



**Board of Directors Meeting Minutes**

Monday, May 11, 2020

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

Via Zoom

<https://ucorp.sfsu.edu/board>

- I. Call to Order by the Chair, Trevor Getz
  - 1. 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 3:07pm via Zoom due to shelter-in-place order.

**Board Members Present**

Trevor Getz, Chair  
 Gene Chelberg  
 Anoshua Chaudhuri  
 Bonnie Li Victorino  
 Brian Beatty  
 Jason Porth  
 Jay Orendorff  
 Kal Salama  
 Michaela Byrd  
 Nancy Gerber  
 Noriko Lim-Tepper  
 Rob Strong  
 Yasmin Aly  
 Yvonne Bui

**Board Members Absent**

Neil Cohen  
 Brian Yoo

**Others Present**

Diana Bonilla, Clerk of the Board  
 Tammie Ridgell, Associate VP, Aux Business Services and Director of Finance and Administration  
 Chris Farmer, Director of Operations  
 Andrew Lok  
 Anthony Victoria  
 Shae Hancock

- 1. Approval of the Agenda  
 Approved by consensus
- 2. Approval of the Board of Directors Meeting Minutes for April 13 ..... **Action**  
 Approved 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. Hope Crisis Fund: Contribution by Board to Fund..... **Action**

- Trevor Getz commented a total of 800 applications had been received; \$1.5M requested by students. \$225K raised thorough campaign of HOPE, \$75K Genentech Grant. About 450 pending applications. There is a clear need of funds.



- Gene Chelberg stated students have eligibility for funds related to Covid-19 through Federal CARES Act and HOPE Crisis Fund. Over the past previous 5 years, about 150 applications were processed; average to about 30/year. To have about 800 all at once, is a huge cry for assistance. Prioritizing to students who are not otherwise eligible for CARES Act.

Nancy proposed to move item III after agenda item VII Report from the Director of Operations, Chris Farmer. Gene Chelberg second. There were no objections to the change.

#### IV. Constituent Reports

- Nancy Gerber (Senate) stated the final 19/20 Senate meeting was held May 5, 20. Different items were discussed including a policy resolution on lecturer faculty to address some problems they may run into this semester and later. A message to the faculty will summarize what the Academic Senate has done on behalf of students and faculty. At the next meeting a new Academic Senate chair will be elected. Nancy's term ends May 31<sup>st</sup>. Nancy Gerber was elected to the ASCSU along with Robert Collins (Chair) and Darlene Yee-Melichar (Vice Chair).
- Michaela Byrd (AS) stated her term finishes June 30<sup>th</sup>. New elected VP of Facilities & Services is Alondra Esquivel Garcia.

#### V. Report from the Finance Committee Chair, Kal Salama

- This has been a very fast-moving period through the markets. So fast in fact, the numbers in the report become obsolete in a good way. These number reflect the impact of the first quarter, just for the month of March. Negative numbers for equities across the board, all risk of all types went down, lots of panic in the market. Now for the month of April some of these numbers have really changed. The markets have been up strongly in April and although this does not get us back to our highs of the end of the year, it is possible that this could end up being a flat number. FYT the investment was \$1.4M negative but it is possible that this is now a zero. Low risk style portfolio has definitely helped. There is still a lot of uncertainty and a lot is still to be seen.
- Q – How do you reconcile this exuberance in the equities markets when big box retailers have 6-10 months of cash left until they go under and the unemployment is catastrophic, but the markets don't reflect that. Do you think it's all optimizing about opening back up? This is all very brand new to the economic and market forecasters that there is no precedence for them to forecast. They really do not know what is going to happen. Which means they can err on being on the pessimistic side or the optimistic side. Keep in mind is the markets really look forward; more than 12 months out. One simple way to understand it is the market all really needs to know is that we plan on turning the lights back on.
- Q – Do you know if Beacon Pointe is actively managing UCORP portfolio? Even though we are not able to forecast what we can and can't do, we know certain sectors will do well, it's just a matter of time. Are we rebalancing the portfolio towards certain sectors that we know are going to do well? Beacon Pointe did rebalance the portfolio. During the last finance committee, we discussed how our equities were down, so they bought equities and sold bonds. So far, this has been a big positive. When the market comes back to the same place we'll have done better because they did the rebalancing for us.
- Jason Porth – The decision to go with Fossil Fuel Free has served us quite well in this instance. Kal stated that the oil prices have collapsed. Demand had been falling because no one had been using oil. So had UCORP portfolio owned any Fossil Fuel companies the portfolio performance would have been worse.

#### VI. Report from the Director of Finance & Administration, Tammie Ridgell



1. Review of anticipated financial impacts of the COVID-19 crisis on the 2019-20 budget.....**Action**

- Grants and Contracts IDC are currently 20% down.
- Program Revenue is down 21%. With the closure, we are no longer able to operate fee generating programs like PLI and Math Circle. Also, there would be a loss in IDC as it relates to Commencement. Not having Commencement will adversely affect our revenue as there will be less expenses. Normally UCORP would earn 10% of \$600K.
- Food vendors: 20% down. Rent deferral from Mar – June. If vendors were to receive some form of financial assistance from the government, we would be paid back but ultimately, we are looking to write this off at the end of the year.
- Follett contacted us stating they would not be able to pay their commission based on the contract. The contract states 10% of the low of the previous year. With the closure, they stated they would not be able to pay this year. That had a \$200K impact on our bottom line.
- A memo was sent to staff and supervisors, following similarly to what the campus is doing, that UCORP will be providing for FT employees 254 hours and for PT employees 128 hours of pay for Covid-19. We are expecting to continue salaries through the end of May.
- Expenditures have not really changed since shelter-in-place order.
- At the end of March, we projected a deficit of \$3.5M due to loss revenue, continued expenses and the market being down.
- The Shops were performing really well through Feb but with the shut-down that really effected the bottom line.
- PPP loan was approved for \$538K. The funds have to be used for salaries; to keep people employed.
- Q – Jay Orendorff asked: My understanding was that the vendors employees were only being paid for their benefits and had filed unemployment. Tammie clarified UCORP does not oversee the vendors employees.
- Q – What is the projected year end deficit? \$3.5M. About \$800K-\$900K was attributed to the market. Our reserves are about 6 months of our budget; ~\$1.2M. The PPP loan is separate from this.
- Jason noted the difference between reserves vs net assets. Under CSU policies, we are required to keep 6-month reserves. However, because we manage funds for all of the projects, we have restricted net assets which is not for this board to spend.
- Q – If no one is on campus next year what will our budget look like? Tammie: UCORP is currently working on that budget.
- Q – What is your takeaway from your presentation on our ability to fund the HOPE Crisis Fund? Tammie: The loss of revenue is critical, and the investment income will go up and down. We are not expecting a lot of contributions. There are too many things out of our control.

VII. Report from the Director of Operations, Chris Farmer

1. Review of impacts of the COVID-19 crisis on retail and commercial services.....**Action**

- In Mar – June we will essentially have zero revenue
- The team is starting to talk about a plan for our return to the stores. Cleaning out the inventory in the stores.
- New operating procedures to maintain health safety of employees and customers. New signage for distancing and a lighter staff/sales.



- Ctrl+P is starting to see work orders; mainly from the bookstore. The Ctrl+P team will possibly come in one day a week. We will coordinate with AS for a Wed or Thurs when the building is open for the pantry.
- Follett was closed for about a month but for the last few weeks they have had 5-6 employees processing rental returns from the spring, orders for summer/fall, online orders. Doors are not open to the public yet.
- Bookstore Advisory Committee meeting will be discussing the results of the immediate access pilot that we just this spring. Successful pilot. 5 or 6 sections. A little over 100K in course materials. Only downside was the collection rates. Uncollected amounts of a little over 10% of that 100K. A little more than we hoped for. It might be due partially to the current situation, although the collection rates were not that good before this started. The goal is to cover the shortage with remaining scholarship funds.
- Small businesses are having a really hard time.
- Working on budget for next year; lease agreement revenue, self-operating stores, food trucks, vending. It will be a challenging year. Budgeting a 50% decline across the board.
- Still meeting with CPDC for the deferred work on the Student Center.

VIII. Hope Crisis Fund: Contribution by Board to Fund.....**Action**

- Nancy would like to help the students but does not want to put UCORP in a risky financial situation because we are overcommitting.
- Rob shares the concern for the need to help the students, but our primary responsibility is to UCORP.
- Trevor stated the donation would be about \$25K.
- Gene commented that although we are here as fiduciary officers and need to be thoughtful about how funds are spent but at the end of the day \$25K is not a lot to UCORP whereas it is quite a bit to students. Students typically ask for \$1-\$2K so you would be helping out 10-12 students.
- Rob stated \$25K is not a big impact to UCORP.
- Anoshua agrees that we are fiduciary officers, but we also are in the business of serving the students. Question to Jason – are there any things that are going well with UCORP like funds that we will be receiving from Holloway project? Maybe we can donate a smaller amount.
- Jason – yes, there certainly are things that are going well. Our strongest assets are our people. That’s why we felt so strongly about getting the PPP loan. I agree that we make a contribution, it’s just a matter of the amount. Making a contribution sends a strong signal that we are in this together. Tammie’s idea was to do a little more now and a little more later (\$10K now + \$10K later). It does not have to be a one and done type of deal. This could give us a little more confidence on how we proceed.
- Nancy likes the idea of breaking it up into two \$10K payments. Will donating the \$25K all at once result in jobs lost? We don’t want it to be perceived that way.
- Rob agrees with the \$10K donation.

Gene Chelberg motioned for UCORP to donate \$15K to the HOPE Crisis Fund, Rob Strong seconded.

- Gene: where the need is greatest is immediate. No one knew COVID-19 was going to happen. While he appreciates the notion to do a little at a time. The need will not present itself the same in the fall. The need is immediate.
- Anoshua speaks for the motion to donate \$15K. Maybe we find other savings in the budget; for ex: maybe UCORP does not attend the Gala.
- Rob speaks in favor for the motion to donate \$15K to the HOPE Crisis Fund.



Trevor Getz motioned for vote on authorization and approval of \$15K donation to the HOPE Crisis Fund from University Corporation’s general fund.

8 in favor of the \$15K donation to the HOPE Crisis Fund from University Corporation’s general fund.

1 in abstention of the \$15K donation to the HOPE Crisis Fund from University Corporation’s general fund.

The \$15K donation to the HOPE Crisis Fund from University Corporation’s general fund is approved by the University Corporation Board.

IX. Report from the Executive Director, Jason Porth

- Jason extended his gratitude to Nancy Gerber for her contribution to the UCORP Board.
- It’s very rare that UCORP seeks a loan. Much deliberation has gone into this. Before applying Tammie and Jason did seek the council of the Executive Committee and got support for doing so. Also ran it by UCORPs council. Have since been in conversation with the Office of General Council of the CSU as well as the Finance and Treasury of the CSU to make sure nothing was missed. A call is scheduled for later in the week with Agnes Wong Nickerson, VP & CFO at San Diego State to get another opinion and see why they ultimately decided to return their loan. Trying to turn every stone to make sure we are making the right call for the board and UCORP.
- Sierra Nevada Field Campus will be closed this summer. Might use this time for deferred maintenance.
- Nominating Committee met to discuss the open board positions. Will be in touch with members whose terms are coming up. We have a Community Seat available. We really benefit from those seats. If you have any suggestions, please reach out to Jason Porth.
- Holloway project now has a formal name: Manzanita Square. Will finish on time.
- Q – Has the 19<sup>th</sup> Ave Station Café project been deferred? Yes, it was communicated to the vendor and he was accepting of it. Chris and Andrew have been working closely with him and his staff on letting them know we will revisit it at the right moment, but it is on hold right now.

X. FY19/20 Calendar & Committees

**May 2020**

Date/Time	Meeting	Agenda <i>*subject to change</i>
Monday, May 11 3:00pm, Via Zoom	Board of Directors	Operating Budget FY20-21
Thursday, May 14 11:00am, Via Zoom	Nominating Committee	
Tuesday, May 26 11:00am, Via Zoom	Finance Committee	

**June 2020**

Date/Time	Meeting	Agenda <i>*subject to change</i>



Tuesday, June 2 11:00am, ADM 361A	Audit Committee	Audit Plan for FY19-20
Tuesday, June 16 11:00am, ADM 460	Finance Committee	
Monday, June 22 3:00pm, ADM 460	Board of Directors	Annual Meeting FY19-20

**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

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:37 p.m.