



The University Corporation
San Francisco State

Room ADM 361
1600 Holloway Ave
San Francisco, CA 94132

ucorp.sfsu.edu

Board of Directors Meeting

Monday, June 10, 2024

3:00pm to 4:30pm

via Zoom

Brian Beatty
Neil Cohen
Anoshua Chaudhuri
Ly Chau
Janey Wang
Jackson Wilson
Jamillah Moore

Yessica Gonzalez Gudino
Tammie Ridgell
Kal Salama
Trevor Getz

UCorp Staff:
Rosa Barragan
Andrew Lok
Maggie Woo

Meeting called to order by **Trevor Getz @ 3:02pm**

- Introduction on new perspective student board members and new board member Academic Senate, chair
- agenda reviewed; approved unanimously.

ACTION: Board of Directors Meeting Minutes for May, 2024; approved unanimously

No Public Comment

Constituent Reports – No reports

Nothing from Associated Students - no representatives present

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

May 31, 2024 report

Fiscal Year to date Portfolio:

- Through May things are looking good. The key point here is the current allocation relative to target. The portfolio has a little more equities, global equities, little less alternatives and little less fixed income in comparison to target. In looking at the fiscal year to date chart we can see how the portfolio is doing based on what has been reported thus far. We have earned approximately \$1.8 million for the fiscal year, which is somewhat ahead of budget so far. The return is 6.6% for the portfolio compared to the index of 8.4 for the fiscal year. Reviewed the portfolio and some funds have not reported yet such as the Alternatives.



- Bank of Canada, part of the European Central Bank (ECB) lowered interest rates recently and the Fed is being watched to see whether the Federal Reserve follows suit by also lowering interest rates.
- Report from the Interim Director of Finance, **Maggie Woo**
Referring to the month of April 24, 2024
 - FSR(Financial Statement Report) begin with a few variances not discussed before and will move onto investments
 - Revenue – IDC/ASF(campus programs and business partnerships) continue to project ahead of budget or on target
 - Business service revenue – projected ahead of budget 7% due to the additional construction vendors, renting space in lot 25/Sutro.
 - For the shop operations:
 - the Lobby Shop gross profit is up 3% from budget and revenue is up 13% over budget and 21% ahead of a year ago.
 - Healthy U the gross profit is 10% below budget and revenue is 3% from budget and 42% over a year ago.
 - For Ctrl P revenue is 6% ahead of budget and 10% ahead of last year. Open 24 revenue is down approximately 46% from budget.
 - Overall, the store's revenue is 5% ahead of budget and the gross profit is 2% down from budget but 16% ahead of last year. The net profit is 62% below budget but \$102,000 ahead of last year.
 - Expenses
 - No significant changes in expenses since last month. Significant variances have been disclosed in previous meetings.
 - Non-Operating
 - Investment Income – In April there was a loss in investment income of approximately 800,000. However, the investment are still projected ahead of budget by 26% for the fiscal year. Due to the investment earnings this fiscal year we are looking at a smaller deficit than projected in the budget.

Jackson asked: Why is the actual in both profit as well as revenue about half and little bit more than half of what was budgeted?

Maggie responded: It currently as noted previously below budget 46% but it only represents 3% of the revenue streams. Revenue has gradually picked up in May but emphasized this is a very small piece of the revenue stream.

Trevor responded: that there has been an odyssey of the Open 24 vending machine which has sometimes performed and produced revenue according to expectations.

Jackson noted that: Open 24 has caution tape on the front of the machine and if this was related.

Tammie responded: Open 24 was recently vandalized and that the repair has not been completed and that is impacting sales. However, what is presented here is for April which that event is not impacting the numbers presented here. What you see, as Maggie noted is that as



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sales have increased with the Lobby Shop and Healthy U revenue has decreased for Open 24. Based on the volume we would want more activity in those two shops compared to Open 24. We've seen a decrease in open 24 and based on that it is appropriate. We would have expected more revenue in Open 24 which Chris Farmer has spoken about in previous meetings. There was a glitch noted that was happening with the credit card processing which now has been fixed and as a result we have seen an uptick in sales. But its never going to rise to the level of what's happening in Lobby Shop or Healthy U and it shouldn't as most of the activity does happen at nighttime when the other locations are closed. It serves as a bridge when the other locations are business or closed.

Anoshua asked: wanted clarification on why investment income is down and do we in 3 months it will be ok?

Maggie responded: Investment income consist of dividend, interest income and change in market. The month of April was not a good month which would impact investment income here in this report. As Kal noted in his report earlier the month of May was a better month and investment income did go up. What has been presented here is speculative as we don't know how the fiscal year will end.

Tammie responded: There was a loss in April because the markets were down. It should also be noted that the investment income is still ahead of where we have projected for the budget. So overall it is not projecting down. So, we are not anticipating that in 2 months something different would happen but in years past, with investments in terms of budgeting it can always change. You can be ahead for 9 months or 10 months and then you could have 2 horrible months because something happens in the market like currently the war or whether its sensitivity to the interest rates. As Kal mentioned investors are continuing to watch the Feds in anticipation of rate decreases as there had been anticipation that there would be a couple of rate decreases before the end of the year. Right now, there have not been any, and those types of things do have an impact on the market and therefore the portfolio.

Anoshua noted that: The reason why it's not affecting our budget is based on budgeting investment income using the moving average, correct?

Tammie responded: In terms of the budget, actuals do impact our bottom line. When budgeting we anticipate by using the rolling 3-year average.

Kal Salama responded: Provided additional information. We budgeted \$1.2 million, and this shows \$1.4 million as Tammie stated ahead of budget. As of this May report so far it would add another \$600,000 to that total. Which is significantly ahead of budget.

Tammie responded: Noted that investment income on the April report is actually \$1.8 million as \$1.4 is the total net non-operating revenue which includes more than investment income.

Rob asked: Question regarding the investment policy change as it was not noted on agenda?

Tammie responded: It was not noted on the agenda but would be discussed under the Executive Director report.

- Report from the Director of Operations, **Chris Farmer (Andrew Lok)**



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- For May pointed a couple highlights regarding the shops. Healthy U was pretty stable throughout the year. Lobby Shop finished 10% ahead of budget for the month. Ctrl P had a strong showing in April and May. Revenue that was budgeted for the period was doubled. Budgeted \$40,000 and earned \$80,000 for those two months.
- We also had some negatives 1st being that Lobby Shop had an issue with the rollup door. Unfortunately, something happened where some equipment was in the way and ultimately that door was damaged and is not working so its going to be down for approximately 5 weeks. There is a side door which will be used as the main entrance. It's not as accessible as the normal door, but for those that still need their hot Cheetos and gummy worms and candy fixes, you can still get in the store pretty easily.
- **Open 24** – as noted by Tammie did get burglarized. It happened on a Sunday, June 2nd based on what when we see the activity stopped. Fortunately, we did a cash pull several days prior to being vandalized so not a large amount of cash in the machine as only less than \$200 was lost. They accessed the machine from the back and unplugged the cameras. They then took something like a crowbar to access the cash box, none of the inventory was taken. Since cameras were disabled, we don't have video, but we are working with UPD. Open 24 will be down for a few weeks to get the equipment fixed and identify measures that we can take to reduce the risk of this happening again.
- **ATMs** – The ATMs we found out a few days later Wells Fargo ATMs by the student center were also broken into. It look like a crow bar was used and assumed it might be the same culprits; they tried pretty vigorously to prop open the doors, but fortunately the security measures that we have with ATMs are strong. They weren't able to get in but we're currently working with Wells Fargo to see if they might be able to pull some camera footage from some of their side, from the sides to see if we can identify the individuals. We anticipate that there may have been 2-3 people involved. We are working getting help from UPD as well as facilities to identify ways to reduce the risk of this happening again.
- **Vendor** update: Today was the 1st day of orientation and we had 14 of our 18 food vendor partners open, which was good to see that we're no longer in the days of Covid. It has taken some time to get back to this point.
- **Bookstore** – This year we did some good collaborative efforts with their team as well as the orientation planning team to get them a bit more ready for orientation in terms of having them table provide info packets. Being part of the campus tours. Just so that you know, people know that we have a bookstore with apparel and things of that nature. So we're making good all-around efforts to get out vendors back were they want to be and where we want them to be.

Trevor asked: Is the robbery attempts a rare thing?

Andrew responded: Yes, this is pretty rare. The fact that two of them happened in the same week It feels like a very targeted effort, especially at the end of the semester, when there's no one here. So, it feels like whoever's doing it knows kind of the nature of our



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schedule here. And know the machines that they're trying to get to without cameras and things like that to prevent them from making those attempts.

Report from the Executive Director – **Tammie Ridgell**

Acknowledgement of the staff who will be retiring Rosa B and Mark Angstman.

Resolutions for Board members for FY 2024-2025. The members were presented and approved by the President which was also attached in your packet. There are two reappointments, Jason Bell and Neil Cohen and other members who will continue to serve their unexpired terms, which are noted here, and then you also have your officers that have been noted in the first whereas. Once reviewed then I will take an approval for a vote. Open for discussion.

Trevor offered: some additional feedback about how the Nominating Committee reaches putting together the resolution. Of course, we contacted those and discussed with folks whose term was up about whether they wanted to continue or not. This is an exceptionally collegial and kind body of people and works well together. I'm very thankful to all who chose to continue when term is up. Thanked Brian, as he agreed to come back as committee chair for bookstore Advisory Committee, because it seems clear to many of us that this body is going to be doing a lot of work this year that there's some serious questions. Also appreciate Ly Chau stepping up to be secretary as well.

Anoshua Chaudhuri : Makes a motion to accept the officers and board members as put forward by the nominating committee.

Rob Strong: Seconded

Trevor ask question: If there's anybody who wants to speak in favor or against the resolution? Now is the time when you can do so.

Trevor asked for vote: Trevor called for the board to vote? Resolution passes unanimously.

Tammie: brought forth the chairs of the committee for FY 24-25 which was submitted to the President for approval which was given. There has been a change in the audit committee with Ly Chau being removed due to being secretary and Janey Wang agreed to replace her on the audit committee. All other committees have stayed the same as they were in the previous year. If there are any concerns or questions, please feel free to let me know.

Trevor: I'm happy to entertain discussion and also motions on this resolution.

Anoshua Chaudhuri asked: If Crystal Wong was included because of her CEETL membership? Or something else?

Tammie responded: Yes, when the Bookstore Advisory Committee was created, she was member. She is member of that committee, but she is not a member of the board. For that committee as it gets a reboot FY 24-25 as Trevor has mentioned the need that due to under



utilization there could be others who are asked to join that committee which are not necessarily part of the UCorp Board but would voice that we would want to have.

Anoshua Chaudhuri asked: Request that CEETL be consulted when any recommendations are made by the Bookstore Committee for a membership appointment

Tammie responded: We will note that

Trevor asked: for Additional discussion if not a motion be made.

Anoshua Chaudhuri: Makes a motion to accept the committee chairs

Yessica : seconded

Trevor asked for vote: The resolution passes unanimously

Tammie: next matter that I did want to bring to this committee which was brought forth by the investment committee. Adding a change to the investment policy where we are building out, as I have mentioned in previous meetings. When we took a step back to more formalize the process of adding a new investment vehicle, as it relates to our idle cash. The addition would be in the section here for short term investments, which is defined as 2 years or less. Under the liquidity section we have defined our cash. We have added in the short-term cash definitions:

Cash Investment Policy:

1. Liquidity

Per the short-term guidelines above, the Corporation will maintain sufficient liquidity to cover all of its current spending needs and will hold assets in liquid funds and securities (e.g., LAIF, money market funds, bank accounts, short term securities or CDs) as necessary. Short-term cash will consist of the following:

- Operating cash is for day-to-day needs, requiring same-day liquidity and high levels of security. Local Agency Investment Fund (LAIF) is used for this type.
- Reserve cash is for medium-term needs. The time horizon for this segment is typically less than two years and liquidity needs are lower. Money Market accounts, short term securities and CDs are suitable for this type. This category includes three types of reserve cash:
 - Operating Reserves - representing six months of the Corporation's budgeted operational expenses. This represents an unrestricted fund balance set aside to stabilize the Corporation's finances by providing a cushion against unexpected events, losses of income, and large unbudgeted expenses. Operating Reserve allows the organization to persevere during an unexpected challenge.
 - Plant Fund Reserve - established to provide funding for a capital and building repair/replacement, and replacement of plant assets such as equipment or major software applications. Projects are assessed on an annual basis.
 - Excess Idle Cash - received for program funding which will not be expended immediately. This generally includes multi-year awarded grants where all the funding has been received in advance and will be needed within one to two years.



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This allows us to formalize the process of how cash is handled, and how we would add various vehicles. As well as for what reason? This came up because there were significant questions asked when considering going with a bank for investing in a money market that would yield a 5% return. We feel like now with the structure it sets the terms for how we engage a new investment vehicle. How we would go about that as it is not part of our investment policy, which would be reviewed by Beacon Point as well. Above are the asset class available in terms of fixed income and cash with larger target allocation being in cash. I can take questions at this point. We've kind of spoken about. This is really laying out what this now looks like with the formalizing process. For managing our cash or investing just like we would do with any of our other investment vehicles.

Trevor: Asked for any discussion on this particular change?

Rob asked: Regarding section 6 social responsibility policy and prohibited investments.

Tammie responded: We're only addressing this section right here. The other part is what our investment policy has been.

Rob asked: Israel Palestine conflict is in flux and very dynamic, but I recently saw an announcement from the President's office that the President's office had reached an agreement with the students over, and it wasn't specific, so I don't know what the agreement was. Is this where, if there were a divestment of investment within businesses that do business with Israel, this is where that would appear? Has the University taken any action in that direction? Yet what? What do we have to go back.

Trevor Responded: Rob there is a working group. That working group which will include two members from this committee, our Vice Chair, Anoshua and Tammie to advise them, and that working group will meet with the students and discuss the matters, and we'll bring back recommendations. This board is the Board of University Corporation, and nothing will happen without this board voting on it. Yes, this section is where that change would show up.

Tammie responded: I can provide a very brief update. Right now, specifically pointing or listing out any specific country is not where the discussions are currently going. If there were humanitarian efforts or were things around military weapons. It would show up here but that's really more where the conversation is taking place. That working group did have its 1st meeting today and so it really was just the beginning. There was nothing formal that came out, it was more hearing from the students and hearing from the Foundation regarding some of the responses as they were specifically, questions were specifically pointed to them. We will need to address some of those same questions, and it's certainly will have some things that we would want to add or suggest adding to our investment policy in general, as we have noted. As Trevor



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noted it would then come to this body. Any suggested changes to language we would come to this body.

Jackson asked: Is there a level of agreement or does the Chancellor's office have to sign off on anything as far as changes in the investment strategy.

Tammie responded: I would say that the Chancellor's office is always going to be loosely involved, but it is the actual governing body of UCorp and the San Francisco State Foundation that would have to agree in principle and make any changes that come out of the working group. The President is part of the working group, and the President could make suggestions but it is ultimately the governing boards for those organizations that have the legal responsibility to agree.

Anoshua responded: Wanted to remind everybody, that being on the board, we have our fiduciary duties, and it is that board, the investment committee and the board members that ultimately will have to decide. In all transparency, I think the President wants to collaborate and figure out what might be the best way forward. Some of the priorities are around creating a human rights positive and ESG and socially responsible investment. What I learned today is the Foundation has done a lot of work in the last two years to diversify a lot of their ESG investments and we might as a board think about that. But it is going to be a long process. It's going to be an overnight thing. We must think about what our values are and work around those values in alignment with what the campus has promised the students.

Tammie responded: That is correct. Thank, you very much for that, Anoshua. Add it is really more for us as a board to look at the opportunity of adding things that align with our value system more so than it is agreeing or making changes at the request of the students, I think that there also could be an opportunity to add things that we feel closely align or further clarify what our value system is.

Trevor asked question: regarding changes to section 2b that Tammie brought forward. If there are no further questions, then would request if anybody wants to make a motion.

Neil made a motion

Jackson seconded the motion

Neil moved to approve the recommendation by the Finance Committee

Recommendation passed unanimously.

Trevor: called for adjournment at 4:00 pm