



Board of Directors Meeting
May 1, 2024 | 6:00 p.m. – 8:00 p.m.
7055 Folsom Blvd, Sacramento, CA 95821
<https://csus.zoom.us/j/89165953514>

Board Members (in attendance unless noted)

Annie Lam - (absent)	Lynn Belzer
Erike Young	Mark Wheeler
Frank Maranzino	Martin Clevenger
Frank Whitlatch - (absent)	Nataly Andrade-Dominguez
James Richardson - (absent)	Nick Llanos
Jeff Holden	Rob Crawford
Jim Bolt	Stacey Hunter Schwartz
Jonathan Bowman	Susan Catron
Kenneth Johnston	Thomas Karlo
Leslie Cornick - (absent)	

Staff & Public in attendance:

Tabitha Leeds, Chris Bruno, Mashariki Lawson-Cook, Victoria Hagele, Ashley Morrison, Kristin Lam, Patti Stoltz, Anthony Spinetta, Mike Montgomery, Bruce Scheidt

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 calls the meeting to order at 6:04 and provided the land acknowledgement. Minutes for the April 17th meeting to be provided at the board's next session.

Frank Maranzino moved to shift Bruce Scheidt's compliance training ahead of action items and was seconded by Tom Karlo. No objections occurred.

Martin Clevenger had concerns about the board's ability to act on the audit closeout policies and procedures due to the lack of time to review the relevant documents for this action item. He was also concerned about taking action on the employee benefits policy for similar reasons, and suggested tabling action on these items until the board can gain a better understanding.

Martin motions to move our action items to discussion items with the possibility of a vote if the board feels comfortable taking action. Jeff Holden seconded this motion. No objections occurred.

Tabitha informed the board that the benefits percentage would need to have a decision that evening as CapRadio doesn't have a formal benefits policy in place. The discussion of the audit items can be deferred without much impact to the business until the board reconvenes May 15th.

Marty moved to have the benefits policy as a top discussion item so if the board felt comfortable taking a vote, they will have time to do so. This would be followed by policies and procedures discussion. There were no objections to this.

Susan motioned to adopt the amended agenda and was seconded by Lynn Belzer. There were no objections.

Public Comment:

Kristin Lam, CapRadio Reporter: Kristin is a member of mobilizing committee & contract bargaining team. In a committee meeting earlier this week, employees heard a board member state that employees only care about pay rather than benefits. Kristin's team took a poll of union members and found that employees care about both pay and benefits. Kristin stated she hoped members take this information into account. Staff has also requested board meetings be held outside of business hours so employees can attend without impact to operations.

Martin thanked the speaker for her disclosure and stated that Patti Stoltz requested meetings be held outside business hours during the Finance Committee session. Patti had also requested that meetings be recorded and released on a timely basis.

Manager's Report:

Frank reported that this week, the leadership team along with Tom Karlo hosted over 40 major donors on site. This included an in-depth meeting with a high-level donor concerning the Endowment. Donors provided positive and encouraging feedback. The staff continues to work forward on the audit. Frank tabled the remainder of the report for the sake of time.

Committee of the Whole:

Compliance and Auxiliary training provided by Bruce Scheidt - the purpose of this training is to explain the roles, powers, and limitations one has as a board member. It also covered what the CSU's role and authority would be over the organization and the CapRadio board in general.

A major part of this training regarded board meetings and communications as improper procedures could lead to misdemeanor charges. Bruce explained that there have been



prosecutions based on meeting statutes, so being compliant with open meeting statutes is critical. Fiduciary duty is also crucial in serving the board, and members cannot be held liable for fulfilling this role in good faith.

As a public entity, CapRadio is subject to the Public Records Act, so all documents with few exceptions are accessible and requestable by the public. When members email each other about anything dealing with the organization, it could be subject to PRA request. There are also limits around how many people can communicate at the same time on a phone call or in person, so it is important to be aware of how many members are communicating within the same email chain or conference call.

CapRadio has a unique structure as a non-profit corporation. It is governed by California Corporation Code, Education Code, Title 5, and the operating agreement between CapRadio and the CSU. The Auxiliary Compliance guide is a great summary for this and will be sent out to the members. The operating agreement between CapRadio and the CSU also serves to govern and provides specific functions for the organization.

The CSU and CapRadio are legally separate entities, but there is an overlap in operations. Education Code section 89900(c) provides: “The operation of auxiliary organizations shall be conducted in conformity with regulations established by the (California State University) Trustees.” The legislature states the purpose of any auxiliary is to promote or assist any CSU campus. Therefore, CapRadio operations and functions are established by the CSU; any directors of CapRadio are appointed or are subject to the approval of an official of the CSU campus i.e. the President’s Office. This is outlined in Ed Code section 89901(a): an Auxiliary Organization shall include a governing instrument that includes both (1) its purpose is to promote or assist any campus of the California State University, or to receive gifts, property, and funds to be used “for the benefit of such campus or any person or organization having an official relationship” with the campus, and (2) any of its directors are either appointed or nominated by, or subject to the approval of an official of any CSU campus.

This overlap extends to board size, as Ed Code 89903(a) stated any auxiliary operation shall have a board of directors comprised in accordance with regulations established by the Trustees of the CSU. The Board of Trustees through the CSU establishes the size of our board. The most important is that the CSU has provided the essential functions of the auxiliary through the operating agreement; we have identified two essential functions to have as the educational mission (**SEE MOTION 2024-03*14**).

Title 5 of the California Code of Regulations was set forth, with university oversight, to ensure that this body conforms with the CSU policy and state laws. The board has fulfilled this via operating agreement and MOU.

Auxiliary formation documents are filed with the Secretary of State and set out governance features. The limitations and powers of members are outlined in section 7 the bylaws. Members can serve two terms for three years each. The board must consist of 15 members, of which 10 shall be members of the public. SacState's President can have four appointments, while CSU Chico and Humboldt are allowed one appointment each. The CSUS's VP of Administration & CapRadio's General Manager are automatically granted a board seat. The powers held by members revolve around the functions of the organization as an auxiliary. The board sets policy for the management of CapRadio. It can establish mission & vision, strategic plan, & policies and procedures. The board also has a fiduciary duty to ensure any contracts entered into by the organization are just and reasonable, and all material facts have been disclosed and understood by members prior to the approval of a contract.

Susan Catron asked how the Corporation for Public Broadcasting fit into this governance structure. Tom stated that, in his understanding, there isn't a connection between CPB regulations and CapRadio governance. The CPB covers the community service grant, however their regulations shouldn't impact CapRadio's governance. Their concern is mostly based on the revenue generated by the station. Based on our FYE audit, the CPB determines the amount of grant funding CapRadio is to receive. CapRadio did not receive this grant last year due to its poor audit, and the staff has been working with the CPB to see if any grant funds will need to be returned based on previous incorrect financial reporting. Frank added that the CPB regulations are more of an addition to regulation but they're not a hard line. When there are regulations that overlap, CapRadio has deferred to the more stringent policy.

Jeff Holden asked if Title 5 would be the regulation that provides specificity for students to be included in the organization. Bruce confirmed this and added that CapRadio needs to be a part of the education mission of the university.

Martin asked since we are dealing with many regulations (CPB, bylaws, CSUS), which would take precedence. Martin also wanted clarity in understanding the difference between a governing board and a managing board. Bruce explained that the federal law is most important, but the organization is a byproduct of state and educational law. In regards to governing vs managing, this would go back to a typical model of the board, which is to set policy for the entity to implement rather than managing the entity. Bruce encouraged the board not to manage the organization. This board serves as a policy making board and should allow those who are paid to manage handle the day to day.

Tom added that the board gives overall guidance with the General Manager reporting to the Executive Committee. This includes an annual reviewal of performance. The board should review things at board meetings like budget or compliance, but day-to-day operations should be



handled by the team. Tom urged against member interference, particularly in the newsroom, as it could potentially degrade public trust.

Continuing with his training, Bruce stated that board meetings need to be provided publicly and have public comment period. Meetings must be posted seven days in advance; however special meetings can be posted 24 hrs in advance. A special meeting must specify business to be transacted in advance. There are conflicts in the statutes on what can be done in a special meeting, however the board cannot take action on any issue until that issue has been publicly posted for one week. That said, the board can act in good faith and if it is necessary for operations or if it's an emergency i.e. natural disaster. CapRadio's bylaws state that the Executive Committee can hold meetings between board sessions in order to conduct business, which Bruce confirmed with the Chancellor's Office to ensure compliance. Meetings of the Executive Team should only be done if there is a benefit of CapRadio. Bruce recommended that the full board be informed of the occurrence of any Executive Committee meeting and votes confirm any action taken by the Executive Team.

Martin wanted to clarify if members can take advantage of this within the bylaws via Executive Committee without impacting any CPB grant conditions. Frank informed him that no, this would not impact CPB funding. Bruce added there are safe harbor regulations for true emergencies that don't amount to a natural disaster under the Brown Act.

Erike noted there have been regulations introduced due to Covid-19 that actually state all members who attend meetings virtually would need to post the agenda to their personal doors and wanted to confirm if that was the case currently. Bruce let the board know that CapRadio would just need to post the address of the physical meeting and Zoom link publicly. This must include a general description of items to be discussed. Any action items must be posted in advance. Closed session can occur if topics include litigation, collective bargaining, personnel matters, and certain investments.

Fiduciary duties of officers & directors are covered by CA Corporation Code. Members must act in the best interest of the organization. Members should attend meetings and have organizational curiosity in order to have sufficient information to act as an informed member. Members can make decisions based on information provided by employees who are reasonably believed to be competent.

Members should prevent conflicts of interest. No contract can be entered into by the board and a third party in which a board member has financial interest unless the financial interest is disclosed prior to the contract & the member recuse themselves from the vote. There is a difference between financial interest and proprietary interest. If any member has proprietary interest, either directly or indirectly via spouse, and enters into a contract to their benefit, it is a

void contract. It is considered a proprietary interest if you are an owner of a business or a partner in an organization attempting to enter into a contract with CapRadio. A shareholder would also fall into this. LLC members would be considered proprietary. Tom added that if there is any question or association, the safest thing to do is disclose and recuse prior to the debate of any contract. Bruce agreed and stated if the contract is so much in the interest of the organization, that member should step off of the board.

Martin followed up to ask what constitutes a meeting i.e. how many members, if there are no actions can members gather to discuss? Bruce explained that when a quorum is in discussion about the organization, that is a meeting. Quorum for this board is eight members. If two members meet to discuss business operations, that is ok. If there is an email chain that ends up including eight members, that is considered a meeting. If you violate the open meeting law, you can be prosecuted.

KJ asked how board retreats would work or if a social gathering occurs, how that would fall. Bruce stated that you can always gather as long as business isn't discussed. Board retreats are a board event and includes legal counsel so therefore are considered public.

Susan asked if training and orientation would be considered conducting business. Bruce responded there are carveouts for onboarding tasks however CapRadio would need to identify those specifically before a board retreat. Anything under the Brown Act will likely be permitted under open meeting statute.

CapRadio is subject to PRA requests and has an obligation to respond in 10 days. Common exceptions to PRAs include personnel records, real estate appraisals, donor identity, self-dealing or similar contracts. Self-dealing contracts means that any gifts made wherein the donor receive something in return. Self-dealing would also be any contract between a board member and the organization, which would need to be disclosed. No bid contracts for donors who have given in the last 5 years must be disclosed. For PRA requests, CapRadio can only charge for copying. Bruce recommended rejecting any confidentiality non-disclosures as they are not enforceable. Organizations that request this are seeking to conceal the terms of their contracts, which is not permissible. Pricing terms are almost always public. Vendors sometimes want to be alerted to PRAs but Bruce recommended against adding this communication any contracts as it could lead to litigation for vendors who do not want to disclose.

Mark asked if there is recourse if there are members who caused economic damage due to conflict of interest contracts. Bruce stated yes, the Attorney General has authority to recover monies. If gifts are given to a third party with restrictions for the organization, the AG has authority to collect funds that are tied to those restricted gifts.

This concluded Bruce's compliance training.

Committee of the Whole

Employee Benefits

Tabitha Leeds presented options for employee benefits policy and explained the agenda posting was misleading. The board will be discussing the policy in which CapRadio implements employee benefits plans. CapRadio hasn't had a policy thus far, so one needs to be established for budgeting and staffing purposes. CapRadio's benefits year is tied to the fiscal year (July 1st - June 30th). The organization currently uses HUB International for a broker. Due to employee attrition, CapRadio has been moved toward small group benefits options. Any benefits outside of health and dental are covered 100% by the employees. CapRadio will pay some portion of medical but as stated previously, there is no firm policy in place to determine what percentage will be covered. This policy is what is to be discussed.

Tabitha continued that the broker looked at local HMOs for the organization as a whole, and PPOs for the Chico area. As a result, CapRadio will be providing eight options to the employees. In calculating the percentages and totals used today, the silver plan served as the deciding line. CapRadio's current contribution ratio is 80/20 with 80% covered by the employer, dependent care is 35/65. Historically, employee costs were covered 100% however that was shifted to the 80/20 without much notice to the staff.

Management needs to start staff education about benefits tomorrow but isn't able to provide what the percentage benefits coverage will be. Open enrollment begins June 1st. In the future, Tabitha hoped that the board will find time to create holistic policies, but for now the board needed to take action on this item so regular business operations can continue.

As CapRadio engages in union negotiations, it is prudent for the board to weigh options that minimize disruptions during this decision-making period. General cost increase to benefits this year was calculated around 10%. Members should also consider that some staff received floor increases to their salary in the past few years, but overall there have been no COLA increases since 2022.

The Governance and Finance Committees both convened on this topic and were provided numbers based on an 80/20 option (1), an 85/15 option (2), and a 100/0 option (3). The total increase if all 43 people stayed on the 80/20 plan would be a 9% increase, totaling ~\$40k. Under the 100/0 option, CapRadio would be paying ~\$115K.

The Governance Committee voted to recommend option 2 as main preference, then option 1. The Finance Committee chose to table their vote to request a benefits option based on pay-

bands so that employees who make more would pay more into the plan. Both committees determined that option 3 was not viable and should not have been presented.

Nick Llanos raised concern that option 3 to provide 100% coverage for employees should be further considered based on these updated numbers. Tabitha informed him CapRadio cannot afford that option and should not bring an option to the board we cannot provide.

Tabitha continued to explain that under the pay-bands plan, anyone under 90k pays 85/15 and anyone over pays 80/25. Eight employees would be in the 80/20 and the remainder would be in the 85/15. The total cost to the organization would be ~\$37k a year, but the annual increase for employees would be net negative, so most employees will pay less than now. Yearly increases for dependents will go up based on market. While these increases to the budget will be impactful, it is achievable. The option to cover 100% of employee benefits is not feasible at this time.

Martin, as Chair of the Finance Committee, stated the Finance Team discussed the impact to the employees and was actually able to speak with an employee on their reaction to the original schedule. Speaking as an individual, the employee was concerned with the lack of COLA adjustments or 401k matching in previous years, while at the same time facing a health insurance increase. That said, all premiums are going up and coverage seems diminished across the market. Susan recommended the pay-band approach in committee, which geared toward benefiting the lowest level of employees. The Finance Committee sought to determine if it would be viable option. Martin then asked what is budgeted or is there even a completed budget for the '24-25 fiscal year.

Tabitha answered the budget is in process however it is banked on underwriting and membership only as CapRadio cannot rely on grant funding at this time. Alterations can be midyear depending on the budget going forward. Policies can also be altered if CapRadio finds it's financially able to provide more coverage. In discussion of the budget, there have been no conversations regarding payroll or COLA increases thus far. Tabitha reiterated the need to develop policies holistically and that management is prepared to have these conversations with the union. CapRadio needs to determine the budget in totality rather than piecemealing it.

Martin added that providing a tax-free benefit provides similar value to a pay increase, which is something to be considered. Finance committee didn't feel ready to provide a recommendation however based on the information provided he felt positively toward the pay-band option.

Susan added that benefits have been going up for all organizations. The committee recognized the concern for the employees and wanted to strike a balance between the needs of the staff and the organization. She felt this struck that balance as the higher paid employees would be

better positioned to carry the load of this cost. Ideally the board would like to do a deeper dive on this but in the goal of making a decision today, Susan was encouraged about the current pay-band numbers.

MOTION 2024-05*21 to approve the implementation of a pay-band benefits schedule for health benefits. The policy provides an 85/15 split for employees earning under \$90k and an 80/20 split for employees earning over \$90k. There is no change to the employee dependent split. Dependent benefits will be 35/65 for all dependent insurance. This will be reviewed mid-term (December 31st) for any further adjustment.

Martin moved to approve and was seconded by Tom.

Nick strongly stated that the board should've started with this conversation as this is most important to our staff. The board should've started with this so that we could've pushed things that were less time sensitive.

Point of order from Mark stating that members should stick to discussion of the motion on the floor. Nick continued that the Governance Committee made their decision based on different numbers. A blended option would be good, but Nick felt it essential to see that third option presented with updated figures.

Jeff asked if members could gauge how deeply this would impact the staff, which Frank responded that it was difficult to tell due to union negotiations. Communications between staff and management on these topics have been limited due to the negotiations.

Martin moved to extend clock to 8:30, and was seconded by Frank.

Martin appreciated Nick's comment that a time sensitive action item should've been at the top of the agenda. Martin wanted to determine if there would be additional time to collect the requested information and reconvene shortly. Tabitha informed him that the deadline for this is technically June 10th, but management is legally required to give employees at least 30 calendar days to determine benefit options. She could pull together numbers for the board however the third option being requested is extremely over the budget and shouldn't have been provided in the first place.

Nick sought to reopen discussion as the committees deliberated on these options with different numbers and selected options based on those numbers. Given these new figures and options for additional bands, he felt it would be reasonable to explore other alternatives. Nick asserted that the board should explore all options available.

Martin stated as Chair of the Finance Committee that it isn't feasible to provide a 100% option right now. This pay-band schedule seemed to be better than the options provided by the Governance Committee i.e. option 2 for 85/15. The board does not have time or funds to explore more options at this point.

KJ agreed with Nick in that the board should seek out all available options. He wanted to clarify how the cutoff at \$90K occurred and to know the span of salaries in order to understand where this line lies within the employees. In response, Tabitha brought up the difference of management vs governing covered by Bruce's training. The \$90k amount is based on the top 20% of the staff. That's typically how policy would be structured i.e., based off a percentage. Policy is an overarching space at the top that management can work on. Looking at salary ranges may be more in-depth than a governance group should have. The management team is stating clearly, CapRadio cannot afford a 100% option and continuously requesting this option felt like an overstep by the members.

Stacey stated that the board must be realistic in its fiduciary duty to do what is best for the organization as a whole. If the committee had this pay-band option, the discussion likely would've been different. Stacey also wanted to clarify in reference to public comment, that in committee session she did not say the employees don't care about benefits. She said that in job seeking, people tended to look at salaries before benefits.

As one of the employees in attendance, Martin asked Chris Bruno his thoughts about this pay-band approach. Chris stated this could go a long way for employees in the short-term and is something the board can revisit going forward, but action needed to be taken now. He felt the staff would likely approve of the option provided.

MOTION ON THE FLOOR: MOTION 2024-05*21 to approve the implementation of a pay-band benefits schedule for health benefits. The policy provides an 85/15 split for employees earning under \$90k and an 80/20 split for employees earning over \$90k. There is no change to the employee dependent split. Dependent benefits will be 35/65 for all dependent insurance. This will be reviewed mid-term (December 31st) for any further adjustment.

YAY: Frank Maranzino, Tom Karlo, Susan Catron, Jonathan Bowman, Martin Clevenger, Erike Young, Jim Bolt, Rob Crawford, Lynn Belzer, Kenneth Johnson, Stacey Hunter Schwartz

NAY: Nick Llanos

Motion passes.

Meeting adjourned at 8:20pm.



06/27/2024

Approved by Stacey Hunter Schwartz