Board of Directors Meeting
Monday, October 18, 2021
Via Zoom

Teddy Albiniaik
Brian Beatty
Jason Bell
Anoshua Chaudhuri
Gene Chelberg (joined @ 3:11p)
Trevor Getz
Bonnie LiVictorino
Thao Ma
Joshua Ochoa
Tatiana Orellana
Jason Porth
Kal Salama
Christy Stevens
Rob Strong

UCorp Staff:
Tammie Ridgell
Shae Hancock
Chris Farmer
Andrew Lok
Anthony Victoria

I. Meeting called to order by Trevor at 3:02p
   • current agenda & September 13 minutes reviewed & unanimously approved
   • no public comment

II. Constituent reports
   • Teddy mentioned plans being made for the upcoming retreat

III. Finance Committee report by Kal
   • presented 9/30/2021 report of investment portfolio per Beacon Pointe
     o explained that this is monthly performance, and UCorp receives a quarterly report, as well
     o results in September shows that this month is down and all earnings reported through August, have been lost
       ▪ noted that October’s earnings showing some restoration of what was lost
       ▪ summarily flat FY-to-date performance, with some small negative results
       ▪ current 50% equity allocation vs 48% targeted
         • normal ‘drift’ and rebalancing is needed
       ▪ regarding alternatives, a significant return is expected from Kairos (real estate)
         • per Beacon Pointe’s advice, gold is to be sold with proceeds to be directed to new fund in Kairos
Kal responded to Tatiana’s question about what liquidated means

Trevor acknowledged the return expected from Kairos noting that it will need to be reinvested
Kal responded to Anoshua, that expected ROR is unknown at this time, but 39% intimated at 1
year is said to be very conservative

IV. Audit Committee report by Rob
   • very good news as there were no audit findings for the fiscal year ended 6/30/2021
     o acknowledged the good work of Tammie, Maggie and UCorp team
     o noted the great relationship established with the new audit firm

Kal noted that industry trend has seen audits becoming more comprehensive from an operational
standpoint

Jason P added that the audits for the other two auxiliaries, ASI and SFSU Foundation, of which
UCorp has accounting oversight, were clean with no findings

V. UCorp financial report by Tammie
   • discussed results as of August 31, 2021
     o presented Net Assets/Income Statement for entire UCorp organization
     o presented FSR relative to those unrestricted funds over which UCorp has direct
       control
       ▪ regarding retail & vendor activity, revenues are down
         • as expected with very low foot traffic on campus, Lobby Shop activity is
           lower than what was currently budgeted for the fiscal year
           o net profit down by approx 5%, but still better than prior year
         • Ctrl-P also down by about 5%, but business continues
         • Open 24 down about 50%
     o projecting about $155K loss in revenues
       o reflects the further reduction of vendor rents by 20%, due to the
         repopulation of campus not meeting planned expectation
       o UCorp remains hopeful that repopulation of campus during Spring
         semester 2022 comes to fruition as planned, so budget for that period
         holds firm
         ▪ knowing that activity is fluid, UCorp will await until actual trend is
           established for Spring period, prior to further adjustment to FY
           budget
       ▪ project revenue continues to perform as expected
         • most programs have rebounded during this current FY, inclusive of Campus
           Programs and Grants & Contracts
• as reported by Kal, the non-operating revenues reported through August, gains in investments, have all been lost in September
  • so far in October, we have re-earned some of what was lost
    ◦ losses at this time should not raise concern, as it is still early in FY
      ▪ may be problematic should this continue into 3rd quarter of FY
• presented pie chart illustrating revenue sources
  • at this time, it may be seen how dependent UCorp is on investment returns
    ▪ this is typical, but in prior years, business revenues are usually a larger piece
    ▪ also, should be noted that in the past through this current period, UCorp has never had to liquidate any investments
      ◦ presented additional graph comparing actual results to budget for Ctrl-P, Lobby Shop and Open24

Tammie responded to Kal’s question about smoothing for investment projection, stating a 4.7% rate is used

Tammie responded to Thao’s and Joshua’s questions about what budget means, explaining that this concerns projections of income & expense activity, based on prior year’s performance and expected trends that may have a financial impact on planned activities

Joshua, acknowledging the challenge our vendors are having (especially Nizario’s), pitched an idea about a ‘vendor day in the quad’
Jason P noted that this was a good idea & may be taken-up with Chris and Andrew, as they oversee vendor relationships and activities
Rob suggested modeling such an event like Welcome Days, and to be sure to include the bookstore
Tatiana also suggested to consider an alternative location, like west campus green for such an event
Chris also agreed such an event may be a good possibility, and noted the added issue of Nizario’s being in the basement level of the Student Center

Tammie responded to Teddy’s question about the possibility of another budget adjustment for vendor rents in Spring 2021, stating that it will be ‘wait & see’ to determine possible trending after 1-2 months of new semester

Tammie responded to Teddy’s ask about IDC/ASF, clarifying that it is UCorp’s service fees

Rob remarked about investment performance and subsequent spending plans

VI. UCorp operations report by Chris
  • overall, Fall 2021 on-campus activity is much slower than expected
• reflective of people on campus, September showed some growth
• compared to prior year, when we were in the throes of the pandemic, UCorp is doing better; but, again, still down lower than expected
• Healthy U remains closed throughout this semester
• ITS has vetted use of EBT in CStores, and looking to launch in Spring semester
• reiterated Tammie’s earlier comment that vendor rents have been reduced from 40% to 20%
  ▪ although it is expected that campus will be repopulated up to 50% in upcoming semester, as Tammie stated, UCorp will wait to see what is trending before any further vendor rent adjustment

Rob commented on increase in campus population actually reported

• acknowledged a vendor reporting a 10% increase in business as a result of implementing indoor dining
  ▪ tables seem to be routinely fully occupied
• the bookstore continues to see decline in business
  ▪ they were hoping to achieve between $3-$4 million for the year, but are on track to only achieve about $1 million
  ▪ there is concern as on-line adoptions are down
  ▪ completed negotiations for the last 2 years of our contract with Follett
  ▪ UCorp continues to receive an increase of inquiries relative to bookstore solutions in the cloud

Chris responding to Tatiana’s question, noted that there are 2 years remaining of an 11-year agreement with Follett, and that rentals of textbooks and providing digital resources continues Trevor commented on the need to be innovative regarding supplying textbooks and providing for students; adding that his department is continually looking at no-/low- cost textbooks

Rob mentioned that large publishers are going directly to professors, circumventing bookstores

Chris responded to Rob that due to ‘closing’ the stairs, there continues to be a delay in returning the lower level space of the bookstore to ASI

• arrangements to get lighting in/around the ATM’s externally located on the Student Center continues

VII. Executive Director’s report by Jason P
• congratulated Jason Bell on the mural presentation for Project Rebound and the event that took place last Friday
• announced upcoming 2022 commencement to be held at Oracle Park
  ▪ upcoming make-up 2020 and 2021 commencement in January at Chase Center
• upcoming Hall of Fame event at Mark Hopkins on November 12
  o event/presentation of honorees will be first with dinner following
  o UCorp will host a table & extend invitation to board
• thanked new board members for their time afforded to participate in the orientation given
• noted Manzanita Square being used as backdrop in vaccination announcement
  o having received the required permits, Mumu Hot Pot will commence construction in retail space
• announced rehire of Diana Bonilla, into a new position

Rob commented that “University Corporation” is not a good label, and maybe renaming would be appropriate and be considered
Jason P acknowledged comment, and stated that a few years ago UCorp adopted a DBA of Gator Group; and further board discussion could be had

… II. Constituent report (continued)
• Joshua mentioned discussion of future housing planned for Stonestown
  o ASI is currently working on a report concerning affordable and alternative housing for students
  o there will be an opportunity to provide feedback to Stonestown’s plan and ASI may respond

Meeting adjourned at 4:10p by Trevor