



Minutes of the Board of Directors Meeting - Monday, June 21, 2021

Attendees:

- Teddy Albiniaak
- Brian Beatty
- Anoshua Chaudhuri
- Gene Chelberg
- Neil Cohen
- Christy Stevens
- Jason Bell
- Trevor Getz
- Bonnie Li Victorino
- Jay Orendorff
- Jason Porth
- Kal Salama
- Rob Strong
- UCorp staff:

- Tammie Ridgell
- Chris Farmer
- Rosa Barragan
- Andrew Lok
- Anthony Victoria

- I. Called to Order via Zoom at 3:05pm by the Chair, Trevor Getz
 - Jason introduced and welcomed Christy Stevens (recommended President’s Designee) and Jason Bell (recommended Community Representative).
 - agenda reviewed and approved unanimously
 - approval of the BOD Minutes for May 3, 2021 – unanimously approved

- II. No Public Comment
 - no public comment

- III. **Resolution:** Approval of Officers and Board Members for the University Corporation, San Francisco State, Fiscal Year 2021/22.....**Action**

Jason Porth explained the slate of BOD members:

- Vacated student seats to be filled in September, 2021 meeting.
- Noriko T Lim-Tepper, has vacated Vice Chair seat, and Anousha Chaudhuri was appointed Vice Chair
- Christy Stevens, will serve as President’s Designee
- Jason Bell, will serve as Community Representative
- President Mahoney has approved the changes.

Motion to approve resolution was made by Rob Strong, Neil Cohen seconded, and subsequently approved unanimously.

- 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 2021/22.....**Action**



Motion to approve resolution Board of Directors to appoint Chair(s) and Committee Members was made by Rob Strong and Neil Cohen seconded, and subsequently approved unanimously.

- V. **Resolution:** Approval of the University Corporation, San Francisco State Board and Committee Calendar for Fiscal Year 2021/22.....**Action**

Motion to approve resolution Board of Directors and Committee Calendar meetings for Fiscal Year 2021/22 was made by Neil Cohen and Rob Strong seconded, and subsequently approved unanimously.

- VI. No constituent reports

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

- Portfolio rebalanced as of May, 2021
- On target to allocation
- Well above average budget
- Excellent year, up 21.6% for fiscal year
 - unusually good year, even with absence of UCorp's normal revenue streams (vendor's rents)

Trevor, opened for questions

Rob (asked) - Difference between TL Composite and TL Portfolio

Kal (continues) – TL Composite is the allocation index and the TL Portfolio takes allocation per policy index in reference to performance.

Jay (asked) – Did rebalancing occurred?

Kal (continues) – Yes, but slightly heavier with equities

- VIII. Report from the Audit Committee, Rob Strong

- Reminded BOD of appointment of Wyndes, a medium to large audit firm & one of the top 100 auditors in the nation
 - audit committee will meet with Wyndes on July 7, 2021

Tammie (added) – Interim audit took place already and the auditors to return on August 9, 2021.

- IX. FY2021-22 Budget, Tammie Ridgell

- Budget summary given on Operating Revenues and Expenses for next fiscal year
 - discussed revenue sources
 - IDC/Overhead – administration fees: commencement administration fee
 - Vending/Retail – Food Vendors' rent, Follett flat fee commission at \$400,000, cover space, Campus stores looking at more revenues.
 - investment performance
 - discussed expenditures
 - increasing 1-2 staff
 - utilities to increase
 - lower auditor costs
- Provided comparison of proposed budget to budgets of prior years
 - reminded that past FY 2021 budget originally planned for deficit; however, investment income turned that deficit around.

Neil (asked) – How do we receive Follett's \$400,000?

Tammie (added): It's always over both Fall and Spring semesters

Neil (asked): What if they go bankrupt or leave campus?

Jason(added): \$400,000 is the baseline/commitment, if they go bankrupt, we may not collect.



Chris(added): 13% to 15% commission on sales above \$3.5 million and still to determine payment method.

Rob(asked): Any forecast on total sales on June 30, 2021?

Chris(responded): On track regarding \$1.3 million with commission to UCorp

Rob(asked): Rents to campus?

Tammie(replied): Rent paid to Associated Students - \$42,000 administrative office spaces, Business Services line item includes rent, 1st year under collecting from Follett by \$53,000, \$400,000 collected \$405,000 in rent

Jay(asked): What is the 40% and 60% that you/Tammie are referring to vendor's rents and repopulation?

Tammie(replied): Vendors in the Fall projected 40% rent and 60% projected in the Spring according to repopulation of campus.

Tammie(continued):

Non Operational items discussed:

- \$75,000 support to campus
- \$1.1 million investment income using smoothing method

Discussed graphic representation:

- Sources: 28% self ops; 13% vendors; 22% Follett; 22% administrative fees
- Uses: Salaries, Benefits – 70%; Business Services Costs – 25%

Neil(asked): Confirming Vendor proceeds based on expected campus repopulation?

Chris(responded): Based on 50% repopulation and campus stores included

Tammie(continued): Explained 'Smoothing Method' regarding investment projections => UCorp does not budget at highest nor lowest market projections, resulting in what looks to be a slower realization of return

Rob(asked): Multi-year average same as smoothing?

Tammie(responded): Yes

Tammie(continued): Budget Capital allocations – Follett staircase => \$150,000; Sierra Nevada Campus => to safely open, \$150,000; reduces Capital Budget Allocation to \$1.9million.

Operation reserves - \$35,000 proposed allocation to restores reserves

Plant Fund decrease \$500,000 due to UClub. Need to plan replenishment.

Rob(asked): Reserves part of overall existing bank balance?

Tammie(responded): Yes, but allocated/presented separately.

Anousha(asked): What if we do get \$400,000 from Follett?

Tammie(responded): No effect on continuing operations, however, large losses not sustainable into future years. Line of credit more ongoing, so as to not sell investments; regarding cash-flow concerns.

Rob(stated): Concerns over complex budget.

- X. Insurance Summary Report by **Anthony Victoria**, UCorp
- costs remain stable as in prior years
 - minimal claims activity
 - looking at possible large increases in future years relative to property coverage

Rob(asked): Clarification of AORMA and relationship with Alliant Ins Services for new BOD members

Neil(asked): If budget adjustments are ever done, should activity warrant it?

Tammie(responded): Yes, adjustments done at mid-season.

Resolution to adopt the Budget: Anousha motioned to approve, Neil seconded, and subsequently approved unanimously.

- XI. Vendor Report by **Chris Farmer**, UCorp
- All vendors looking to reopen in Fall, with exception of I-Noodles



- Alam will open four (4) locations – Café Rosso (which has been open for sometime), Village Market, Peets, 19th Avenue.
- Maintenance work commenced as needed for vendor spaces
- Student Center maintenance work has begun
- Campus Stores working to open; Healthy U will re-open, will be hiring 2 employees
- CTRL-P getting more orders for campus signage
- Follett continuing to consolidate space on 1st/single floor, soft opening on July 6, 2021, 10:00am to 3:00pm
 - adjustment needed to reflect no bottom space, as of October 1, 2021
- Hopeful to access government funding – 2nd year experience to \$300 per student

Kal(asked): Would rent for Follett be increased if repopulation exceeds expectations?

Chris(responded): 40% and 60% are the commitment for Fiscal Year to ensure vendors success.

Anousha(stated): Appreciates the “good faith” approach.

Neil(states): Good business principles and confirms as good approach.

Rob(asked): There are major changes and need to clarify more. A tour of the bookstore for retail purposes has been requested prior to 9/23/2021.

Chris(responded): Will reach-out to Follett to make arrangements for the tour and get back to BOD.

XII. Final Report by **Jason Porth**, UCorp

- Thanked BOD members for their work and welcomed new members for the work ahead.
- Thanked UCorp staff for their work in such a challenging year and acknowledged their filling-in where/when needed
- Asked to consider what will campus look like in two years at end of Follett’s contract/tenure
 - Consider a different business model post-Follett, especially since book sales are decreasing
 - a) Bookstore not for profit?
- How do we consider developing other revenue streams?
- Challenges of Sierra Nevada Campus – for about seventy years with no attention, and now consideration for a safe opening is a concern.
- Good achievements to celebrate:
 - 1) Manzanita Square - 500 beds available for students, retail space, academic space
 - 2) Line of Credit – now available to us to see UCorp through this challenging time
 - 3) Solid profitable relationship with Beacon Point, thanks to Kal
 - 4) Clean audit
 - 5) Receiving PPE subsidy
 - 6) Continuing operations with grants activity such as Genentech
 - 7) Committed Board of Directors, with thanks to Trevor and committee chairs

Kal(stated): All of these achievements have occurred, under Jason’s leadership

Rob(asked): What will happen if Sierra Nevada Campus is burned to the ground?

Jason(responded): UCorp is covered, with exception of sparse facilities. Loss of revenue would not affect budget. Challenges to consider: In seven years will need to find a sustainable model, less than 100 people take advantage of the campus. Conversation for self-sustaining and not sink any more money, should take place.

Rob(asked): U-Club reopening?

Jason(responded): Does not look like the U-Club will be used as intended. Proposing that ASI will take the space back and look for ways to reimburse U-Corp for the renovation.

Trevor: Thanked all board members and staff for their support

Meeting was adjourned at 4:34pm