



The University Corporation
San Francisco State

Room ADM 361
1600 Holloway Ave
San Francisco, CA 94132

ucorp.sfsu.edu

Board of Directors Meeting – Minutes for Approval

Monday, June 24, 2019

3:00 p.m. to 4:30 p.m.

Administration Building, ADM 460

1600 Holloway Avenue, San Francisco, California

Action Item No. 20190624-01

BOD Action Item: Approval of Minutes from 20190513 (attached)

Passed and adopted on this 24 day of June 2019, by the following vote:

Aye: 12

No: 0

Abstain: 0

Absent: 5

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on June 24, 2019 at a duly called meeting of the Board of Directors' of the University Corporation, San Francisco State at which a quorum was present and acting throughout, the foregoing resolution was adopted by the votes indicated above.

Wherefore, the undersigned has executed this Certification this 24 day of June, 2019, at San Francisco State University, 1600 Holloway Ave. ADM 460 San Francisco, California.



Bonnie Li Victorino, Secretary



Board of Directors Meeting Agenda

Monday, May 13, 2019

3:00 p.m. to 4:30 p.m.

Administration Building, ADM 460

1600 Holloway Avenue, San Francisco, California

I. Call to Order by the Co-Chair, Alison Sanders.

There being a quorum present, the University Corporation, San Francisco State (UCorp) Board of Directors was called to order by the co-chair, Alison Sanders, at 3:05 pm at San Francisco State University, Administration Building, room 460, San Francisco, CA.

Board Members Present

Rob Strong
Kal Salama
Bonnie Li Victorino
Nancy Gerber
Jason Porth
Ivy Tran
Alison Sanders
Jay Orendorff
Anoshua Chaudhuri

Board Members Absent

Trevor Getz, Chair
Kathy 'O Donnell
Hrag Kalebjian
Brian Beatty
Garrick Wilhelm
Gene Chelberg
Mia Veal
Neil Cohen

Others Present

Mary Bagazinski, Clerk of the Board
Tammie Ridgell, AVP of Finance & Administration
Anthony Victoria

1. Approval of the Agenda – approved
2. Approval of the Board of Directors Meeting Minutes for April 15.....**Action**

Board member comments:

- Is it practice to comment if absent board members are excused/unexcused? We have never done this. However one practice could be to designate a member to contact absent members to update them.

Board Clerk comments:

- Mary would like to correct the room number from ADM 460 to ADM 153L to reflect the accurate location of the last meeting.

The board minutes were approved anonymously.



II. Public Comment

At the December 3, 2003 Board of Directors' meeting, the following guidelines for public comment were adopted by the Board of Directors:

- 1. UCorp Board of Directors does not allow photographing, audio and/or video taping unless the Board agrees by vote to do so.*
- 2. The public comment will be limited to three minutes per speaker.*
- 3. The public comment time is limited to 15 minutes total.*
- 4. The Board of Directors will be notified in advance when possible of those interested in making public comments.*
- 5. Public comments are limited to UCorp business.*

There were no public comments made.

III. Board Announcements/Constituent Reports

- Clerk of the Board Announcement
 - "Meet the Board" board biographies up on the website. Can be found here: <https://ucorp.sfsu.edu/board/bios>
- Board Survey (Qualtrics)
 - Only received 5 responses so far. Will be sharing summary with board. Survey is completely anonymous, including hidden IP address.
- Board Retreat
 - Tentatively scheduled for week before classes – Fall 2019. Poll will be sent out for best day

IV. Report from the Finance Committee Chair, Kal Salama

Kal gave the following highlights:

- April was a good month. Fiscal YTD is going well for us.
- Tammie and I are going to revise the way we do the smoothing. By using our actual portfolio, rather than the benchmark, we would have more conservative numbers.

Board Questions & Comments

- Q – The allocation looks close to target. Does BP ever rebalance it? Don't believe so; It could be close because of the FFF portfolio changes. Kal will confirm with BP.
- Q – What is the outlook for the Finance Committee? Are you going more conservative than you've been? What's the forecast? BP recently told us that they're more of a risk-on posture with our portfolio. They were more positive about the outlook.
- Q – Do we have non-US stock holdings? The word "global" indicates both U.S. and International investments together.
- Q – If we wanted to look up additional information about how each investment is managed, could we get that information? In the Quarter-End report, they go into detail of 3-4 pages analyzing each manager.



- Q – What if someone wanted to use these reports and BP’s investment strategies and apply them to their own investments? These reports are proprietary. They are also highly customized to our needs – BP spent months getting to know us. We also need to have fixed income to support our investments. Our portfolio might not serve any other organization or individuals’ needs

V. Report from the Nominating Committee, Alison Sanders

Alison gave the following highlights:

- At next month’s BOD meeting, we will vote to bring in new members.
- There will be a new Chair of the Academic Senate.
- We are looking for a community representative. If you can think of anyone, please email Alison, Trevor, or Jason
- We will also be looking for new student representatives for FY 19-20 once the new AS president is sworn in.

Board Questions & Comments

- Q – What are you looking for? Hrag is stepping off the Board. His input was valuable as a small business owner and SF State Alum. He has provided useful insights, resources to help the UCorp Operations team for new point of sale (POS). He has been a great member of RCS committee to assist with vendor perspective. Someone with a similar small business background would add value.
- July 1st is when the new Associated Students Board will be sworn in. Nate has been mentoring the new president-elect. Ivy will let the new AS Execs know about the Board looking for representatives. It would be best to send letter as soon as possible. Advise AS to reach out students at large. Current student board stretched thin. Advanced notice to be able to get students on committees.

VI. Report from the Retail & Commercial Services Committee Chair, Neil Cohen

Jason gave the following highlights, on Neil’s behalf:

- The RCSC met last week, on Wednesday, May 8th at 1:30pm and discussed the following points.
- Signage on the new Shop24 – right now it’s not branded. Committee reviewed potential options. Using “Open 24”
- We have an RFP for the space that used to be Ike’s, however there’s only one vendor that has submitted an RFP and that’s for Nizario’s/Crave. Nothing negative came up in their RFP review.
 - Crave is currently in the space. Their lease was not typical since they were filling in the extra time that remained when Ike’s broke their lease. Ike’s found Nizario’s/Crave to assume their lease & ensure all costs were covered. UCorp agreed to continue on with Nizario’s/Crave per then-current lease, & acknowledging to them lease expires June 30, 2019

Board Questions & Comments

- Re: the Healthy U kiosk. My market research class reported that the representation of that title is very positive on campus. Cross branding that could be very helpful.
- Re: the Open24 vending machine: Students have been experiencing various issues with it. Many are outraged. Items don’t vend; neither the credit card reader, nor cash reader work at times. The



customer service number – no answers. Cash only, then no change. Screen not working. Card reader not working. Some people say they’ve been getting stale food. So far it’s not making a positive impression on campus. Feedback has been found on Reddit which isn’t bad. Twitter would be different, however.

VII. Report from the Associate Vice President, Tammie Ridgell

1. **Resolution:** UCorp Operating Budget.....**Action**

Tammie provided the following report on the Operating Budget proposal for the upcoming 19-20 fiscal year:

- Provided budgeting numbers for all funds – synopsis what’s projecting, using an average of three years. This is what the revenue and expenses could look like. This is to give other bodies a sense of the budget and projected revenue.
- Summary – budget and actual for FY18-19 and then projected.
 - We’re only budgeting what we’re projected to earn. This comes from admin fees, business ops, and grants and contracts.
 - Projecting an uptick for grants and contracts. This has been steadily decreasing, but we’ve received larger grants – associated with Guardian Scholars program.
 - We’re projecting a small uptick for business services. This includes program revenue, which are admin fees. There’s also commencement.
 - Business Services – this is related to vendors inside student center. We only show admin fees, because everything else is returned to Associated Students. For rental income, we’re projecting current + 3% or so. We’re looking at full occupancy. The difference is the revenue we collect for the Welcome Days event. This nets for UCorp a couple thousand dollars. It’s a service we provide for campus. That’s why it looks like our budget is less than our actuals for 18-19.
 - Our admin fee is consistent with last year. We’re negotiating with Follett for a floor of the bookstore. Follett revenue has consistently decreased by 10% every year due to declining margins for items we receive commission for. We also pay for bookstore space. We have some ways to break even, but we don’t want to go under, otherwise it will negatively impact us. So far projection is to break even.
 - Ctrl+P & Lobby & Healthy U & Shop 24 are all projecting small increases, small marginal increases of 3% for lobby, 3% for HealthyU for increase in sales. Copy shop - 5% increase projected. Shop24 – projecting increase for a full year of sales.
 - Expenses – Salaries are to run the shops. 3% is for a minimum wage increase and appropriate 3% wage increase for leads and managers/staff. Benefits would be commensurate with that. For UCorp that’s roughly 37-42%. We use a burden pool.
 - Highlights
 - Support services – salary and benefits – 3% increase given by campus. Also, we budgeted for reclass, compensation, and a new position. UCorp is reimbursing campus for those.
 - Auditing Services – we were 47% over budget. This is due to additional cost by GT to cover last year’s audit. We’ve projected without this extra cost for 19/20.
 - There’s also 403(b) plan extra costs.
 - Business Services rental income – 525k of this is related to vending space and bookstore and the shops we pay for in the student center.



- Non-operating expenses – support to campus in 75k, which includes support to the president, in addition to various things we've supported on campus over the years.
- Cost allocation – this will go to UCorp to build out the University Club facility. No memberships will be charged. Instead of giving campus this cost allocation, we will be using it to offset construction expenses, and the operation costs.
- Investments – using smoothing model, we're projecting 1 million for our investment income. Based on 5% of 22.5 million, which is a smoothed portfolio, not actual portfolio. Using an index rate of return for last year through Dec of this past year does make a change of about 5k in our numbers.
- Source of funds and impact of each category – our largest form of income is related to operations (self-ops), next would be related to Follett commission, then admin fee, then grants and contracts, then IDC.

Board Questions & Comments

- Q – Are our expenses related to the revenue operations? Investments play a large role in this. Our outside activity has never been enough to cover our expenses. There isn't enough of the activity to cover the expenses. The investments are a real part of the picture for balancing and supporting UCorp and the services. We're providing services for free or at discounted rate for campus. Salary and benefits are always going to take a large part of any operations. The stores have to be on their own.
- Q – Are we in the business of losing money? We have a 10 million dollar budget, but we only talk about 3 million around the table. We cannot control the other funds. We're essentially a bank. We don't control the funds, we just bank for them (provide admin services). We're responsible for 10, but our board is only responsible for overseeing 3 of that. We've never been in a situation where we have had to sell off investment portfolio. We're not losing money, we're not charging what we could. We keep our costs for the programs as low as possible to increase the benefit for those campus programs. What you're seeing is a portion of the budget that we cannot control.
- Q – If all these business lines went away, would all these expenses go away? It's a much larger operation than the administration of it. But for the last 20 years, we always made money. The Franciscan Shops was operating as a business, for profit. UCorp has always been able to break even and earn money, but investment is a large part of that. Most of the time our unrestricted net assets have grown. The campus relies on us to provide services free of charge or cheap. It's good to rely on this investment income. With all of the years of data, we can budget a smooth number.
- The Franciscan Shops took the same approach. We had accumulated 5-6 million and the president at that time came up and swept it all away.
- We have to remember that when a donor gives money, for example, in a scholarship, it's untouchable, other than for purpose the donor has indicated. Some funds are discretionary for a particular purpose.
- Q – Re: Page 1 – it looks like operating activities is 4.4 million, but the gap is closed by contributions? What you have is an accumulation of wealth on the restricted side. One could have X, Y, Z, or they could spend it all in the year they get it, or in a future year. If they spend it in a future year, they could



also get revenue that year. If there's a multi-year revenue, you're spending extra money for that grant. It's going to show in the expenses. This is projecting; there are time lags that are there. The funds may already exist, you may be spending money, but you may have already had that money. When projects receive contributions or funds, they don't spend them all at one time, because they're looking at discretionary accounts. They spend them liberally but not all at one time.

- Q – Is it fair to say we're booking that as cash? We don't do that. You have to record the revenue when you get it. You book the revenue when you receive it. You have conditions, and you can only spend according to those parameters.
- We keep money in a LAIF account, because that's more liquid. But that's higher than the foundation. For example, we keep a lot liquid because those projects might need to spend those funds quickly.

Tammie continued her highlights overview:

- Smoothing – smoothed and unsmoothed value. The lower graph are the smoothed five year returns. Fluctuating line is the actual what the 5 year has been. We're trying to capture the middle, to hopefully be conservatively budgeting. So the smooth return is being applied to the smooth value, not the actual, this keeps is conservative.
- Capital projects – one anticipated project – for Station Café. The lion's share of the project will be covered by the vendor, but campus related items will be covered by UCorp – not to exceed 500k. This is what we're setting aside. This comes from working capital, not operating.
- Reserve analysis – one is for ops and one is for plant fund. Current is 1.8 based on current operating expenses. Per our policy, our operations - we budget 6 months of ops in account. Note:
 - We are projecting to end current FY in an overall deficit due to the market impacting investment income. We're requesting to only take from ops when there is no deficit.
 - We're also considering on not doing the reserve fund increase to 220k. We would either partially fund the 220k over time or not at all.
 - We're planning on utilizing the plant fund for the faculty club buildout and replenishing the fund over time.
 - Update reserve policy to cap at 500k, and start funding reserve over time with income that University Club over time would generate.

Board Questions & Comments

- Q – Is there any accountability per our mission (for example, for the 75k that went to the President)? In the past it was way higher. Historically the money was used for travel, etc. President Wong didn't do that. He has paid for other projects such as a study for gator pass. Any spending still falls under our policies and he can't spend it outside of that. It has to be under our guidelines.
- Q – Re: Food and retail increase – that's not acquisitions? That is the net difference for Welcome Days. It's not all revenue, it's a pass through.

Anthony Victoria gave the following update on insurance:



- Insurance rates have been static. Everything is based on values, we don't have real property, automobiles, rates are static. Through Alliant we have workers comp. Those 4 insurance costs are all passed onto the programs.

Board Questions & Comments

- Q – On the property is it claim rated? It's all value. Unfortunately we have very little, compared to other auxiliaries.

The Operating Budget for the FY19-10 passed unanimously.

VIII. Report from the Director of Operations, Chris Farmer

Jason gave the following highlights, on Chris' behalf:

- Ctrl+P – Doing well. There are a lot of showcase posters. Over 200 posters for 5 events. Driving a great April and May.
- RCSC Committee Update above.
- Associated Students and CPDC working on key projects for student center: roof, pantry area, and internal upgrades.

IX. Report from the Executive Director, Jason Porth

- Express gratitude to Tammie – It takes an enormous amount of time and energy to plan for the budget. It's very lengthy and a lot of work on the part of Tammie and her team. There were years that we didn't get to the budget until June, Tammie has moved that up.
- Express gratitude to Mary – Getting survey out to the board. This is the first time ever and we will be learning a lot about what we can do to support our board and make sure that we can provide training and opportunities for engagement.
- One of our longtime employees retired, Lin Joe. Today we are welcoming Karen as one of our new accountants. She comes from the restaurant industry.
- Shae is continuing to work for UCorp and moreso CPDC. She was originally hired for front desk as an Admin Analyst which is a great entry level position for someone who's graduating. Possible July 1 start date. If you know someone, please let me know. Salary range is 45-48k. It will be posted and they can contact Jason.
- Holloway is 4 weeks ahead of schedule. Ready to open in time for fall 2020.

X. FY18/19 Calendar & Committees

May 2019

Date/Time	Committee	Agenda <i>*subject to change</i>
Thursday, May 2 9:00am, ADM 361A	Nominating Committee	Board Members & Committees for FY1920



Wednesday, May 8 1:30pm, ADM 361A	Retail & Commercial Services Committee	RFP; Open24 Signage
Monday, May 13 3:00pm, ADM 460	Board of Directors	UCorp Operating Budget; Reports
Tuesday, May 28 *Cancelled	Finance Committee *Cancelled due to Commencement	N/A

June 2019

Date/Time	Committee	Agenda <i>*subject to change</i>
Monday, June 3 10:00am, ADM 361A	Audit Committee	UCorp Audit
Tuesday, June 18 11:00am, ADM 361A	Finance Committee	Beacon Pointe & UCorp Reports
Monday, June 24 3:00pm, ADM 460	Board of Directors	Last FY meeting; Vote in new members; Refreshments served

List of Committees

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

XI. Call for Adjournment

With no further business to discuss, the meeting was adjourned at 4:29pm.