

Board of Directors Meeting Minutes

Monday, June 22, 2020

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

Via Zoom

- 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 3:02pm 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

Noriko Lim-Tepper

Rob Strong

Yvonne Bui

Board Members Absent

Neil Cohen

Brian Yoo

Nancy Gerber

Yasmin Aly

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

Anthony Victoria

Kathy Bogel Shiokari

Alondra Esquivel Garcia

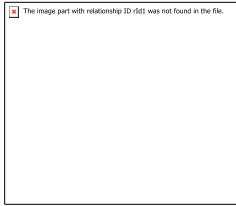
- 2. Approval of the Agenda
Approved by consensus
- 3. Approval of the Board of Directors Meeting Minutes for May 11.....**Action**
Approved by consensus

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. **Resolution:** Approval of Officers and Board Members for The University Corporation, San Francisco State, Fiscal Year 2020/21.....**Action**

No discussion by the Board. Kal moved to approve the resolution, Yvonne seconded, unanimously approved.



- IV. **Resolution:** Approval to Appoint Chair(s) and Committee Members to The University Corporation, San Francisco State Board of Directors as Established by the Corporation's By Laws for Fiscal Year 2020/21.....**Action**

No discussion by the Board. Gene moved to approve the resolution, Rob seconded, unanimously approved.

- V. **Resolution:** Approval of The University Corporation, San Francisco State Board and Committee Calendar for Fiscal Year 2020/21.....**Action**

No discussion by the Board. Approved unanimously

- VI. Constituent Reports

- Michaela introduced Alondra Esquivel Garcia as new VP of Facilities & Services.

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

- May increase of 2.7% which brings the fiscal year up to 2.1%.
- Jason expressed his gratitude to Kal and thanked him for his continued service to the finance committee and board of directors.
- Q – Is Beacon Pointe adjusting the UCORP portfolio in this volatile market? Yes, they rebalanced the portfolio. At the end of March equities were down and the bonds were up. They sold the bonds and readjusted the portfolio so UCORP was back on target. They are also positioning the portfolio fairly conservatively. They are not taking as much credit risk.

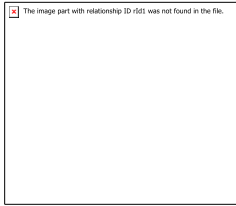
- VIII. Report from the Audit Committee, Rob Strong

- This is our final year with Grant Thornton.
- On June 2nd the Audit Committee met with the auditors. The engagement letter has been signed. Intro work started on May 11th. Field work will start on August 10th.

- IX. Report from the Associate Vice President, Tammie Ridgell

1. Resolution: Adoption of Annual Operating Budget: 2020/21 Fiscal Year.....**Action**

- The projected deficit with a net income of \$1M. Most of it is from unrestricted funds and a reduction in income due to the continued remote modality.
- Main sources of revenue for UCORP are indirect costs and admin fees that are earned from investment income and programs that UCORP administers, retail, vending and investment income.
- Vendors:
 - Only projecting revenue for about 50% of the year as we are not expecting many vendors to open in the fall due to the limited campus population. Potentially suspending rent for those vendors.
- Follett:
 - Expecting a decline in commission; about 30% less than what was expected for this year. Projecting a loss for the first time since we partnered with Follett. UCORP pays about \$500K for the space and we are expecting about \$400K in commission which leaves us with a \$78K deficit.
- Expenses:
 - Salaries and benefits makeup 66% of UCORPs operating expenses. No expected salary increases for this upcoming fiscal year.
- Reserve Analysis:



- UCORP is required to have two reserves by the CSU: 1 is a UCORP Operations and, per policy, it is based on 6 months of operations. At the end of FY2021 the reserve policy says we should have reserved on our books \$1.799M which is an increase of about \$35K to that reserve. UCORP is asking not to transfer that \$35K because we are ending FY 19/20 with a deficit, so it does not make sense to further fund the deficit from our net assets.
- Plant Reserve: Per policy, UCORP should have \$500K for capital reserve to be used for capital projects, property and equipment. During FY 20/21, management will create a plan to begin funding the plant reserve and restore to the level of \$500K over time.

Gene moved to approve the resolution, Yvonne seconded, unanimously approved.

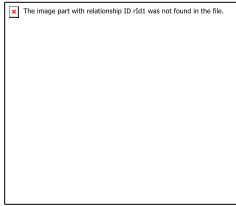
X. **Resolution:** Approval of The University Corporation to Secure a Line of Credit.....**Action**

- Per the by-laws, Board approval is required when entering any sort of borrowing.
- To have a secured line of credit means you have to pay a little bit just to have the line of credit available to you. Whereas an unsecured line of credit, you are not paying anything for it but then the bank can choose not to extend the line of credit to you.
- Some banks want to be the custodian of our funds as collateral. We will need to do some negotiating.
- UCORP will seek a line of credit for up to \$5M but we will likely not need one this large. There is a modest cost; less than \$10K a year for a line of credit this size.
- Trevor read the resolve clause: Therefore, be it resolved that the Board of Directors hereby approves and supports securing a line of credit up \$5M contingent on a diligent thorough review of the terms offered by the Executive and Finance committees.

Gene moved to approve the resolution, Jay seconded, unanimously approved.

XI. Report from the Director of Operations, Chris Farmer

- Lobby Shop team has started to remove the expired items in preparation for the inventory that will be done in the next week.
 - Expired items were donated to the Gators Groceries program. For ex: 80 boxes of various bags of chips that were donated.
- Ctrl+P: has started to come in almost every day.
 - Thesis binding orders are being completed.
 - A lot of work will be done with signage around the campus.
- Food vendors:
 - Sodexo alone is not enough to support the campus community. A couple of vendors will be operating (3-4)
 - No food trucks for the Fall semester.
- Bookstore:
 - Working with ASI on trying to improve search criteria.
- Station Café:
 - Prior to the pandemic, plans had been made to relocate the café; knowing that the campus master plan includes the removal of the HSS building at some point in the future. However, due to the pandemic and budget concerns, we agreed to put the project on hold and add some years to his current lease. This will allow him to do some minor



improvements to his current location and give him some time to recuperate those investments.

- XII. Report from the Executive Director, Jason Porth
 - Jason expressed his gratitude for the BOD and the supporting teams.
 - Many difficult decisions being made on a daily basis. All being looked at through an ethical lens.
 - Very fortunate to receive a PPP loan.
 - Manzanita project will be completed very soon.
 - Acknowledged and thanked the other committee chairs.
- XIII. FY19/20 Calendar & Committees

June 2020

Date/Time	Committee	Agenda <i>*subject to change</i>
Monday, June 22 3:00pm, Via Zoom	Board of Directors	Last FY meeting; Vote in new members;

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>

- XIV. Call for Adjournment
There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:39 p.m.