



**The University Corporation  
San Francisco State**

Room ADM 361  
1600 Holloway Ave.  
San Francisco, CA 94132  
[ucorp.sfsu.edu](http://ucorp.sfsu.edu)

## **Finance Committee Meeting**

Tuesday, December 13, 2022

Via Zoom

Ly Chau  
Michael Goldman  
Sylvia Piao  
Jason Porth  
Kal Salama

Guests:  
Mitch Hughes / Beacon Pointe

### UCorp Staff:

Maggie Woo  
Rosa Barragan  
Chris Farmer  
Andrew Lok  
Anthony Victoria

Meeting called to order at 11:02a by Kal

- agenda reviewed & approved unanimously
- minutes for November 15, 2022, reviewed; Michael/Ly motioned and seconded & passed unanimously

Investment Portfolio Update/Review by Mitch

- as of November 30, 2022
  - o market has done well
    - due to seemingly lower inflation
    - federal reserve not as aggressive with market responding well
  - o good time for domestic equities/international equities
  - o committee's decision to reduce duration re: fixed income, was met with good results

**Michael** asked why CPI is blank

**Mitch** responded that typically the report provides CPI on a quarterly basis

- o portfolio almost at \$30 million in November 30, 2022
- o total composite has outperformed in the fiscal year-to-date and since 2017
  - discussed fiscal year-to-date performance compared to allocation index
  - looks good at 2.3% though trails index



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- Boston Common equity manager appears to be weakest, however, no moves are advised at this point
- Bloomberg's fixed income 1-3 years, is very good year-to-date
- recommendation made to move proceeds from Seg Bryant from short-term to intermediate term

**Kal** asked what is needed from the committee to proceed with the recommendation

**Michael** asked about SB

**Mitch** responded that SB allows UCorp to "own" securities & its easy to manage/move around

- with no objections to recommendation, it is okay to proceed
- alternatives discussed
  - Kimpact and Kairos continue to do well; they remain a good investment
    - Beacon Pointe happy with positions maintained in these real estate funds

**Kal** reiterated that the \$29 million portfolio amount will change once outstanding earnings catch-up and are reported

**Jason** introduced topic regarding vendor revenues that are impacting our retail operations

Operations report by Chris

- comparative summary shared re: Fall 2021, Spring 2022 & Fall 2022
  - illustrated expected population compared to rent costs levels, as well as costs if closed
  - approximately half of our vendors are currently paying about 40% rent
  - 17% decrease in enrollment is also impactful
  - expecting Spring 2023 population at 75% & proposing 30% rent for open vendors & 10% rent for closed vendors
  - Lobby Shop, seemingly doing better -- maybe due to Grab-and-Go model

**Jason** shared that he is at a loss about resident students being maxed-out with food vendors not doing better - do they not have additional dollars to spend?

**Michael** asked about UCorp's activities and operations

**Chris** clarified Lobby Shops are currently at 60% of pre-pandemic levels

**Michael** also noted increase in costs, wages, supplies etc...

**Jason** asked for Andrew's perspective as he is out in the trenches

**Andrew** stated UCorp's general disappointment with campus population levels and that is the biggest challenge in trying to achieve a balance through Spring 2023 and possible recalibration for future

**Kal** asked if vendors participated in Door-Dash type of operations



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**Chris** mentioned that two vendors remained open during pandemic, servicing those few campus staff that were on campus, but there were really no Door-Dash type of activities pursued; maybe a good idea to bring this suggestion to their attention during this current situation

**Michael** commented Spring 2023 plan is generous and beneficial to our vendors; could this possibly extend through Summer and Fall 2023, to ensure retention of vendors even if there is a possible unexpected population resurgence

**Chris** reiterated that this is a balancing act; discussions are continuing with our vendors, in hopes of locking-in leases with flexibilities on both sides; vendor retention is the goal, however, we are continuing to explore other/new opportunities and/or alternatives

**Jason/Chris** both reiterated that non-food vendors to continue to pay full rent and discussed the presented worksheet with: [1] Fall rents for both open & closed vendors; [2] Spring proposed rent for both open & closed vendors; and [3] the resulting significant decrease from the original FY 2023 budget

**Kal** commented that the expected performance regarding investments should help mitigate the decrease in these revenues, and again strongly recommended consideration be given to pursuing a Door-Dash business model

**Chris** agreed & said this will be discussed with vendors, as well as mentioning past business models that had been attempted

**Jason** stated the possibility of alternatively offering a percentage-based rent, but added that this is a very work-intense approach

**Kal** mentioned to consider basing this off of revenues rather than profit

**Ly** asked about climate/performance of similar vendors on other campuses

**Chris** acknowledged Ly's comment and recognized that some campuses have successfully fully repopulated

**Kal** asked if BOD will be informed of this discussion

**Jason** stated BOD will be informed, including overall concern of possible financial impact to UCorp

**Kal** adjourned at 12:03pm