



Finance Committee Meeting

Tuesday, March 19, 2024

11:00am to 12:30pm

via Zoom

Jamillah Moore (11:46am)

Ly Chau

Jason Porth

Kal Salama

Yessica Gudino

Janey Wang

Neil Cohen

Michael Goldman

Tammie Ridgell

Guests

Bill Thompson, Beacon Pointe

Jonathan Taylor, Amalgamated Bank

UCorp Staff

Maggie Woo

Rosa Barragan

Shae Hancock

Called to order by Kal at 11:02am

- reviewed & approved agenda.
- Finance Committee Meeting Minutes – February 20, 2024, minutes reviewed; Jessica/Mike motioned/seconded; approved unanimously

Presentation by Jonathan Taylor, Amalgamated Bank – Focus on San Francisco, Bay Area and California. Commercial Bank.

Presentation Slide:

- Amalgamated Bank does not lend to private prisons, debt collection agencies, gas stations nor businesses that harm the earth.
- Lending 100% of typical loan is mission aligned and 64% of that number does meet high impact standards from the bank perspective which mainly includes climate protection and work and affordable housing.
- Lend to educational institutions and centered around other socially responsible organizations such as Patagonia.
- Account manager is assigned
- Relationship with IntraFi allows clients to have money market account-like deposit, that is fully liquid and FDIC insured up to \$120 million. CD's can have the same insurance, but act more like individual CD's
 - o With IntraFi Amalgamated partners with other banks and share in the FDIC insurance.
 - o Partnership allows the funds to be syndicated through those partner banks and ensure a full FDIC coverage up to \$250K per bank
- Standard annual rate of return on such deposits is roughly 1.3%, however, Amalgamated Bank is offering to UCorp 5% while functioning like a money market account



- There is a monthly withdrawal limit, but Amalgamated Bank is waiving this monthly limit

Kal: Tammie how much is UCorp considering depositing?

Tammie: responded – deposit would be around \$5million

Jonathan: Amalgamated Bank would like to add that (typically) since rates change the number can change based on the market. Anticipating no change in the 5% rate in the next year or two.

Neil: Do you have a range around the \$5million?

Tammie: In the initial discussions with Jonathan and Jason and prior to this presentation to this committee, UCorp was only looking to deposit \$5million, no more no less. The \$5million is based on history, in terms of needed funds. In the past, discussions took place on whether or not to withdraw funds from our account with LAIF, though LAIF is very stable and safe, it has a lower interest rate of return. UCorp is looking to take \$5million and deposit for a higher interest rate of return. Extra cash has come into UCorp from one of our grants, that would allow this transaction to take place. As it stands UCorp has about \$16 million in LAIF, so the \$5 million is less than a third of the total amount to deposit in Amalgamated Bank.

Kal: Historically UCorp, went through a long period of time, where money market rates were almost zero and UCorp was parking the money for convenience of operational purposes and not getting any interest on the parked money. The concept of what to do with the money had not come-up in a long time. With higher interest rates, this is the reason why UCorp is considering Amalgamated Bank.

Mike: mentioned that there are campus budget gaps to cover and if there is anything support, it would be great.

Tammie: acknowledged the campus budget gaps and that it is an excellent idea. However, the interest earned from Amalgamated Bank is to be reviewed in a larger budgeting-context as UCorp already provides support to the campus. Certainly, ways to increase support can be reviewed. It is one of the reasons why UCorp is here and exists. UCorp also has to make sure to continue the services that it provides and not see the \$250K as just free and clear to spend elsewhere.

Kal: Clarified, Amalgamated Bank lends to the local community, essentially making funds available for borrowing to the local community.

Jonathan: acknowledged and added that Amalgamated Bank mainly focuses on nonprofit community facilities, affordable housing, workforce housing and things related.

Investment Portfolio Update report by Bill – end of February 2024

UCorp YTD Performance-update

- Performance is through February, across markets, UCorp has strong returns in general
- Small Cap growth outperformed
- Strong performance for one month and strong month for equities in U.S.
- Outside U.S international equities had attractive returns



- U.S continues to be the place to be as emerging markets bounce back, at a nice month up almost 5%. Outperforming the developed international by 3%, this equates to a strong month
- Negative returns out of Bonds in general as yields traded up and bonds traded down.
- UCorp's portfolio: very good month in U.S equities, a good month for international equities
- Modest overweight to global equities, underweight to fixed income are very much in line with targets in terms of portfolio coming in at \$33million
- Quarter-to-date had a return of \$643K, this is just in the first quarter

Action Items:

- no action items recommended

UCorp's Financial Report by Tammie

- Discussion to open account with Amalgamated Bank took place with the finance committee. The finance committee approved recommendation to the full board opening a depository account with Amalgamated Bank- Tammie will be drafting the resolution for the board to review and approve.

Financial Statement Report:

Revenue Highlights:

- Highlighting that the program revenue is projected to be up 2% over what was budgeted for the year
- IDC from Grants and Contracts continue performing higher than budgeted
- Food vendors/other revenue 5% projected higher than budget due to new construction vendors. Food vendor agreements have been amended.

Expense Highlights:

- Travel costs projected higher than budgeted due to two major conferences this year that staff attended. There might be an additional conference within the CSU. Fairly certain that UCorp will not be 25% over budget.

Operating Expenses remain higher than budgeted

- Remain the same
- Legal fee, significantly higher than budgeted due to \$7,000, for legal support for patent for faculty. This is part of UCorp's support in partnership with the campus seeking counsel..
- Consulting fees higher paid this fiscal year.
- Costs Allocation Expense is higher than budget partly due to UCorp covering deficit of closed program(PLI) was about \$14,000 and UCorp covered half.

Line of Credit – San Francisco Bank

- Canceled the line of credit as UCorp operations have stabilized

Shops Performance



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- Lobby Shop - just under budget and performing well through the first eight months of the year.
- Healthy U – slightly under budget and performing well
- CTRL -P – coming in over budget and performing extremely well
- Open 24 – numbers went down as they should since the rest of the shops are performing well

Kal: adjourned meeting at 12:19pm