



Board of Directors Meeting
April 17th, 2024 | 6:00 p.m. – 8:00 p.m.
7055 Folsom Blvd, Sacramento, CA 95826
<https://csus.zoom.us/j/89165953514>

Board Members (in attendance unless noted)

Annie Lam	Lynn Belzer
Erike Young	Mark Wheeler
Frank Maranzino	Martin Clevenger
Frank Whitlatch	Nataly Andrade-Dominguez
Jim Bolt	Nick Llanos
Jonathan Bowman	Rob Crawford
Leslie Cornick	Stacey Hunter Schwartz

Members Absent

James Richardson, Kenneth Johnston, Susan Catron

Staff & Public Present

Tabitha Leeds, Mashariki Lawson-Cook, Chris Bruno, Jennifer Halm, Ashley Morrison, Patti Stoltz, Nia Towne, Lisa Cooper, Cathleen Ferraro, Brian Blomster, Bruce Scheidt, Sam Stanton, Jen Picard, Devin Yamanaka, Mark Jones, Vicki Gonzalez, Sarit Laschinsky, Margaret Hwang.

We acknowledge, with respect, the land our campus is on today was, and continues to be, the homelands of the Indigenous people of this area. Northern California and its rivers serve as a gathering place for many local tribes from the surrounding valley and foothills including the Southern Maidu, Patwin, Wintun, Wiyot, and Mechoopda. We recognize these lands and riverways as unceded traditional territories of these Native peoples. We further recognize these California Native nations and respect their sovereignty. By offering this land acknowledgement, we affirm a commitment to build relationships and foster a university environment of success to better serve Native nations and communities.

Mark Wheeler called the meeting to order at 6:06 and provided the land acknowledgement.

Stacey Hunter Schwartz moved to approve agenda and was seconded by Jonathan Bowman.

Jonathan Bowman moved to approve the recording of the session and Frank Maranzino seconded.

Stacey moved to approve the 3/28/2024 minutes as presented and was seconded by Lynn Belzer.

Public Comment:

- None

Frank provided the General Manager's report: In the last two weeks CapRadio had two internal promotions – Chris Felts has accepted the position of Midday Anchor/Host and a former member engagement associate has been promoted to our engagement coordinator position. We are still looking to backfill the producer position that is currently open but haven't taken action yet. We have posted and are actively looking to hire the following positions:

- Statehouse Reporter
- Senior Engineer
- Wildfire Reporter NSPR

CapRadio's leadership team held multiple Q & A sessions with individual departments to bring employees up to speed on the current situation and get feedback from the team on how the organization is generally feeling. Topics covered included overall state of CapRadio as well as specifics concerning finances, staffing concerns, and recent articles in the press related to the CapRadio Endowment.

On March 25th we will be meeting with the board Governance Committee about health benefits for the CapRadio Staff.

Stacey asked if the current struggles NPR is facing will impact CapRadio as a local station. Frank informed her that there should be no impact, and a message from the NPR CEO was released to the staff in order to quell any concerns about these struggles trickling down to CapRadio.

Action Items:

Board Appointee Tom Karlo & candidate Jeff Holden.

Mark announced Tom Karlo's appointment to the board by President Wood. This will continue through his employment contract; at which time he will seek out a nomination as a community member.

The board voted on candidate Jeff Holden. His information was circulated to the members of the board and Jeff completed a voluntary background check, which found no information that would prevent his candidacy from moving forward. Jeff has many years of experience in radio and brings a strong broadcasting background to the board.

MOTION 2024-04*16 to approve the board membership of Jeff Holden.

Jonathan motioned to approve and was seconded by Lynn Belzer.

Prior to vote, Martin Clevenger requested clarification on Jeff's candidacy and how he become known to the board. Mark informed the members that Jeff had submitted his name for review but wasn't apart of the first batch of candidates.

Motion to approve Jeff Holden as a board member.

Yay: Stacey Hunter Schwartz, Frank Maranzino, Tom Karlo, Jonathan Bowman, Martin Clevenger, Leslie Cornick, Erike Young, Rob Crawford, Frank Whitlatch, Nataly Andrade-Dominguez, Jim Bolt, Lynn Belzer.

Nay: None

Abstentions: None

Motion passed unanimously.

Jeff Holden thanked the board for their consideration and announced he'd be interested in joining the Development Committee.

Action Items cont.:

The board voted on establishing 401K trustees for the organization. Frank Maranzino and Martin Clevenger volunteered to take on this responsibility.

MOTION 2024-04*17 to establish Frank Maranzino and Martin Clevenger as 401K trustees.

Stacey moved to approve and was seconded by Tom Karlo.

Motion passed unanimously

Action Items cont.:

Updated SacState/CapRadio Operating Agreement

Jonathan provided an update to the SacState/CapRadio operating agreement and explained that the functions listed in this agreement would dictate the type of work the organization can perform: which are instructionally related programs & the operations of a public radio station. Actions like the acquisition of real estate would be limited based on the functions listed in this agreement.

Mark explained the agreement had been updated based on member feedback from previous board session (SEE MOTION 2024-03*14).



Jonathan added that the functions listed in this agreement outline what the primary role of the organization is, which wouldn't be acquiring real estate. CapRadio's primary function is operating a public radio station. These functions can always be amended and updated based on organizational need.

Jennifer Halm asked about the land donation program and if this agreement would impact the ability for donors to gift land to the station. Jonathan clarified that those donations would be gifts, not acquisitions, and thus would be allowed within this agreement.

MOTION 2024-04*18 to approve the amended CapRadio/SacState Operating Agreement.

Nick Llanos motioned to approve and was seconded by Nataly Andrade-Dominguez

Yay: Stacey Hunter Schwartz, Frank Maranzino, Tom Karlo, Jonathan Bowman, Martin Clevenger, Leslie Cornick, Erike Young, Rob Crawford, Frank Whitlatch, Nataly Andrade-Dominguez, Jim Bolt, Lynn Belzer, Jeff Holden.

Nay: None

Abstentions: None

Motion passes unanimously.

Action Items cont.:

Policies and Procedures

Some confusion around this action item occurred, but was clarified that this item was referencing the changes in policies and procedures implemented due to the audit recommendations. Members voted on approving these implementations and sending the updated policies to the auditors as a correction to the recommendations provided. This voting occurred during the Committee of the Whole section, please see below for more information.

Committee Reports:

Executive Committee Report by Mark Wheeler: The Executive Committee has held a number of meetings to strategize CapRadio's response to the public media campaign pushing the KVIE/CapRadio merger. Bruce Scheidt, Frank Maranzino, and Mark Wheeler met with David Lowe & KVIE's general counsel to discuss Tower 91 and the lands related. It was determined that KVIE was under the impression that they owned the tower and expected to collect tower rental payments based on that understanding. The Exec Team provided documents to KVIE to support CapRadio's claim to Tower 91 and separated amicably. It was expected that these groups would meet again Saturday, April 20th, but this meeting was postponed to a later date.

At the same time, Martin reached out to the Endowment and Dan Brunner to try and coordinate a meeting. The hope was to foster a good relationship and conversation around the 90-day



notice, which was a requirement from our audit and chancellor's office (SEE MOTION 2024-03*15).

Martin clarified that the meeting scheduled with David Lowe on April 20th was deferred by KVIE and not CapRadio. CapRadio as a whole is interested in meaningful dialogue to repair and enhance the relationship between the two organizations. Martin expected to speak with Dan again Monday, April 22nd to deliver the 90-day notice to terminate the admin service agreement, which was a requirement under the chancellor's audit as this agreement was out of compliance. It has been disclosed to Dan that this would be delivered April 18th with an effected termination date of July 17, 2024.

Frank stated clearly that Tower 91 was the property of CapRadio based on tax documents going back to the 1990s.

Nick asked about the confusion regarding the tower and its ownership. He wanted to clarify the Endowment's thoughts regarding the status of the tower and how all parties came to feel their organization owned the property and its assets. Mark requested that if a representative from the Endowment was in attendance, they provide context to their mindset on this topic. None were available to give comment.

Mashariki Lawson-Cook introduced herself as the Audit Manager for SacState. She informed the members there have been multiple audits that identified concerns with the relationship between the Endowment and CapRadio. These concerns pertained to the interdependence between the two organizations and did not signify any issues with the existence of the Endowment itself. Audits from 2011 & 2013 listed concerns related to this and those were addressed; since then, prior practices came back into the organization.

Mashariki continued that the key issue of the audit findings was the role of the Endowment and how the Endowment interfaced with CapRadio. The CSU System has specific guidelines which state if the Endowment exists for the benefit of an auxiliary, it must be contained within Sacramento State's University Fund (UFSS). At the time, it was discussed to have the Endowment become apart of CapRadio but instead the Endowment decided to become a separate entity. The CSU felt this was never authorized, and thus felt the Endowment shouldn't have had the option to be a separate entity.

Tabitha added that the operating agreements previously in place state that CapRadio is an auxiliary to the CSU. It only exists because of the CSU and Ed Code; this understanding has been missing within the organization for 15-20 years. The operating agreement lays out exactly what CapRadio is allowed to do, which did not include CapRadio being fiduciary to a second entity. CapRadio was operating in that capacity for the Endowment, which was out of compliance with Ed Code and CSU policy.

Mashariki stated that checks and balances have been corrected, and CapRadio has implemented these controls based on the audit recommendations. The majority of financial function moved to



SacState in October 2023, so CapRadio is not directly handling their day-to-day finances. CapRadio now has formal procedures in place so people are aware of appropriate regulations.

Jeff Holden asked if the Endowment holds title to the land under Tower 91. Mark explained that the land is restricted for use by CapRadio.

Jonathan Bowman Point of Order – on Monday, Ashley sent out materials and those were the policies and procedures that we should've voted on. Mark stated the board will address and take action on those items within the Committee of the Whole section.

Stacey explained it was critical from the Executive Team's perspective to extend an olive branch to the Endowment.

Frank informed the board that the Endowment has stated in the press that CapRadio hasn't been willing to meet with them and KVIE. In fact, there were multiple meetings between the parties mentioned and only one meeting had been cancelled.

Martin has provided an agenda for a future meeting to the Endowment in positive spirit, and with an open mind to any changes they would like to make. In response, Dan had hoped to present an alternative admin service agreement, which Martin felt was premature considering CapRadio still needs to determine what services it could provide while remaining in compliance.

Martin also addressed the possibility of the Endowment transferring its current assets donated to the benefit of CapRadio to the University Foundation (UFSS). There, the Endowment board could maintain discretionary control over these funds with the exception of the management or direction of the investments. Understandably, it had not been the intention of the board to present the 90-day notice over email or phone. The Board's goal will be to hope for a reconciliatory meeting.

Tom added that as interim General Manager, he was the one who initially reached out to KVIE to begin these talks. This was around the time the audit review was released, so Tom informed the Endowment of the audit findings and explained there was no leeway from the chancellor's office to provide the services outlined the admin agreement. Instead, CapRadio extended an olive branch of services it'd be able to continue to provide: the Endowment could remain their own 501(C)3 and maintain the restricted funds as their own organization or they can merge into UFSS. All ten campuses within CSU system have a public radio station and all operate through their university foundations. This merge would mean CPRE wouldn't have to do administrative paperwork as all would be done through UFSS, resulting in more revenue back to the organization. The Endowment board would be welcome to join UFSS, with members having the option to join the investment committee & the UFSS board to help keep an eye on CapRadio's best interest. This is one of the 19 observations by the audit that CapRadio must correct, and leadership has provided the Endowment options despite these findings. The Endowment declined these options outright.



Mark added that when SacState received the audit, it was characterized as the worst audit seen by the CSU. While some audits could get ignored by prior leadership, there was no wiggle room in correcting these issues in the most recent recommendations.

Nick felt that the proposal took all agency from the Endowment and they may feel it is detrimental for their organization. If they give over their entire work, then they can participate in this other way, but it doesn't address their concern over having greater responsibility. They want to have CapRadio free from CSUS but CapRadio is intrinsically tied to SacState. It feels diametrically opposed. There are many stations merged with their local TV station, maybe its something to look into? Is the Endowment a normal relationship for public radio as a whole? This feels like a divorce.

Mark clarified that the options available are that they operate as an independent 501(C)3 conducting their own admin work and fundraising or they can move into the UFSS where they would have the same agency that they had previous.

Frank added that the funds are the Endowment's account but they're actually CapRadio's funds as those were raised by employees of CapRadio and were donated for the specific purpose of benefiting CapRadio.

Leslie Cornick stated that its important is to get back to first principals; that the stated legal mission of the Endowment as it pertains to the relationship with CapRadio is to support the management of funds that were donated to CapRadio. The folks at the Endowment can have all the feelings about this that they want but there are specific fiduciary responsibilities that are being ignored in the way they are behaving. While their feelings are important, we have a responsibility as the Board of CapRadio that we discuss these issues in the context of the actual mission and responsibility of the Endowment.

Committee of the Whole:
Financial statement updates by Tabitha Leeds

Tabitha provided update on the financial status of CapRadio. She reviewed the Cash Flow Statement for January, February, and March, showing that CapRadio should be solvent through the end of the year. Expenses are high but with CapRadio's revenue holding strong, there are no major issues. Missing the CPB revenue and other grants are the largest impacts to CapRadio's statements.

Committee of the Whole:
Update on KVIE & Endowment

Mark had provided a Sacramento Business Journal OpEd to the Board, which addressed the complexity of the proposed merger – specifically the piece about how CapRadio's debt is so complicated that rushing into a merger would not be in the organization's best interest.

Jeff Holden asked if CapRadio had an appraisal value of the land and was informed that CapRadio doesn't currently but expects to add the Tower into its financial statements, and thus will need to determine the appraised value. Since 1984, the Tower had been listed on CapRadio's taxes as an asset.

Motion to extend clock to 8:25 by Stacey and seconded by Jonathan. Motion passed unanimously

Committee of the Whole:

Audit progress by Mashariki Lawson-Cook

MOTION 2024-04*19 to approve policies and procedures related to audit recommendations 1, 8, 11, 12, & 13 be sent to CLA as corrections to CapRadio's internal practices.

The audit report identified 17 observations with corresponding recommendations. To close out the audit, CapRadio needed to demonstrate the implementation of policies to correct these recommendations. The board will be approving policies related to five of these recommendations.

1. Finding 1: Loan agreement between CapRadio and CSUS for the Downtown property - This agreement was not in compliance due to a misunderstanding of original writing. As it was established, this agreement works as a loan from SacState, and the CSU cannot loan money out in this manner. To rectify, CapRadio & SacState developed the MOU and Exhibit A with in-kind services laid out (SEE MOTION 2024-03*12).

Motion to approve by Jonathan and seconded by Tom.

Jonathan Point of Clarity: this is not a vote to approve the MOU but to send this as an audit correction to the auditors.

This motion passed unanimously.

2. Finding 8: Cash Handling - The everyday processes to intake and account for cash, checks, funds, etc. -

These processes were corrected by working with CapRadio to incorporate CSU cash handling procedures as well as general best practices. The CSUS Team developed detailed written procedures to guide CapRadio on how to take in funds, particularly for segregation of duties. This is a shift away from relying on internal knowledge and toward clear, concise processes.

Mashariki let the Board know that the Chancellor's Office will be returning annually to ensure these practices continue. This will also be checked during an annual cash management review, which is normal for all departments on campus. These will be timed so that these reviews will occur roughly six months of each other. After that, the audit team will be checking these annually due to the severity of these last audit findings.

Motion to approve by Jonathan and seconded by Tom.

Motion passes unanimously.

3. Finding 11: Cash disbursements focusing on expenditures and authorization including supporting documentation. -

New policies regarding procurement and payment of goods and services have been put in place. These have been made specific for CapRadio based on CSUS standard. Most of these processes have moved over to the campus for them to manage on behalf of CapRadio. The oversight lies with Accounting Services and CapRadio.

Motion to approve by Stacey and seconded by Jonathan.
Motion passes unanimously.

4. Finding 12: Credit Cards

CapRadio now has policies to state what can and cannot be purchased. Pro-card system from CSU manual was provided to the members, which were implemented within CapRadio. All credit cards have been cancelled and the accounts closed.

Motion to approve by Stacey and seconded by Tom.
Motion passes unanimously.

5. Finding 13: Accounts Receivable recording and follow up on what was actually collected. The audit found that there were challenges with how CapRadio was recording receivables. The CSU audit team determined whether or not listed receivables were actually collectible and how CapRadio was reporting and reconciling these receivables in the books. Now there's written policies and procedures that have to do with how these practices should be done, including how long a reconciliation can be outstanding.

Motion to extend clock by 2 minutes moved by Jonathan and seconded by Jeff Holden.

MOTION 2024-04*19 to approve policies and procedures related to audit recommendations 1, 8, 11, 12, & 13 be sent to CLA as corrections to CapRadio's internal practices.

Motioned by Jonathan and seconded by Leslie.

Motion passed unanimously

Meeting was adjourned at 8:26pm.

A handwritten signature in black ink, appearing to read 'Stacey AS'.

06/27/2024

Approved by Stacey Hunter Schwartz