



Finance Committee Meeting

Tuesday, May 16, 2023

via Zoom

Yvonne Bui @ 11:05a

Ly Chau

Jason Porth

Kal Salama

Guests

Mitch Hughes, Beacon Pointe

Bill Thompson, Beacon Pointe

UCorp Staff

Tammie Ridgell

Maggie Woo

Anthony Victoria

Called to order by Kal at 11:03a

- reviewed & approved agenda
- April 18, 2023 minutes reviewed; Jason/Ly motioned/seconded; approved unanimously

Investment Portfolio report by Bill

- debt ceiling political standoff looming, waiting for resolution
 - o there will be volatility leading up to this
 - o hard to determine outcome
 - o investors nervous about situation => “choppy” markets
- equity, S&P up 9.2% for YTD
 - o growth investments have been better than value investments
 - o corporate high yield doing good
 - o treasuries holding their own
 - o yields far more attractive than in equity investments
- valuations relative to alternative investments coming down
 - o also reflected in private real estate that is driven by high interest rates in cycle

Mitch: month end performance much like last month; not under performing as would be expected with a fossil-fuel-free portfolio

Kal: there is a flight from smaller banks to larger one and to treasury bills

Mitch: affirmed that this is being seen across the board

Mitch: announced that he will be off on paternity leave in June

UCorp’s Financial Status by Tammie

- more of the same as compared to March - not much difference
 - o G&C coming under FY budget by 10%
 - o program revenue also underperforming compared to budget
 - o issues with admin fee to be collected from management of Student Ctr
 - very doubtful budget will be achieved
 - reduction of rents from vendors main cause of expected underperformance



- shops performing extremely well
 - Lobby Shop revenue 18% over budget
 - Healthy U below budget, but opened later in academic year
 - EBT related revenue continuing to increase
 - Ctrl-P and Open 24 both over budget
- overall revenues are better than prior year
- still expecting final results to be lower than FY budget
- discussion of pie charts relative to sources/revenues & uses/expenses of funds
- tentative & preliminary F2024 budget
 - revenues to closely mirror FY2023 revenues
 - expenditures discussed
 - salaries increased due to mandatory minimum wage increase & possible 3% salary increase
 - governor's budget flat & do not expect significant salary increases
 - no substantial increase expected in legal, audit, payroll &/or insurance
 - smoothing methodology continues to be used re: investments in terms of expected return

Kal: asked if there is an expectation of campus population to increase next academic year that was used for budget projections

Tammie: Spring 2023 was used as basis for F2024 budget

Jason: reiterated that UCorp is continuing to take a conservative approach for F2024 budget; but it should be noted that residential halls will be full to capacity

- Follett expectations still in question
 - current \$400K expected revenues reduced to \$300K for F2024
- vendors' situation possibly impactful
 - Crave will be leaving
 - planned new vendor for new Science building
 - instability of low-performing vendors
- Student Ctr will be under new leadership
 - discussions on how to better manage & get on firmer financial footing to occur

Ly: asked about impact of budget due to expected enrollment

Tammie: responded that historical activity/past performance is looked at more closely than enrollment

Resolution: Approval of proposed FY2024 budget for submission to full BOD for review & approval

- Yvonne/Jason motioned/seconded, passed unanimously

General discussion of alternatives for assets currently held by LAIF

Kal: asked if idle funds are getting good returns, or should these be invested in alternatives



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Tammie: responded that LAIF currently yields 2%, so if alternatives have 5% yield, it may be a possible consideration

Jason: explained how UCorp currently manages cash, coordinating WFB and LAIF; also asked if there may be concerns relative to security & insurance

Tammie: shared LAIF information included in UCorp's notes to the financial statements from the auditor's report for FY2023

Mitch: stated that risk does exist outside of Fed regs

Bill: stated that when considering risk vs safety, choose safety even if/when pursuing yield

- discussed management fees

Jason: proposed an analysis of various money market vehicles, including but not limited to: LAIF, Bank of SF, Schwab

Kal: agreed that Jason's suggestion be considered to explore available options, similar to prior LOC analysis

Kal adjourned meeting at 12:26P