC) authorized funding for advanced metering initiatives. Southern California Gas Company alerted CSUCI to upgrade the metering capability at the homes in University Glen. This easement is required because Southern California Gas Company needs to install a repeater to transmit data from the University back to Southern California Gas Company. The reviews have been completed and Assistant Vice Chancellor of Capital Planning Design and Construction Elvyra F. San Juan has already agreed to execute the easement.

Motion was made by John Broom Jr. to approve the action item. The motion was seconded by Larry Adamson and carried unanimously by roll-call vote.

### **ACTION: Approval to Relinquish a Portion of Ground Back to the Trustees for the Use of CSUCI and Resolution: Delegation of Authority to Execute a 5th Amended and Restated Ground Lease (Nichols)**

Marc Mootchnik, University Counsel, provided background on the Delegation of Authority to Execute a 5th Amended and Restated Ground Lease. The Santa Barbara Zoo approached the Channel Islands campus to expand. A conservation center will be set up to support small animals and endangered species. Several initiatives will support the Zoo and the campus' academic programs. A Memorandum of Understanding will be signed by the Santa Barbara Zoo and CSUCI. The Memorandum will allow more specific academic programs to be added that are mutually beneficial. The conservation center will be located on the northwestern portion of the CSUCI Campus. The agenda item is to seek approval to return a portion of Site Authority land to the CSU Trustees. This is done by amending the Ground Sublease Agreement with the authorization of the Site Authority Board Chairperson.

Councilmember Matita Martinez-Bravo asked about the vision of the Santa Barbara Zoo project. President Richard Yao responded that the connection is the first step in a broader vision for collaboration between CSUCI and the Santa Barbara Zoo. The grand vision for CSUCI is

to become a conservation campus. The conservation center would benefit the zoo and CSUCI's academic programs. As the conservation center expands, other opportunities such as early childhood education, collaboration, and art academic programs will arise. CSUCI would be the only university nationwide to be a campus conservation center. This would incorporate a regional draw from the public. The collaboration with the Santa Barbara Zoo is the first step to the strategic vision for a one-of-a-kind university. Supervisor Vianey Lopez asked regarding the time reference to the Ground Lease. Marc Mootchnik answered the only changes will be the legal description of the Ground Sublease and it is a 90-year lease. Trustee Larry Adamson asked if we would bring in local high school districts for educational programs. President Richard Yao clarified that is one part of the vision, to be of service to the region on many levels. Councilmember Laura Hernandez asked if the Site Authority had a purpose for this land. Mr. Mootchnik replied the campus master planning was amended to include this site as a CSUCI research project. Ms. Hernandez asked if an environmental impact report has been done and if it will be required. Mr. Mootchnik responded an environmental impact report will not be required. It is already part of the master plan and has already gone through the review process. Ms. Hernandez asked if the Coastal Commission has weighed in on the project. Mr. Mootchnik stated they are working with a consultant who made sure that any appropriate permitting is accomplished. Ms. Hernandez thanked Mr. Mootchnik for his responses.

Motion was made by Larry Adamson to approve the action item. The motion was seconded by Laura Hernandez and carried unanimously by roll-call vote.

**ACTION: Resolution: Recognizing Linda Parks' Contribution and Retirement (Nichols)**

Linda Parks joined the Site Authority Board meeting to be recognized for her contribution and retirement. President Yao honored Ms. Parks for her dedication and her positive impact on the CSUCI campus. Ms. Parks exemplified the University's diversity, equity, and inclusion missions. President Yao thanked Ms. Parks for her initiative to support conservation efforts. Ms. Parks assisted in facilitating a presentation from the California Fish and Wildlife at the University Glen Safety Fair. Supervisor Jeff Gorell thanked Ms. Parks for being a champion for her community and improving the quality of life in Ventura County. Laura Hernandez thanked Ms. Parks for her leadership and service to the Site Authority. Matita Martinez-Bravo thanked Ms. Parks for being a role model for women and for representing women in the County. Larry Adamson announced on behalf of the Board of Trustees of California State University, to honor Ms. Parks for her service to the Site Authority Board. Supervisor Vianey Lopez thanked Ms. Parks for the many years she dedicated to Ventura County as a Supervisor and the many roles in leadership she had. Vice Chair Robert Eaton thanked Ms. Parks for her commitment to the Site Authority Board. Linda Parks thanked the board for taking the time to honor her.

Motion was made by Larry Adamson to approve the action item. The motion was seconded by John Broome, Jr and carried unanimously by roll-call vote.

**ACTION: Approval of Audit Committee Charter (Bracamontes)**

At the November 7<sup>th</sup> Site Authority board meeting, it was recommended to align with best practices, to establish an audit committee. Stephanie Bracamontes is seeking approval for the establishment of the audit committee.

Vice Chair Eaton asked if anyone had questions or comments. No questions or comments were made.

Motion was made by John Broome, Jr. to approve the action item. The motion was seconded by Vianey Lopez and carried unanimously by roll-call vote.

**ACTION: Resolution: Audit Committee Formation** (Bracamontes/Lazarus)

John Lazarus explained that the charter specifies that the audit committee must have three or more members. None of those members can be staff of CSUCI. Mr. Lazarus proposed of the five members who are not staff of the University, three people volunteer to form the committee. Matita Martinez-Bravo asked if she was able to serve on the committee. Stephanie Bracamontes confirmed yes, she can serve on the committee. Vice Chair Eaton asked if Mr. Lazarus would report back to the board on who the members are at the next Site Authority meeting. Ms. Martinez-Bravo asked if the Audit Committee included any members of the public. Mr. Lazarus stated no, the charter stated it must be members of the board.

Motion was made by Larry Adamson to approve the action item. The motion was seconded by Laura Hernandez and carried unanimously by roll-call vote.

**INFORMATION: CI Power/CAISO Update** (Hunt)

Thomas Hunt explained the Reliability Must Run (RMR) agreement with California Independent System Operator (CAISO) ended in December 2022. It was terminated because there is a new agreement for an electricity strategic reserve with the California Department of Water Resources (DWR). The five-year agreement started on January 1<sup>st</sup>, 2023. The previous agreements with CAISO were year-by-year agreements. The new agreement will bring in one million dollars a year and pass through costs for expenses to operate the power plant. DWR is looking for options to reconfigure the power plant. One of the power plants has stopped using all-natural gas and is in the cold condition. Vice Chair Eaton thanked Mr. Hunt and agreed the plant is in a better situation.

Vice Chair Eaton asked if anyone had questions or comments. No questions or comments were made.

**INFORMATION: Investment Policy – First Read** (Rex)

Barbara Rex provided an update on the Investment Policy that was adopted in 2009. The Investment Policy for the University Glen CAM savings reserves was updated to give more clarity on the investment with Cal Trust and to identify all the investment instruments that are allowable under the policy. It was also updated because of the switch to Wells Fargo banking. Wells Fargo is a preferred provider by CSU. The update included providing a safeguard on principle, meeting the liquidity needs of the Site Authority, and obtaining the best possible return, commensurate with the degree of risk. The policy is intended to ensure that the Site Authority Board and any parties to whom the Board delegates authority are fulfilling their fiduciary responsibilities of the Site Authority investments. The Board of Directors has a

fiduciary responsibility to conserve and protect the investments for prudent management. The allowable categories are designed to protect and avoid the risk of loss, although there is no guarantee. Currently, there are approximately 3.2 million dollars in Cal Trust.

Laura Hernandez asked what factors the board should be considering regarding, the environmental social governance framework. Ms. Rex responded they would be mindful of companies that are producing arms, and looking for companies that are having a detrimental environmental impact. Vice Chair Eaton further explained the language is provided to give latitude to the investment managers to consider those factors without being prescriptive. The policy written generically gives the flexibility and the latitude to adjust as needed.

Vice Chair Eaton asked if anyone had questions or comments. No questions or comments were made.

#### INFORMATION: University Glen Community Advisory Group Update (Lazarus)

John Lazarus stated, with the help of Marc Mootchnik, they have created a template document for allowing homeowners in University Glen to place their homes into a trust. The document is available on the University Glen's website. The homeowners manual draft has been presented to the Homeowners Advisory Council and is moving forward. Regarding the increase in Common Area Maintenance fees, the Community Advisory Group is aware of the Townhome fees being raised to 25% and the single-family home fees being raised just slightly. The Site Authority have been alerting the University Glen community of upcoming public events on campus for them to join.

Vice Chair Eaton asked if anyone had questions or comments. No questions or comments were made.

#### INFORMATION: Early Childhood Care & Education Center (Yao)

President Richard Yao provided an update on the Early Childhood Care and Education Center. Dr. Yao stated it is the top priority for the campus community. The focus is on capital build-out. The total cost is around 46 million dollars and 23 million dollars have been secured. The capital planning design team, including the Dean of Education and early childhood education faculty, has been set up to meet for two hours every week to focus on the programmatic side of the project. A consultant has been brought in to help with the operational costs. The primary concern right now is the philanthropic side but there are several leads to moving forward.

Vice Chair Eaton asked if anyone had questions or comments. No questions or comments were made.

#### INFORMATION: Campus Update (Yao)

The President updated the Board on the following items:

- Update on enrollment, the spring census annualized headcount for CSU Channel Islands is just over 5,500 students and 4,607 full-time students. The tuition revenue deficit for the year is around 8.6 million dollars. This year the funded target was 6,135 full-time

students. It was projected to be 7% below the funded target. CSU is proposing a 5% reduction in funded full-time students beginning in the 2024-2025 academic year and the 2026-2027 academic year. This will equate to an appropriations cut of 7.9 million dollars over the 3 years. The University is working to implement cost mitigation strategies and will continue those for the 2023 year. It is anticipated that the University will have 5 million dollars in savings this academic year. For 2023-2024 the target savings is about 7 million dollars. Strategies for cost savings mitigation include vacancies and operational cuts.

- The Enrollment Management Report was submitted to the CSU Chancellor's office in February. To improve the yield the University has restructured Enrollment Management hired a new Director of Admissions and hired a new Vice President for Enrollment Management and Marketing. CSUCI has restructured the Communications and Marketing Division to be part of Enrollment Management. Long-term strategies include working with consultants on a brand foundation and identifying our institutional academic identity. The consultants conducted a survey in the spring of 2022 with some comprehensive data analysis and actionable data points. They will be on campus in March to establish a brand foundation with more certainty.
- The Academic Master Plan was submitted to the Chancellor's office in January 2023. This included CSUCI's academic profile. Which dove into the regional data on the workforce and industry needs, and post-graduate outcomes. The University is in alignment with the California Governor's budget compact with the CSU identifying specific areas of prioritization. The Dual Emissions Program pilot will be implemented with Ventura County Community Colleges in 2023. Enrollment is up for the Ventura County Community College District. The vision for the University is to serve the region through academic programs and engage in the broader community.

Vice Chair Eaton thanked Dr. Yao for the report. He asked if anyone had questions or comments. No questions or comments were made.

**ACTION: Election of Chair and Vice Chair (Eaton)**

Vice Chair Eaton asked Marc Mootchnik about nominations. Mr. Mootchnik confirmed that he could proceed with the post slate and additional nominations if there are any. Vice Chair Eaton nominated John Broom Jr. as chair of the Site Authority and Laure Hernandez as vice chair for the Site Authority.

Vice Chair Eaton made the motion for the slate. The motion was seconded by Vianey Lopez and carried unanimously by roll-call vote.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:57 p.m.

**APPROVED**

California State University Channel Islands Site Authority Board

<u>Christina Sotelo</u> <small>Christina Sotelo (Aug 14, 2023 17:11 PDT)</small>	<u>08/14/2023</u>
Christina Sotelo, Secretary	Date