FINANCE & INVESTMENTS COMMITTEE MEETING
Date: Thursday, May 22nd, 2025
Time: 3:30pm – 5:00pm
Location: https://csudh.zoom.us/j/82962036008
PW: 118829 **Dial-In**: +1 669 444 9171 **Meeting ID**: 829 6203 6008

MEETING MINUTES

Voting Members Present:	Chair Jeremy Brown, Brad Beverage, Jeanine Cornell, William Franklin Ph.D. (*Arrived Late*), Tayyeb Shabbir Ph.D.
Staff Present:	Tranitra Avery, Markis Lazarre, Cherisse Ross
Guests Present:	Brian Bonvechio

I. Call to Order

- The meeting was called to order at 3:33pm by Chairperson Brown.

II. Roll Call

- Roll call was taken by Mr. Lazarre. A quorum was confirmed.

III. Approval of Consent Agenda

A. Approval of Agenda
   i. May 22nd, 2025

B. Approval of Previous Meeting Minutes
   i. May 15th, 2025

- Chairperson Brown requested approval of the Consent Agenda. Motion to approve the Consent Agenda was made by Member Beverage and seconded by Member Cornell. All in favor.

IV. Public Comments

- No public comments were made.

V. Investment Portfolio Review as of April 30th, 2025
Brian Bonvechio | *Managing Director, Merrill Lynch*

- Mr. Bonvechio provided an overview of the current state of the investment portfolio. He noted that despite experiencing notable volatility earlier in the year—largely due to concerns related to tariffs and global economic tensions—the portfolio has since stabilized. As of April 30th, the year-to-date return stood at 1.4%. He emphasized that the investment mix continues to align with the organization's policy targets, maintaining approximately 55% equity and 20% alternative investments. The alternatives component, in particular, contributed to overall portfolio resilience during market disruptions.

- Chairperson Brown raised the upcoming need to liquidate a portion of assets to meet anticipated obligations. He recommended increasing the equity exposure to 65%, positioning the organization to realize greater returns while preparing to fund projected expenditures. The Committee discussed an expected draw of approximately $700,000 by early July and potentially up to $1 million for the following fiscal year. Mr. Bonvechio supported the recommendation, noting that the shift in equity exposure remains within permissible policy thresholds and could be implemented in a timely and strategic manner. The Committee confirmed agreement with the 65% target, and Mr. Bonvechio verified that the Investment Policy allows equity exposure up to 70%, affirming that the request remains well within established policy parameters.

- In addition to rebalancing the portfolio, Mr. Bonvechio agreed to deliver a refreshed report reflecting performance through May 31st, 2025. This report will be included in the upcoming Board of Directors packet for the June 12th meeting. Chairperson Brown emphasized the importance of timely data to help the Committee and Board make more responsive decisions amid a fast-changing economic landscape. The Committee concluded this item with consensus to proceed with the reallocation strategy and prepare for the anticipated drawdown.

VI. Informational Items
Cherisse Ross | *Controller, Toro Auxiliary Partners*

A. Statement of Operations as of April 30th, 2025

B. Statement of Financial Position as of April 30th, 2025

C. Accounts Receivable Aging Report as of May 16th, 2025

D. Income Statement Summary by Division as of April 30th, 2025

- Ms. Ross presented the Statement of Operations as of April 30th, 2025, highlighting an increase in projected net income driven by embedded investment income within the Administration division. She noted that while non-TAP-managed accounts were excluded from the report, some investment returns had not yet been separated from operational totals, resulting in elevated forecasts. Chairperson Brown and Member Cornell requested clearer presentation in future reports to distinguish investment income from operating revenue for more accurate comparisons and transparency in financial tracking.

- Executive Director Avery added that increased summer programming, including activities hosted by USA Football Club, is expected to generate additional revenue for TAP. She also reported that the salary of Aramark General Manager Phillip Mangawang will now be shared across multiple campuses, reducing TAP's financial obligation. On the Statement of Financial Position, Ms. Ross described how restructuring between TAP and OSRP required manual adjustments and proposed showing TAP and OSRP-managed funds separately moving forward. The Committee supported this recommendation and suggested that more detailed data be placed in appendices.

- The Accounts Receivable Aging Report showed significant progress, with most receivables now current or near-current. However, OSRP continues to carry the largest outstanding balance, as agreement terms are still under review. Ms. Ross explained that TAP is pursuing a prepaid model, which is currently undergoing legal review. Additionally, the Committee discussed a balance related to retiree medical premiums that remains unresolved due to limitations in collection methods. Executive Director Avery also disclosed that nearly $400,000 in reimbursements from past construction projects are being withheld by the university due to potential AEG-related liabilities, prompting her to seek clarification from senior campus leadership.

VII. Action Items

A. FY2025-2026 Operating Budget Strategy
Cherisse Ross | *Controller, Toro Auxiliary Partners*

- Ms. Ross presented the proposed strategy for the FY2025–2026 Operating Budget. She explained that projections remain conservative to accommodate potential unanticipated costs, especially in the final quarter of the fiscal year. She highlighted adjustments to the income statement structure based on prior Committee feedback, including shortened historical summaries and streamlined divisional breakdowns. While commercial revenues continue to underperform compared to the initial budget, administration and dining operations remain on track. Dining reimbursements through Aramark were reported to be stable and predictable, approximately $12,500 monthly.

- Ms. Ross also indicated that certain variances, such as the previously discussed $50,000 loss tied to the prior year, have been incorporated into current projections. The Committee discussed the importance of continuing to separate investment income from operating totals and agreed that financial reports presented to the full Board should provide clarity on sources of income, fund balances, and year-end expectations. No vote was required on this item, as this was a review of the operating approach in advance of final budget adoption, expected later in the fiscal cycle.

B. Toro Auxiliary Partners Revenue Distribution Policy
Tranitra Avery | *Executive Director, Toro Auxiliary Partners*

- Executive Director Avery introduced discussion on the Revenue Distribution Policy and the need for formalized guidance on how TAP allocates year-end surpluses. She explained that with increased scrutiny over financial operations and inter-agency receivables, establishing a consistent methodology for distribution would support transparency, audit readiness, and sustainability planning. Executive Director Avery also emphasized the importance of preserving reserves while responsibly funding internal programs and obligations tied to campus partners and strategic initiatives. As part of this discussion, the Committee supported a request to revise the policy to include a financial threshold: any concession or agreement impacting the budget by more than $50,000 must first be reviewed by the Finance & Investment Committee and then submitted to the Board of Directors for final approval.

- Executive Director Avery shared that the proposed framework would be shaped around year-end performance, with consideration for TAP's liquidity position, planned commitments, and capital needs. Discussions with legal counsel and the auditor are ongoing, and Executive Director Avery confirmed she would bring forward a formal policy draft for Committee review before year-end. Committee members expressed support for a more standardized approach and affirmed that such a policy should align with fiscal best practices and existing auxiliary regulations.

VIII. Other Items

- Executive Director Avery informed the Committee that an audit is underway on TAP's Travel and Hospitality policy, revealing areas where procedures may no longer align with university standards. She described the review as productive and commended Ms. Ross and her team for their responsiveness. Executive Director Avery also reminded members of their request to be notified of any active audits. Additionally, she shared that the CSU Chancellor's Office now requires auxiliary organizations to submit an annual budget report as part of a new systemwide compliance effort. She expects further guidance from Vice President Deborah Wallace and plans to update the Board in June.

IX. Adjournment

- The meeting was adjourned following a motion by Member Beverage, seconded by Member Franklin. All in favor. Meeting end time: 5:01pm.