

Finance Committee Meeting Minutes

Tuesday, June 16, 2020 (11:00 a.m. to 12:30 p.m.)

Via Zoom

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 via Zoom, at 11:03 am with the following members present:

Finance Committee Members Present

Kal Salama, Committee Chair
Jason Porth
Yasmin Aly
Yvonne Bui
Bonnie Li Victorino
Jay Orendorff
Gene Chelberg (arrived 11:38 am)

Finance Committee Members Absent

Brian Yoo
Neil Cohen

Others Present

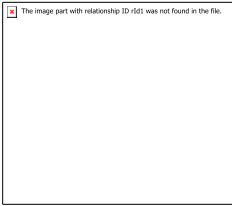
Felix Lin, Beacon Pointe
Mitch Hughes, Beacon Pointe
Diana Bonilla, Board Clerk
Tammie Ridgell, AVP of Finance and Administration
Maggie Woo, Controller
Anthony Victoria, Associate Director, Finance and Administration

II. Review and Approval of Minutes:

- Approval of meeting minutes for May 26, 2020 – Yvonne Bui moved, Bonnie Li Victorino seconded, unanimously approved.

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

- a. April 2020 financial presentation
- Reviewed All Funds - summary of all UCORP funds.
 - UCORP Budget FY 20-21 presentation
 - Projected deficit will be covered with Unrestricted Funds.
 - Funds earned from projects are cash-operating basis. Unless Jason or Tammie approve, the projects are not allowed to deficit spend.
 - UCORP admin fee is comprised of Grants and Contracts, Program Revenue for managing different projects of the campus.
 - Most Grants and Contracts are awarded to the campus. UCORP really only receives grants from the foundations that require receipt by a 501(c)(3). Currently in the midst of receiving large grants; ~\$5M over three years.
 - Several UCORP projects, including, PLI, Sierra Nevada Field Campus and others, that may not be able to function due to pandemic. Accordingly, we expect less revenue, and have projected administrative fee of \$220K. Last year the admin fee was \$400K.
 - Per the contract, full rent for the Holloway Project is expected, even though full occupancy will not happen.



- Admin fee for the Student Center is projected to be \$181K, 29% reduction from last year's budget, as UCORP is expecting to collect 50% less revenue from the vendors. No vendors are expected to open in the fall.
- Due to limited population in the fall, Ctrl+P and Lobby Shop combined revenue is projected to be \$930K. Last year that amount was \$1.6M.
- Follett expects a 30% decline in sales which means UCORP will have a decline on commission. Expected projected revenue is \$447K. Previous year was \$700K.
- Bulk of expenditures are salaries and benefits which is to be expected for any organization. Three expected employee promotions were budgeted along with a few planned adjustments due to workload and complexity for next year with the hope that it would be approved. However, no other salary increases were budgeted for next year.
- Annual support to the campus has been reduced to \$50K. \$25K will be contributed to the campus and \$25K will go to the Presidents Office.
- UCORP is expected to reimburse the campus for costs for using services. Projected to be about \$150K.
- With this current budget, there is a \$800K deficit which is covered by unrestricted net assets.
- UCORP Operations Reserve - Per policy should have six-month of operations on reserve. Base six-months from budget. 1. \$35,925.72 should be transferred to bring the reserve to the appropriate level per reserve analysis FY 20-21 but due projecting ending the FY 19-20 with a deficit, Mgmt does not think it would not be prudent to fund the reserve in FY 20-21 at this time. This would also apply to the transfer for FY 19-20 as the recommended transfer exceeds projected surplus.
- Plant Fund Reserve - 1. Per policy should have \$500k for capital reserve to be used for capital projects, property and equipment. 2. University Club completed in FY 19-20 and furniture. 3. During FY 20-21 Mgmt will create a plan to begin funding the plant reserve and restore to the level of \$500k over time.
- **Motion was made to approve UCORP Budget FY 20-21. Unanimously approved and will be presented at UCORP Board of Directors meeting on June 22nd.**

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

- The market has taken a breather as it is up today.
- The economy will continue to open up at a steady pace until/unless the hospital infrastructure starts to become overwhelmed. There are concerns of a second wave of Covid-19. Some states are threatening to slow things down again, as there have been a spike in Covid-19 numbers. There is news of a vaccination.
- Labor market reported on June 6th and it was better than expected.
- BP expects the market to continue trading on sentiment until there is a vaccination. Markets reported well in May.
- UCORP investment portfolio –
 - More money has been put in fixed income.
 - Equities are holding up really well.
 - Real Estate – running on very high levels. 93% collection rate.
 - Portfolio is back even Fiscal YTD.

V. Schedule of Meetings

Finance Committee Meetings

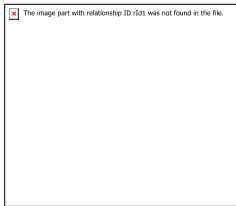
Meetings held at least quarterly

Tuesday, June 16, 2020	11:00 a.m. to 12:30 p.m.	3rd Floor, ADM 354
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Board of Directors

Meetings held at least bi-annually

Monday June 22, 2020	3:00 p.m. to 4:30 p.m.	ADM 460
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**The University Corporation
San Francisco State**

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

ucorp.sfsu.edu

VI. Call for Adjournment

With no further business to discuss, the meeting was adjourned at 12:07 pm