



## Minutes of the Finance Committee Meeting – Tuesday, March 23, 2021

### Attendees:

Yvonne Bui  
Gene Chelburg (joined @ 11:33a)  
Neil Cohen  
Bonnie Li Victorino  
Jay Orendorff (joined @ 11:32a)  
Jason Porth  
Kal Salama

### Guests:

Mitch Hughes, Beacon Pointe  
Felix Lin, Beacon Pointe

### UCorp Staff:

Tammie Ridgell  
Maggie Woo  
Anthony Victoria

- I. Called to order, via Zoom, at 11:06a, by the Chair, Kal Salama reviewed and approved agenda approval of minutes for February 23, 2021 Finance Committee meeting
  - Bonnie moved to approve, Yvonne, seconded; passed unanimously

- II. Report from Felix Lin, Beacon Pointe

general observations of investment market

- concerns about rising interest rates
  - o market continues to respond to cuts & spending increases
  - o challenge in forecasting due to greater volatility
- stimulus will be impactful
  - o feds continue to support markets
  - o next stimulus package expected to target infrastructure
- increase in inflation is expected
  - o although timing is difficult to predict
    - not sure how to really prevent it
  - o fed expected to raise interest rates if needed to combat inflation

review of UCorp's investment portfolio

- continues to reflect good performance
- although going-forward uncertainty seems to increase, there seems to be some stabilization due to the improvement with the COVID situation
- currently it has been a robust year for equity investments, including on the international front
  - o with inflation, though, adverse performance is to be anticipated
  - o still, Boston Common has had a stellar performance at 1 year
- although fixed income shows negatively at fiscal year-to-date and calendar year-to-date, performance is trending as it should be
  - o currently striving to preserve and protect performance
- performance of alternatives remains on track
  - o although inflation-fearing investors trending more towards Bitcoin and crypto-currency versus gold



- summarily, portfolio is doing well and is in good shape

### III. Report from Mitch Hughes, Beacon Pointe

presented investment and plan review of UCorp's 403(b) retirement plan

- assets approximately \$3.8 million
  - o majority invested in stable value fund
    - any concern mitigated by the fact that with education & better understanding of investments, participants will be more informed and able to make more informed decisions about their allocations

the current group contract and the plan being well run, are both positive aspects

- signs of this being a healthy plan include a 73% on retirement track profile, although target is 80%
  - o participants reflected well in plan profile
    - though the majority are terminated and inactive

overall, Beacon Pointe believes plan is doing well

- in 'snapshot', 40% is invested in TIAA traditional annuity
  - o consideration should be given to more equity allocation
- relative to plan return analysis, UCorp is outperforming benchmarks
- style diversification subject to the overlap from the old plan to the new plan
- in educating participants, they will evidence varied aspects when looking at large cap (value), mid cap (blend) and small cap (growth) investments
- continued adherence to investment policy statement
  - o fiduciary responsibility is being maintained

### IV. Report from Tammie Ridgell

presented FSR at month-end February 2021 with budget projections through fiscal year end

- investment results considerably up at February 28
  - o should performance maintain through the end of the fiscal year, it should mitigate the operating loss projected for the fiscal year
- although nearing towards the end of the fiscal year, there are many open issues relative to Follett and what may be expected in terms of revenues
  - o budget remains as is, although projected amount may need adjustment
  - o discussions continue relative to expected/contractual commissions, with Follett saying that they are not able to meet the minimum amount
  - o major challenge as UCorp does not wish to be in position of subsidizing Follett's activities
    - demand letter forwarded to Follett discussing commission issues, return of space, and possible rent consideration
    - concerns extend to what upcoming year may look like and overall future with Follett
  - o Neil asked about repopulation of campus, as that would impact bookstore activity
    - Jay responded that return to campus may start slowly in the summer
      - Academic Affairs still planning relative to in-person instruction for Fall
      - planned/gradual return to campus by administrative staff commencing in summer
    - Gene mentioned that at this time the President is looking at 30% in-person instruction along with a hybrid of face-to-face and virtual modality
    - Neil stated that plans are also being formulated for the UCorp's vendors to return to campus



- Jason confirmed that Chris and Andrew were working with the campus in planning for the vendors return, as well as crafting a rent model aligned with expected repopulation
- Jay asked if any of the vendors had sought COVID relief
  - Jason responded that UCorp is unaware of any vendor seeking such support
- Kal brought discussion back to Follett, stating that the surge in online purchases may possibly continue even after COVID, and retail sales may also be at issue for Follett, again, affecting their ability to meet their financial obligations to UCorp
  - Neil reflected that consideration definitely needs to be given to developing and planning for different revenue streams
- retail operations, (i.e., Lobby Shop, Ctrl-P, and Open24) continue to be down, as expected
  - regarding the hierarchy of contributing revenues at this time, it is Ctrl-P, followed by Open24, and then Lobby Shop

V. Report from Anthony Victoria

provided information relative to final distribution of proceeds from UCorp's previous pension plan for central office administrative employees

- remaining inactive participant, after many years of UCorp's repeated requests, submitted the required paperwork authorizing pay-out
  - Jason added that even though UCorp had consulted a lawyer, UCorp could not force the issue and process any pay-out without participant authorization
- confirmation from USBank has been received that distribution was made
  - awaiting final documentation from bank acknowledging account has been closed, accordingly

Meeting adjourned by Kal at 12:20p