Board of Directors Meeting Agenda
Monday, December 2, 2019
TIME CHANGE: 3:30 p.m. to 5:00 p.m.
Administration Building, ADM 460
1600 Holloway Avenue, San Francisco, California
https://ucorp.sfsu.edu/board

I. Call to Order by the Chair, Trevor Getz

There being a quorum present, the University Corporation, San Francisco State (UCorp) Board of Directors was called to order by the chair, Trevor Getz, at 3:33pm at San Francisco State University, Administration Building, room 460, San Francisco, CA.

<table>
<thead>
<tr>
<th>Board Members Present</th>
<th>Board Members Absent</th>
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<tbody>
<tr>
<td>Kal Salama</td>
<td>Gene Chelberg</td>
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<td>Rob Strong</td>
<td>Jay Oreondorff</td>
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<td>Anoshua Chaudhuri (via Zoom)</td>
<td>Jason Porth (arriving at 4pm)</td>
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<td>leaving at 4pm)</td>
<td>Bonnie Li Victorino</td>
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<td>Brian Yoo</td>
<td>Noriko Lim-Tepper</td>
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<td>Brian Beatty</td>
<td>Neil Cohen</td>
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<td>Trevor Getz, Chair</td>
<td>Nancy Gerber</td>
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<td>Yvonne Bui (left early)</td>
<td>Others Present</td>
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<td>Michaela (left at 3:50pm)</td>
<td>Mary Bagazinski, Clerk of the Board</td>
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<td>Nancy Gerber</td>
<td>Tammie Ridgell,</td>
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<td>Bonnie Li Victorino</td>
<td>Chris Farmer, Director of Operations</td>
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<td>Yasmin (arriving at 3:50pm)</td>
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1. Approval of the Agenda
   Approved by consensus

2. Approval of the Board of Directors Meeting Minutes for October 14.................................Action
   Approval by consensus

II. Public Comment


1. Guidelines: Public comment time is limited to fifteen minutes total, with three minutes per speaker, and is limited to UCorp business.

III. Clerk of the Board Announcements
   1. Board Retreat 2020 dates – looking like Jan 31 – Anoshua mentioned that the Feb date is more convenient for her.

IV. Constituent Reports

V. Update from the Audit Committee Chair, Rob Strong
   • Heartfelt appreciation and thanks to Tammie.
   • We did get a clean, non-contested audit result
     o Two areas of difficulty
       ▪ Holloway – caused delays within audit
         • Challenges getting responses from related parties – university, auditors, CO.
       ▪ We got post close audit adjustments closed reduced, but not completely gone.
         • Tammie and Jason have created stricter guidelines and features.
         • With the extra Audit work, the result was a 52k overrun bill. Jason is negotiating with Grant Thornton. Most of that overrun will be billed to Holloway.
       ▪ This is our last FY with GT – 19/20.
     o Thank you to Audit Committee and Tammie, especially Tammie

VI. UCorp Investment Program Presentation, Kal Salama, Chair, Finance Committee

Kal presented on the UCorp Investment Program (See powerpoint presentation)
   • These were the steps we took in 2016
     o We conducted a consultant search
       ▪ Risk Tolerance, which is how much risk you can take.
   • What is a fiduciary?
     o We’re all fiduciaries on this board, in this case, we’re responsible for someone else’s money.
     o We’re required to act in the “best interests” – putting the interest of the entity before your own
   • Best practices
     o Decision making is made by staff and people we hire, and not made by people who are overseeing them.
   • Separating Responsibilities
     o Investment consultants and managers, in this case.
     o Skill set – investment professionals hired for this, it’s their livelihood.
     o Q - To whom are we fiduciaries? To UCorp and the University. Their interests would be over any commercial interest. Rob – So worst case scenario, we’re all covered under fiduciary liability insurance? In an instance when someone didn’t act in the interests of the UCorp? Yes.
   • Structure – Investment Program – Org Chart
We hired consultant, then they oversee the whole investment program, and they advise us on what to do. The custodian is like the bank – they house the assets. They’re not a fiduciary. We pay them service fees.

**Board’s Responsibility**
- Investment Objectives – defines what we operate.
- We review consultant’s contract every couple years.
- We ensure investment objective is being achieved.
- Q – Are these reviews on some formal cycle to ensure we’re meeting our responsibilities? The consultant will provide reports, we do pay attention to the calendar, for progress oversights, we’re not necessarily required to do anything on a set timeline.

**Consultants’ responsibility**
- Our model is they bring everything to us and we make decisions.
- This board sees monthly reports from the consultant.

**Investment Manager Responsibilities**
- They’re specialists in a particular region
- Anytime the Board would like to see any reports, etc. – they regularly present to the committee

**Conflict of Interest Guidelines**
- 3 independent entities, the consultant can do custodian searches
- BP is the consultant

- Trevor – we outsource that responsibility to the Finance Committee. We can always ask the investment managers to come in.

VII. **Report from the Finance Committee Chair, Kal Salama**

- Beacon Pointe report – BP is our consultant. They do these on the month-end. They do a bigger one on the quarter end. They present it to us, then I review it.

- **Asset Class**
  - Asset Class = categories. These are designed with the help of our consultant.

- **Page 4 – Total Composite**
  - This is the part you can track to Tammie’s report – in investment.
  - Blue and green is us against our target.
  - Q – Is it a Finance Committee decision to rebalance? No, BP will do it with cash flows.

- **Review Equity**
  - Aperio – We specify what we want, and they build the portfolio.
  - Boston Common – Sustainable portfolio with stocks outside of the states.
  - ETF – Exchange Traded Fund, index fund, FFF international index.

- **Fixed Income**
  - SG B – Both FFF, social type funds. Managing US Bond portfolios.

- **Alternatives**
  - This means Real Estate and FPA Cresent Fund – active allocation fund where they’re trying to beat an index for us. Its potentially on its way out b/c its harder to control the FFF.
  - Sustainable, multi-family, low-income, (everything is designed to be environmentally friendly) specialized investment, been on board about 2 years – for Redwood.
  - Less liquid than other parts of the portfolio

- **Fee Analysis Page**
  - FFF mandate – higher fees.
o Annual percentage fee – Real estate managers. Tend to be more expensive, they hire staff, have tenants.

o T – Are those fees variable? K – All are fixed, except one with performance fee built in. If they exceed a certain return for us, they get an extra part.

o R – Do the fees go down the more we have? It depends, the fund has to charge the same amount. Where we have separate accounts, there’s a graduated fee structure.

o LAIF funds are separate? Yes – These are the investments that we generally don’t touch. The LAIF is part of the operating cash flow. We make a decision each year of how much operating cash we need each year.

T: Thanks, Kal and thank you to the Finance Committee.

VIII. Report from the Associate Vice President, Tammie Ridgell

• There was a campus technical issue with financial system, delaying the calculations of the first two pages.

• FSR – Zero unrestricted budget funds, which we budget for the UCorp. The other funds are a part of UCorp’s bottom line.

• First 4 months of Fiscal Year – we look at rest of year and what that will look like. It can be hard to tell if that will hold or if there will be dramatic changes.

• Projecting fees to be down (grants and contracts) - as projected.

• Program revenue down 13% - we are expecting this to change, this is based on revenue that we would have collected to date. It’s hard to tell in the first 4 months what it will be. It’s only an indication of where it might be headed.
  o We’re an intermediary to provide food for Welcome Days. We would start budgeting that going forward, so we don’t have these odd variances that look like we’re earning more.

• University Support – 6.67% variance - It makes it look like we’re going to be over 7%.

• Investment – projecting to be up through the end of the fiscal year. This bounces around, we typically measure at the end.
  o We did end on target to what we projected last year. Right now we’re looking at 12%. That could change, and could be wiped out. It goes up and down monthly.

• Shops
  o Lobby Shop – up 8%
  o Healthy U – up 6%
    ▪ R – There’s a general use of wallet cards – how are those?
    ▪ If you’re using apple pay, there’s no difference, it holds the information in the card.
    ▪ We can’t take debit card.
  o Ctrl+p – down 1%
    ▪ In line with budget, actually ahead of last year.
    ▪ Growth there is offset by higher payroll, where we’ve done equity and overall change.
  o Open 24
    ▪ October – First 12k month. We’re looking for 10k months.

IX. Report from the Director of Operations, Chris Farmer

• Generally speaking – it’s been smooth
- Lobby is well over budget. These stores grow every year. Is enrollment down? We're seeing our customers grow. We're doing things right.
- Ctrl+P is in good shape, they've also been seeing growth since we restructured. We started new overflow partnership in UCSF over the summer. Primary for reader production in the bookstore. We partner with UCSF to help with the load.
- Hourly payroll up 18%
  - For good reasons, we're better structured for the future.
- Vendor side of the house
  - All are in good standing, all is running smoothly
  - Vendors wanting lease extensions – they just went onto 5 year lease extensions.
    - Understandable, they want more certainty, invest into the space. We formalized a process like an RFP – to see what their thoughts are re: investment and hiring students, etc. – what they would look like.
    - We would like to maintain flexibility and what their plans are.
  - Andrew sent message to all vendors if they're interested in supporting the AS food pantry.
- Bookstore Advisory Committee
  - Immediate Access Pilot program – in coordination with the Bursar.
  - Student has the ability to opt out of the fee
  - 5 sections enrolled and publishers working with Follett
  - Thanks to Brian and the Bursar's office
  - T – How do we not put ourselves into a situation where we will collect from the publishers? We'll try this on a small scale. 1-2% on other campus of amounts not-collected.
  - J – Also with ADA support. If the faculty member needs to make materials accessible. These classes - because of Brian's work in particular - have been selected; those that have material that is integrally important for class. It's important, otherwise we would not be involved.
  - B – The pricing is always a certain % below what is available elsewhere for the students. We wanted to pick the courses where there was little reason for them to opt out.
  - C – This is 'courseware' not just a pdf.
  - Rob – I order books from Cengage. Wendy was unable to find out how many people purchased the book, because its software. The bookstore cannot find out. Brian – I don’t think Cengage is one we're able to work with. They run a different subscription model?
    - This concerns me – it should be transparent with the Bookstore, at least.
- Q - Trevor – There was a survey on food habits on campus. How are we ensuring we are keeping up with students' food predilections on campus?
  - That's where the RSC committee comes in. We could certainly benefit from the students' input.
  - Q - Do we partner with the vendors?
  - R – You can engage the market research classes to put out surveys. It's a great way – free, connect with students, etc.
  - R – Do we require our vendors to have compostable containers, straws, etc.?
    - It's in the works, straws have been phased out. They know it's important for the CSU. Recology in SF is not able to compost any brand, it must be specific.
    - Glad you mentioned – we've already started to carry more options for water bottles. Pathwater – aluminum water bottle. We're only a couple years from
plastic bottles to be banned. We’re looking at more cans and different kinds of packaging.

- N – How are we engaging with students with disabilities?
  - Chris – straws are still available for those who need them.
  - N – There was something brought up – aluminum is heaver – some patrons can’t use them. It was an article in the Chronicle.

- Y – Regarding food. DTC could use more healthy alternatives. The vending machine is rarely used. It might be nice to have other items down there. We come there after work and don’t have good options.
  - There are a lot of events down there – we could buy food from campus instead.

- University Club
  - Starting to get busy. One off events. There’s been a lot of good feedback and positive reviews. Also a lot of ideas.
    - Handful of feedback – include student voices in the planning.
    - Several faculty events and one hosted by AS – La Raza.
    - Husam has been super helpful.
  - We just got the A/V installed before Thanksgiving.
  - Furniture is in the process of finalizing and ordering.
  - The menu is still in progress. Exploring options with vendors and Burma Superstar

- Advisory Committee
  - We have 2 AS members, and ad hoc group list.
  - End of the year extremely busy for scheduling, getting last min. meetings together.

X. Report from the Executive Director, Jason Porth

- Two things
  - Tomorrow, 12/3, Basic Needs Forum HUM 587, Student Affairs. It’s going to be sharing of data and research done by faculty and students on campus on issues around food and housing security. UCORP in particular has played a role in this, given our support of the food pantry.
  - Overlapping – 1030am-12pm – Environment advocacy – sponsored by Associated Students – it will have a range of speakers. Some of our recent campus achievements. One of those is our move to FFF portfolio.
  - Re: Sierra Campus Field
    - Currently under an extreme amount of snow.
    - Work is already in planning phases, structural engineer has been on site, setup in a good position to prepare for the work.
    - We said not to exceed 150k.
  - Re: Holloway
    - What retail is going to be in there? We’re not deciding, due to desire to have retail experts fill the space. The other benefit is that there’s no risk – they pay us the same amount no matter who the leasees are. There are 5-6 spaces, they’re in talks already. We told them what they cannot have there. We’ve also expressed interest in a restaurant, and some food. If the Board is interested in
going on a hard hat tour, let us know. They’re typically on Tuesdays. Mary will email the Board to coordinate.

- Starting Feb – students can indicate interest in living there, to sign a lease in August. They’re full year leases. This will encourage students to take summer classes.
  - Cap? 580 beds. 560 – students, 20 for RA, 2 staff from ResLife, 1 staff for developing manager.
  - If they don’t deliver to those students who sign leases by August 2020, they have to cover the costs.

- Station Café
  - By the bus stop, we’ve continued to make progress on what that would look like. We’re looking at a place next to Lot 2 – between this building and lot 2. It would be right on the walkway right there. This is where we would negotiate with vendor. We’re in the early stages of this.
  - City easements

- 2023 – Single use water bottles. We recognize that we have to provide opportunities for refilling. Sustainability is doing work to add additional water bottle filling stations. Dominguez Hills is doing the same thing, they handed out branded water bottles out for free.

XI. FY19/20 Calendar & Committees

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<thead>
<tr>
<th>Date/Time</th>
<th>Meeting</th>
<th>Agenda *subject to change</th>
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<tbody>
<tr>
<td>Monday, December 9 3:00pm, ADM 361A</td>
<td>Bookstore Advisory Committee</td>
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<tr>
<td>Tuesday, Dec.17 11:00am, ADM 361A</td>
<td>Finance Committee</td>
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<tr>
<td>TBA</td>
<td>Retail &amp; Commercial Services Committee *Tentative</td>
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<tr>
<th>Date/Time</th>
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<tbody>
<tr>
<td>Tuesday, Jan 28 11:00am, ADM 361A</td>
<td>Finance Committee</td>
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<tr>
<td>TBA</td>
<td>Retail &amp; Commercial Services Committee *Tentative</td>
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<tr>
<td>Friday, Jan 31 9:00am, TBA</td>
<td>Board Retreat 2020 *Tentative</td>
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February 2020

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<tr>
<td>Friday, Feb. 7</td>
<td>Board Retreat 2020 *Tentative</td>
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<td>9:00am, TBA</td>
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<td>Monday, Feb. 17</td>
<td>Board of Directors</td>
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<td>3:00pm, ADM 460</td>
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<tr>
<td>Tuesday, Feb. 25</td>
<td>Finance Committee</td>
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<tr>
<td>Thursday, TBA</td>
<td>Bookstore Advisory *Tentative</td>
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<td>11:00am, ADM 460</td>
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**March 2020**

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<th>Date/Time</th>
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<tr>
<td>Thursday, March 12</td>
<td>Nominating Committee</td>
<td>Board &amp; Committee Members for FY20-21</td>
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<td>3:00pm, ADM 460</td>
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<td>Tuesday, March 24</td>
<td>Finance Committee</td>
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<td>Wednesday, TBA</td>
<td>Retail &amp; Commercial Services Committee *Tentative</td>
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**April 2020**

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<tr>
<td>Monday, April 6</td>
<td>Board of Directors</td>
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<td>3:00pm, ADM 460</td>
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<tr>
<td>Tuesday, April 28</td>
<td>Finance Committee</td>
<td>Operating Budget FY20-21</td>
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<td>11:00am, ADM 361A</td>
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**May 2020**

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<tr>
<td>Monday, May 4</td>
<td>Board of Directors</td>
<td>Operating Budget FY20-21</td>
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<tr>
<td>3:00pm, ADM 460</td>
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<tr>
<td>Thursday, May 14</td>
<td>Nominating Committee</td>
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<td>11:00am, ADM 460</td>
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<tr>
<td>Tuesday, May 26</td>
<td>Finance Committee</td>
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**June 2020**

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<tr>
<td>Tuesday, June 2</td>
<td>Audit Committee</td>
<td>Audit Plan for FY19-20</td>
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<tr>
<td>11:00am, ADM 361A</td>
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List of Committees

- Board of Directors: Meetings held at least bi-annually
- Audit Committee: Meetings held bi-annually
- Bookstore Advisory Committee: Meetings held bi-annually or as needed
- Executive Committee: Meetings held as needed
- Finance Committee: Meetings held at least quarterly
- Nominating Committee: Meetings held annually
- Retail and Commercial Serv. Comm.: Meetings held bi-annually or as needed

XII. Call for Adjournment

With no further business to discuss, the meeting was adjourned at 4:57p.m.