

The University Corporation
San Francisco State
Room ADM 361
1600 Holloway Ave.
San Francisco, CA 94132
ucorp.sfsu.edu

BOARD OF DIRECTORS
Thursday, December 10, 2015
3:00 p.m. to 4:30 p.m.
Administration Building, ADM 552
Franciscan Shops, Inc. BOD Meeting to follow immediately thereafter
1600 Holloway Avenue, San Francisco, California

MINUTES

I. CALL TO ORDER BY THE CHAIR, Charlotte Ferretti

There being a quorum present, The University Corporation, San Francisco State (UCorp) Board of Directors was called to order by the Chair, Charlotte Ferretti, at 3:02 p.m. at San Francisco State University, Administration Building, 5th floor, ADM 552, San Francisco, CA.

Board Members Present

Charlotte Ferretti, Chair
Jo Volkert, Vice Chair
Alvin Alvarez
Troi Carleton
Neil Cohen
Jason Porth, Executive Director
Michael Potepan
Kal Salama
Alison Sanders, Secretary

Board Members Absent

Edward Chavez
Jordan James-Harvill
Alexandra Kharmats
Philip King
Forest Klein
Maureen Pasag
Julie Taylor

SFSU/UCorp Staff Present

Constance Cavallas, Coordinator
Chris Farmer, Director of Operations
Shae Hancock, Administrative Support Assistant
Andrew Lok, Retail & Commercial Services Manager
Tammie Ridgell, Director of Finance and Administration
Anthony Victoria, Director of Administrative Services
Jordan Thomas, ASI Sophomore Representative

1. Approval of the Agenda

Charlotte Ferretti called for approval of the agenda as presented, it was moved by Neil Cohen, seconded by Troi Carleton, and approved unanimously.

2. Approval of the Board of Directors meeting minutes for October 8, 2015..... **Action**

Charlotte Ferretti called for approval of the October 8, 2015 Board of Directors minutes as presented, it was moved by Neil Cohen, seconded by Troi Carleton, and approved unanimously.

Board Action Item: 20151210-01

II. Resolution: Resolution Regarding the Effective Date of the Merger of Franciscan Shops with and into The University Corporation, San Francisco StateAction

At the September 10, 2015 UCorp and Franciscan Shops Board of Directors meetings, a merger agreement with the effective date of November 30 was approved by both Boards. Proper signatures were not fully obtained until November 24. Because the General Attorney review period is 20 day, the attached resolution approves an amendment to the merger, extending the effective date to December 23, 2015.

Charlotte Ferretti called for approval to adopt an amendment to the UCorp/Franciscan Shops merger agreement, changing the effective date to December 23, 2015. It was moved by Michael Potepan, seconded by Neil Cohen, and approved unanimously.

BOD Action Item: 20151210-02

III. REPORT FROM THE FINANCE COMMITTEE CO-CHAIR, Kal Salama

UBS currently provides custodial service to UCorp, and has also provided some consulting services. UCorp will release an RFP for a more independent consultant services as to avoid possible conflict of interest moving forward. An initial draft, based on other documents released by colleges and local governments, has been circulated to the Finance Committee for review. Management intends to release the RFP in early January.

Kal Salama briefly introduced the attached MSCI presentation about environmental, social and governance (ESG) research and investment data, highlighting categories and metrics, and a summary of the types of organizations using some form of sustainable investing strategy.

Kal also presented the UBS investment report for the period ending October 31, 2015, highlighting a low, single-digit YTD return. He also pointed out that UCorp currently has a lot of low-earning cash investments, formerly alternative investments, which will be reinvested after selection of an investment consultant.

IV. REPORT FROM THE RETAIL AND COMMERCIAL SERVICES COMMITTEE CHAIR, Neil Cohen

Neil Cohen commended the committee for implementing rules, procedures, and guidelines which have helped staff recently in negotiations with a student center vendor.

UCorp management has been making progress toward the goal of transitioning the self-operations from "services" to "businesses," growing margins and increasing profits that go back to the University.

At the last committee meeting, a new challenge was posed: SF State is a small city of 45,000 people, what aren't we doing that we should be doing? The committee will gather ideas for discussion the next meeting. Board members are encouraged to share any ideas they may have as well.

V. REPORT FROM THE DIRECTOR OF FINANCE AND ADMINISTRATION, Tammie Ridgell

Tammie Ridgell presented financial reports for the period ending October 31, 2015, highlighting the following:

- Investment income losses through September had been \$700K. In October UCorp was able to earn back approximately \$500K, but is still at a \$200K loss.
- All expenditures are in line with budget, or lower.
- IDC for grants & contracts and programs is expected to continue decreasing.
- The summary of self-operations show the stores are collectively up 15%; Shop24 alone is up 5%; Ctrl+P's bottom line is at a loss, but it is up compared to this time prior year.

VI. REPORT FROM THE DIRECTOR OF OPERATIONS, Chris Farmer

Chris Farmer presented more on self-operations, highlighting the following:

- All self-ops are operating well.
- Lobby shops is up 10% and Healthy U is up 3% (different than stated on the report). Lobby shops had a recent refresh in both appearance and sourcing.
- Under its new structure, Ctrl+P is functional with two employees. Partnering with Office Max/Office Depot and updating the equipment leases has helped tremendously with the decreasing expenses. The next step is to increase revenue via building better partnerships with University Communications and/or other campus departments.

- UCorp's design/marketing staff will be using the Gator Group social media for promotions that will bring attention to UCorp self-ops and campus vendors.

Chris also reported an update on the UCorp subleases with student center food vendors. All have signed new leases with the exception of Ike's, which is also the only vendor without a management presence on campus. UCorp management has reached out several times; it was finally decided that, to be fair to all vendors and uphold UCorp's business principles, a 60-day notice had to be issued. Ike's has responded with some requests: reduction in rent, ability to sell food from a cart (UCorp staff will research the possibility of a cart program), and first-right-of-refusal for a larger space (UCorp invited Ike's to respond to the RFP for the former Asia Express space). UCorp hopes to have a new lease in place with Ike's for the Spring semester.

VII. REPORT FROM THE EXECUTIVE DIRECTOR, Jason Porth

Jason Porth began his report by congratulating Alvin Alvarez, who was recently announced the Dean of the College of Health and Social Services.

Board Membership

Two students, Forest and Edward, have announced resignation from the UCorp Board. UCorp will need to go through the formal nomination process with the Associated Students and President Wong for replacement board members.

Mashouf Juice Bar RFP

Student Affairs will be working with UCorp to draft an RFP for the juice bar space in the Mashouf Wellness Center. UCorp will manage the lease and collect a management fee, like the student center model, and return all profit to Associated Students.

Nasser Plaza RFP

UCorp will be working on an RFP for a food vendor in the Nasser Plaza, possibly a shipping container building. Currently there is no food beverage service at athletic events; the contract for this space will require the business to be open during all games.

Pouring Rights

After a town hall meeting requested by Associated Students, President Wong has announced the University will not be moving forward with a pouring rights contract.

Station Café Renovation

The Station Café will go through a renovation at the cost of the owner in exchange for a longer lease.

Holloway RFP

The Holloway RFP review committee will begin to review the proposals in January, after a financial review is completed by outside consultants.

Sierra Nevada Field Campus

The Sierra Nevada Field Campus is a 7-acre plot of land for which UCorp holds a special-use lease with the U.S. Forest Service. The College of Science and Engineering/ CEL teach summer classes on the campus. As the leaseholder, UCorp is responsible for upkeep of the campus, tree health, etc. Anthony Victoria and members of Risk Management & Environmental Health and Safety recently visited the campus, which has very little infrastructure: three buildings, tent platforms, and a bridge. UCorp is now waiting for a report from AORMA to get a sense of what need to be done to ensure the campus is safe.

U Club

UCorp and the Academic Senate Executive Committee met with Campus Planning and an architect on Tuesday to begin discussing plans for the long awaited U Club, which will be housed on the mezzanine level of the student center. President Wong will contribute \$100K to the UClub. UCorp will front additional funds for renovation from the capital project fund, to be discussed and voted on at the next board meeting. It is expected that the campus will also cover some tenant improvement costs.

Audit Firm RFP

UCorp has had the same audit firm, Hood & Strong, for the last six years. Best practice is to rotate firms every five years. UCorp has released an RFP in search of a new firm.

VIII. SCHEDULE OF MEETINGS

Board/Committee	Date	Time	Location
Retail & Commercial Services Committee	January 5, 2016	1:00 p.m. – 2:00 p.m.	TBA
Finance Committee	January 26, 2016	11:00 a.m. – 12:00 p.m.	ADM 361 A
Retail & Commercial Services Committee	February 8, 2016	1:00 p.m. – 2:00 p.m.	TBA
Board of Directors	February 11, 2016	3:00 p.m. – 4:30 p.m.	ADM 552

IX. CALL FOR ADJOURNMENT

There being no further business to conduct, the meeting of the University Corporation, San Francisco State Board of Directors was adjourned at 4:00 p.m.

Passed and adopted on this 11 day of February 2016, by the following vote:

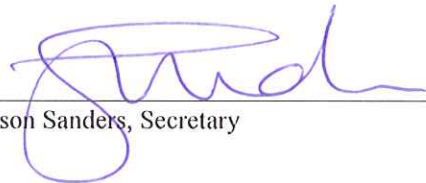
Aye: 8 No: 0 Abstain: 0 Absent: 6

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on February 11, 2016, at a duly called meeting of the Board of Directors' of the University Corporation, San Francisco State at which a quorum was present and acting throughout, the foregoing resolution was adopted by the votes indicated above.

Wherefore, the undersigned has executed this Certification this 11 day of February, 2016, at San Francisco State University, 1600 Holloway Ave. ADM 552 San Francisco, California.

Action Item No: 20160211-01



Alison Sanders, Secretary