Board of Directors Meeting
Monday, February 26, 2024
3:00pm to 4:30pm
via Zoom

Rob Strong                      Yessica Gonzalez Gudino                      UCorp Staff:
Jason Bell                      Christy Stevens                                Rosa Barragan
Anoshua Chaudhuri               Jason Porth                                   Chris Farmer
Ly Chau                         Kal Salama                                    Tammie Ridgell
Janey Wang                      Brian Beatty                                   Maggie Woo
Michael Goldman                 Trevor Getz                                   Shae Hancock
Meet Hapaliya                   Rajdeep Walia
Aryan Bhalodia                  Neil Cohen
Jamillah Moore

Meeting called to order by Trevor Getz @ 3:03pm
- agenda reviewed; Rob/Anoshua motioned and second; approved unanimously.

**ACTION:** Board of Directors Meeting Minutes for November 27, 2023; Jamillah/Janey motioned and second; approved unanimously

No Public Comment

Constituent Reports – no constituent reports

**Michael:** Conveyed his appreciation for Jason’s service to the university.

Nothing from Associated Students

**ACTION:** Resolution Appointing Interim Board Executive Director: Tammie Ridgell
Trevor: The board with cooperation from the president has to fill the vacancy. President Mahoney expressed that there should be a search for the executive director in the future. There will be a properly constituted search that will be led by the board. In the meantime, it is necessary that the organization be led by somebody who has the confidence of the staff, support, and confidence of the board, well known and can provide continuity as well as leadership. Bringing forth along with President Mahoney, the resolution to appoint Tammie Ridgell, as Interim Board Executive Director. Discussion of the position was made. University Corp vests Tammie Ridgell with the direction of the Board of Directors all authority to carry out the duties of executive director, including but limited to the authority to manage the corporation. Operations, enter into contracts on behalf of the corporation, hold and exercise signature
authority on behalf of the corporation, oversee personnel matters and in concert with the board, set a course for the growth and development of the corporation.

**Motion to approve Resolution Appointing Interim Board Executive Director, Tammie Ridgell:** Mike/Jason motioned and second; approved unanimously – 11 yes, 0 no, 0 abstain, 0 absent

**Trevor:** Thanked Tammie and clarified the effective date would be March 8, 2024. Introduced our next report by our Finance Committee Chair, Kal Salama

- **Report from Finance Committee Chair, Kal Salama**

  January 2024 report
  
  o Quick overview—looking at the fiscal-year-to-date of about $1.1 million income investment with a return of 3.6% against an allocation index of 5.3%. This is a bit low below the index but still on a good pace because that’s about 7 months.

  **Fiscal Year to date Portfolio:**
  
  o Interest rate went up and equities went up 6%
  
    ▪ Boston Common (recently presented to our board) is currently under-performing due to the markets’ run. This is typical and nothing to get alarmed about.
  
    ▪ Bonds are up about 3% fiscal year-to-date. This is a solid return for 7 months
  
  o Alternatives are down
  
    ▪ Cause is real estate market being down
    ▪ Adjustments to higher interest rates
    ▪ Overall portfolio doing well

  **Rob:** asked how many properties are involved in the Kimpact fund?

  **Kal:** responded and asked Jason how many properties are involved in the portfolio

  **Jason:** stated that they are low-income apartment properties, and they are sprinkled around.

  **Kal:** added that they were in a few places around the country. Geographical diversification is not what you would want them to be as it takes a lot of money for diversification and our funds are not enormous.

  **Trevor:** asked if there are no more questions for Kal, the financial report will be next.

- **Report from the Associate Vice President, Tammie Ridgell**

  Referring to the month of January 2024
  
  o FSR(Financial Statement Report) continue to experience a little bit more Grant revenue than what shows on the report. Currently we are at 55% over budget compared to what was budgeted. Usually we are budgeting for the group, based on known grants that we receive, and expend in that current fiscal year. Driving the current number to exceed are Guardian Scholars and Genentech
Our business services income from our vendors are at about 5% over budget, which is just some additional fee generating items that have been done with campus and as a result generated an increase in revenue. Also new vendors such as Lot 25 and the Sutro Library space revenue. These new opportunities generating revenue can explain that variance of the 5% over budgeted.

January number on shops performing relatively well. Healthy-U and lobby shops performing ahead of budget with the exception of Open-24 (decreased in revenue)

Expenditures no new expenditures other than what has been discussed at previous meetings

Legal is higher than budgeted
- Due to consulting our attorney regarding agreements and some personnel consultation and payment for faculty patent and did not include the cost of $4,500

Insurance is a bit higher than budgeted as we did not include an additional $11,000 and as a result it is under budget by $11,000 because the actual bill for insurance was $51,000 and it’s the difference in terms of what was expected

Will be doing a revision for the budget that we would bring to finance and bring to the board because of some changes that now, have been solidified regarding vending expectation. Upgrading and updating those agreements and related items.

Investments through January

- There is a deficit recorded at $1.3 million through the first four months
- Investment numbers fluctuate dramatically from quarter to quarter or month to month depending on what is going on with the market and really since Covid. It is not unheard of that probably we have recovered all of the $1.3 million that is currently shown through the first three months of first four months of the fiscal year.

Gross Profit:
- CTRL-P – revenue is up 4% from budget
- Healthy-U – revenue slightly down, about 14% from budget
- Lobby Shops – revenue slightly down, about 4% down from budget
- Open24 – revenue trending downward continues at about 50% from budget
- Overall profit for all shops are at about $48K

Trevor: asked if this financial report will be continued to be conducted by Tammie
Tammie: responded that she will be transitioning this report to Maggie in the near future

- Report from the Director of Operations, Chris Farmer
  - Progress in Business Activity
    - Self-Ops
      - Healthy-U picking-up some momentum and are ahead of budget
      - Lobby Shops picking-up momentum and are ahead of budget
      - CTRL-P ahead of budget through 7-months of revenue
      - OPEN 24 – nice to see that it is on a much smaller scale and that the other three-shops picking-up.
Chris: overall trend is continuing in the right direction in comparison to when campus re-opened after pandemic. Pre-pandemic we started with losses in excess of about $300K. Last year we were able to cut the that loss by $100K. This year on track for losses of just over $100k and definitely reflects continuing on the right direction.

**Filling gaps:** in an effort to fill those gaps/losses and as Tammie mentioned in looking at alternate revenue sources over the years.

- **Vacant space:** temporarily renting out space to construction companies to bring in extra revenue before making a firm decision on the use of space of those properties going forward. Lot 25 and Sutro sites have a total of five tenants/per site and these ten tenants are bringing in about $20K / month for the university. We do have a revenue share with parking and transportation in Lot 25. However, UCorp keeps all of the revenue in the Sutro site. Total amount that UCorp keeps is a little over $9K/month and approximately $100K/year. This helps to off-set some of the decreases we have seen in other areas.

**Side Note:** Big thank to Andrew Lok, Retail and Commercial Manager for leading those efforts and working with our director of real estate, Hamid to find and bring the interested and prospective tenants.

**Food Vendors:** all of our vendors have signed their agreements to amend their contracts. To continue business as our population on campus increased. New contract amendments have been signed with a floor of between 40% and about 55% of what rent would have been today, going forward. These contracts include a 3% escalation which we will see go up every year for the upcoming years, which is exactly what we had pre-pandemic.

- **Gold Coast Grill:** came to us early December 2023 to let UCorp know that they were interested in exiting their long-term lease that they had with our campus for about 20 years. They spent December 2023 and January, 2024 looking for an assignee and they found one of our existing partners (Café 101) and Natural Sensations. Jack and his son Omar have decided to take over the Gold Coast Grill space, UCorp met with all the parties involved to make sure it was a good fit for campus as it will be a third location on campus for them. They have re-opened as of today (2/26/2024). Gold Coast Grill had been closed since early December 2023, re-opened in January 2024 which was a very slow month and did not charge rent. Now, as of February, 2024 UCorp has new owners operating that space and the loss of revenue has been minimal.

- **Science Café:** planning is continuing and have conducted a couple of walk-throughs with our partners and are expecting a list of questions pertaining to the space and will share with CPDC (Capital Planning, Design and Construction) for their review and construction of the space, by late April, or mid-May of 2024. The building is expected to be completed in the next coming months. Expecting for the new space to be ready for operation by Fall, 2024.

**Bookstore:** as mentioned in recent meetings, our new materials ambassador is Husam Erciyes. Husam has worked on campus for many years and has experience with the bookstore, is the downtown campus director, and has now started to teach. This qualifies him as he has
perspective from every angle to be successful in his role of materials ambassador for the bookstore. Husam and I have been meeting every-other week with bookstore representatives and have made significant improvements to the class schedule is on the way. Course material information is much easier to read and it is accurate. Follette has also sent faculty, who they have identified to have significant savings in their course materials that they are choosing. If they were to move into an access program. On that note, working on get them more exposure to share more information and savings can be found through a program like immediate access as it has better access to materials. Big thank you to Mike Goldman for inviting me to come and speak to the Academic Senate Executive Committee tomorrow afternoon, where I will share what we are trying to achieve with our partner Follette. Would love to follow-up with possible visits to colleges, departments this coming semester.

Rob: asked on a larger level can you comment on the current status with Follette and their contract / strategic considerations you are considering?
Chris: responded that Follette’s contract is valid through June 30 of this summer and the contract has a one-year extension. The deadline to extend is in a couple of days for the 120-day notice. So, March, April, May and June are left. I have been in constant conversation with Follett, and they are definitely planning to stay for another year. So, the plan is to follow-up through Summer 2025 for now. We do need to speak as a group what are the next steps, terms and explore other options, work on proposals. We have mainly focused on helping our partners to get them more exposure with our faculty.

Report from the Executive Director – Jason Porth
- **Lot 25 and Sutro spaces:** want to point-out that these pieces are not on people’s radar, and it is a good time to highlight UCORP’s unique role. The decline of enrollment of students that campus faces is extremely significant. Almost 20% over the last, maybe 5 years or so has had an impact on all of our auxiliary operations and not just the UCORP is involved with but anything that is self-support. Example is Mashouf Wellness Center. It is supported by 100% of student fees. If there are 20% less students enrolled this equal to 20% less revenue. This model works for every single self-support operation we have. What Chris, Andrew and Hamid have been able to do by monetizing an underutilized campus resource like Lot 25 and Sutro sites is to help offset some of those significant losses, because those same losses were being felt by our colleagues in parking. As you have 20% fewer students, you have 20% fewer people parking and equates to 20% less revenue for things like bond on the parking structure. UCORP is helping to backfill some of that money, and this is UCORP’s unique role. With this I hope you will keep in mind as you move forward, is to find ways to help the university out by exercising our superpowers as an auxiliary.
- **University Club:** good news- as you know, the university club was opened at the worst time (during the pandemic). It occasionally gets use and sometimes more than occasional and we are just making it available. The revenue model that we had anticipated on for being made whole, just never materialized. Given this change in campus life, it is now getting use and not
the way we anticipated. We have now come to a great agreement with associated students and the campus. That facility has been opened for five years now. We anticipated a depreciation over ten-years and so UCorp will be refunded for the underappreciated part of that investment. Will receive a check or UCorp will invoice the campus and get a refund from the campus for that other 50% that has not yet been depreciated. This amount will go into UCorp accounts. The space will be turned over to associated students and made available to campus community for programming. This is a win, win for our students and for the campus community at large as it is one of the nicest spaces on campus, it will get more use.

**Sierra Nevada Field Campus:** update – They are almost full for this summer, even though registration just opened three weeks-ago. Some of the events that are being planned are with students like Gator Wild, which brought-up first year students last year to enjoy the great outdoors. These courses are filling-up quickly.

**Resolution** that was passed at the beginning of this meeting, we will begin the transition for signature authority to Tammie, in her role as interim Board Executive Director. Some of you in the Executive Committee members will be asked to sign some documents, here and will work closely with Beacon Pointe as well. However, this resolution is one that is really for Tammie to use whenever she needs to show that she has authority to sign instruments binding for the corporation.

Jason, expressed thanks to Tammie and confidence in Tammie’s leadership, as well as the UCorp staff. Great team assembled, included is the chair of the Board of Directors, and the members of the board.

**Members:** expressed thanks to Jason and his leadership.

**Trevor:** called for adjournment at 4:13pm