Minutes of Joint Meeting of the Executive & Finance Committees Meeting – Wednesday, November 18, 2020

Attendees:
Trevor Getz
Kal Salama
Yvonne Bui
Neil Cohen
Jason Porth
Noriko Lim Tepper
Bonnie Li Victorino
Jay Orendorff
UCorp Staff:
  Tammie Ridgell
  Maggie Woo
  Anthony Victoria

I. Call to Order via Zoom by the Chairs, Trevor Getz (Executive) and Kal Salama (Finance), @ 11:02a

II. ACTION relative to approval of Line of Credit with Bank of San Francisco

Jason provided summary background relative to UCorp’s desire to obtain a line of credit should cash flow issues arise in the future
- recalled prior discussion with full Board in June meeting, and their acknowledgement of support
- mentioned that in the past the Board of Trustees had to approve LOC for auxiliaries, this has recently changed with delegation for authorization up to $40M in credit lines being given to the Chancellor
- presented to the joint committees and discussed summaries of research with different financial institutions
- final recommendation to work with Bank of San Francisco – joint committees concurred
- noted outstanding items to address in this process:
  - final terms still to be negotiated
  - UCorp seeking flexibility with collateral requirements
  - UCorp counsel to review documentation

Kal reiterated the need to ensure required collateral is clearly defined
- liquidity, restricted vs unrestricted are to be considered in designation of collateral to maximize assets considered as collateral
- ideally the goal would be able to leave the current structure of our investments/program intact

Jay believed collateral for a $3M line should not be too problematic (not compared to the collateral needed for the funding relative to the new Creative Arts bldg)

Neil raised the question as how accessing the actual funds is to be done – does CO need to be informed? internal/UCorp process?
- Jason suggested that when the need is identified for the credit line to be used, the BOD Chair and Chair of the Finance Committee, be informed
Resolution Authorizing University Corporation to Secure Line of Credit with Bank of San Francisco and Adopting Protocols for Use Thereof


III. Informational

UClub

Given the current situation, as well as what the future appears to be, Jason raised the suggestion of returning the UClub to the Cesar Chavez Student Center for use by students:
- original plan was for UClub to provide a space and amenities (refreshments, beverages, food, etc…) to be used by University faculty & staff
- in overseeing this operation, UCorp planned to recoup its $1.5M capital investment in approximately 10 years
- at this time, though it appears more prudent to cut further losses, and give back this space, now fully renovated, to ASI
- there is a building reserve fund that could be used to pay back UCorp for funds used to upgrade this space

Although Trevor believed there would be backlash from faculty, he still believed it also to be a good idea to return this space to the students.

Neil commented that communication will be critical in addressing this transitional matter so both students & faculty do not misconstrue the message.

Neil asked about annual rent for this space, and it was clarified that this is not paid separately, it is included in the total building charges for the allocated space designated for UCorp’s use.

Trevor said that this issue will definitely be discussed with the full BOD in a future meeting.

ASI BOD Resolution

Jason raised the issue relative to the recent resolution passed by ASI regarding their request for SFSU’s auxiliaries to divest any investment interests that have ties to Israel.

Neil & Jay expressed being offended, mentioning that every nation has their own social issues and dilemmas, US included.

Kal mentioned that UCorp’s assets are separately managed; it should be noted that a third of the emerging market is linked to China, known to continually violate human rights; and, UC Berkeley experienced a loss of donors when they divested due to social issues in the past.

Trevor stated that UCorp does not invest in individual companies and our current policies are socially responsible; that some student protests can be effective; and, this matter will be brought to the full BOD for discussion.
IV. Meeting adjourned by Trevor & Kal at 11:42a