



Finance Committee Meeting Minutes

Tuesday, February 25, 2020 (11:00 a.m. to 12:30 p.m.)

Administration Building, ADM 361, 1600 Holloway Avenue, San Francisco, California

I. Call to Order by the Chair, Kal Salama,

The University Corporation, San Francisco State (UCorp) Finance Committee was called to order by the Chair Kal Salama at San Francisco State University, Administration Building, Room ADM 361, at 11:03am with the following members present:

Finance Committee Members Present

Kal Salama, Committee Chair
Bonnie Li Victorino
Gene Chelberg (via Zoom)
Jason Porth
Jay Orendorff
Yasmin Aly (via Zoom)
Yvonne Bui (via Zoom)

Finance Committee Members Absent

Brian Yoo
Neil Cohen

Others Present

Scott Beltz, American Realty
Felix Lin, Beacon Pointe (via Zoom)
Mitch Hughes, Beacon Pointe
Diana Bonilla, Board Clerk
Tammie Ridgell, AVP of Finance and Administration
Maggie Woo, Controller
Anthony Victoria, Associate Director, Finance and Administration

- II. Review and Approval of Minutes: January 28, 2020 – Jay Orendorff moved, Bonnie Li Victorino seconded, unanimously approved.
- III. American Realty Advisors Presentation, Scott Beltz
- American Realty Advisors (ARA) has worked with Beacon Pointe for a number of years.
 - Presented ARA company overview
 - Discussed growth of ARA
 - Outlined investment strategies offered to clients – this strategy is the lowest risk “core” strategy
 - Discussed the foundation of the firm, inclusive of risk management
 - Outlined ARA leadership
 - Discussed investment process inclusive of research team
 - Described ARA’s commitment to sustainable investing
 - Provided a current fund ‘snapshot’
 - Discussed ARA’s attention to key business plan metrics
 - Discussed ARA’s targeted portfolio repositioning

Q – Committee is interested in learning more about the terms of the fund liquidity gate and what was the process for handling the financial crisis in 2008?



- Terms of the fund found on pg. 43. It is an open-end commingled fund. Structured with quarterly liquidity. Heavy income stream from portfolio. If clients want to redeem or make additions each quarter, there is a 10-business day notice. In terms of over-time, the fund can gate. If too many want to pull-out, they can suspend withdrawals if needed. This only happened once in 2008/2009. They did not suspend all withdrawals but instead did partial withdrawals. Fee structure: 1.1% on committed assets. Distributions can be paid quarterly.

Q – How does ARA report (K-1, 1099)?

- K-1's available each year and are sent out.

IV. Report from Beacon Pointe, Felix Lin, President, Institutional Consulting Service

- Due to impact of the Corona Virus, the markets are expecting interest rate cuts. Such expectations will continued to be monitored.
- Current Allocation / Target Allocation is as expected. ROR is doing well.
- Kal Salama stated that given the presentation by ARA, UCorp would give consideration to diversifying its portfolio by adding “core” real estate.

V. Status Update: 403(B) Plan, Mitch Hughes, Beacon Pointe

- Reiterated information presented in prior Finance Committee meeting relative to TIAA moving from individual contracts to retirement choice contract (group contract).
- Mentioned Secure Act update - requirement minimum distribution age has changed from 70 to 72.
- Answered inquiries concerning investment fees
- Presented fund replacements needed to align with TIAA's retirement choice platform & requested committee approval
- **Resolution:** Approval to update & replace previously approved funds with respect to TIAA's retirement choice platform, aligning with TIAA and per the recommendation of Beacon Pointe Advisors.....**Action**
Jason Porth moved to approve; Jay Orendorff seconded. Passed unanimously.

VI. Discussion of Beacon Pointe's Recommendation

Due to time, Asset Allocation study will be discussed at next Finance Committee meeting.

VII. Report from the AVP of Finance and Administration, Tammie Ridgell

- Reviewed The University Corporation San Francisco State (FSR) and highlighted the following:
 - Grants and Contract revenue projected to be down ~18% and Program Revenue has improved slightly but projected to be down ~14%
 - Clarification re: Grants and Contracts revenue resulting from IDC – this is dependent upon actual spending activity, i.e. no expenses paid no IDC earned
- No change in Food Vendors/Other Services.
- Audit costs – current year reflects charges from additional costs pertaining to prior fiscal year's audit.
- University Support – Board Appropriations: \$72K paid to the University to support the underfunded retirement plan and this was unplanned/unknown at the time of last year's budgeting process
 - Jason Porth to get clarification from Jeff Wilson (Interim VP of ADMIN and Finance, CFO) on whether this is a one-time expense or if this will be an expense over the next 6 years. If so, UCorp will be able to budget for it moving forward.
- No change in Investment Income
- Shops – Most are tracking fairly close or within reason of the budget.

VIII. Schedule of Meetings



**The University Corporation
San Francisco State**

Room ADM 361
1600 Holloway Ave.
San Francisco, CA 94132

ucorp.sfsu.edu

Finance Committee Meetings

Meetings held at least quarterly

Tuesday, March 24, 2020	11:00 a.m. to 12:30 p.m.	Via Zoom
Tuesday, April 28, 2020	11:00 a.m. to 12:30 p.m.	3rd Floor, ADM 361
Tuesday, May 26, 2020	11:00 a.m. to 12:30 p.m.	3rd Floor, ADM 361
Tuesday, June 16, 2020	11:00 a.m. to 12:30 p.m.	3rd Floor, ADM 354

Board of Directors

Meetings held at least bi-annually

Monday, April 6, 2020	3:00 p.m. to 4:30 p.m.	ADM 460
Monday, May 4, 2020	3:00 p.m. to 4:30 p.m.	ADM 460
Monday June 22, 2020	3:00 p.m. to 4:30 p.m.	ADM 460

IX. Call for Adjournment

With no further business to discuss, the meeting was adjourned at 12:38pm