



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

**Board of Directors Meeting Minutes**

Monday, October 10, 2016  
 3:00 p.m. to 4:30 p.m.  
 Administration Building, ADM 153 L  
 1600 Holloway Avenue, San Francisco, California

I. Call to Order by the Chair, Trevor Getz

There being a quorum present, The University Corporation, San Francisco State (UCorp) Board of Directors was called to order by the Chair, Trevor Getz, at 3:03 p.m. at San Francisco State University, Administration Building, room 153 L, San Francisco, CA.

**Board Members Present**

Trevor Getz, Chair  
 Michael Potepan, Vice Chair  
 Brian Beatty  
 Troi Carleton  
 Gene Chelberg  
 Neil Cohen  
 Grace Crickette  
 Hrag Kalebjian  
 Celia LoBuono Gonzalez (3:15 p.m.)  
 Kathy O'Donnell  
 Jason Porth  
 Kal Salama  
 Alison Sanders  
 Rob Strong  
 Jordan Thomas (3:10 p.m.)

**Board Members Absent**

Bonnie Li Victorino  
 Christian Rivera Nolan

**Others Present**

Constance Cavallas  
 Chris Farmer  
 Tammie Ridgell  
 Anthony Victoria  
 Marilyn Mitchell

1. Approval of the Agenda

Trevor 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 September 12, 2016 ..... **Action**

Trevor called for approval of the September 12 meeting minutes. It was moved by Neil Cohen, seconded by Troi Carleton, and approved unanimously.

**BOD Resolution No. 20161010-01**

II. Public Comment

Marilyn Mitchell, Academic Senate: Marilyn express support for the University Club concept.

III. Report from the Bookstore Advisory Committee Chair, Brian Beatty

Brian Beatty reported out on the September Bookstore Advisory Committee meeting:

- The committee reviewed a revised version of the 2012 charter. Minor changes had been made to reflect the incorporation of the committee into the UCorp governance structure. A finalized copy will be shared with the Board.

- The auto-adopt program has continued into a second term with fewer changes than the first semester it was launched. The number of changes is expected to decline with more communication about the program. The bookstore has found the program to be beneficial, and will share the quantified value at a future committee meeting.
- The Inclusive Access Program is an opt-out model that is designed to increase access to digital course materials. The program was piloted for Psych 200, but it was not possible to automatically charge the course fee- making the model opt-in. A proposal for permission to charge the course material fee with registration of the class will be submitted to the Course Fee Committee. The goal of the program is to come close to a 100% opt-in rate in order to justify a discounted price from the publishers. This pilot drew an approximately 68% opt-in rate. The program will not likely continue if the opt-in rates are not higher.

The Board discussed overall bookstore course material industry trends, and role of the Bookstore Advisory Committee in considering how these changes may be addressed to ensure the needs of the campus continue to be met.

IV. Report from the Audit Committee Chair, Michael Potepan

UCorp completed its first audit under a new auditing firm, Grant Thornton. The audit results were clean with no findings or major issues. There were minor recommendations regarding process communication and procedural definitions and documentations.

V. Report from the Finance Committee Chair, Kal Salama

The Finance Committee continues to move forward working with Beacon Pointe to come up with a new manager mix, to be presented to the full Board soon.

Kal discussed the currently political climate and how election results may impact the market in general.

VI. Report from the Director of Finance and Administration, Tammie Ridgell

Schedule of Net Assets

- Changes in AR and liabilities are mostly related to the elimination of Franciscan Shops
- Tammie will report back as to why the rental income is down 42%

Statement of Revenue, Expense, and Changes in Net Assets

- Program is revenue largely affected by the timing of when funds are received from the Foundation
- Contributions are not truly deficits, rather they are recorded as they are received

FSR

- Investment income has been up in the last two months, however it is expected that the market will fluctuate throughout the year. UCorp has budgeted for \$945K based on the 5-year smoothing projections
- This early in the fiscal year it is difficult to see trends in expenditures; as of this period they mostly show as flat

Self-Operations

- Lobby Shop revenues are down and Healthy U revenues are up- this was the first summer that Healthy U remained open, creating competition for the Lobby Shop. Further, decreases in enrollment tend to be proportionately reflected in the shop revenues.
- Ctrl+P revenues are not an accurate reflection for this period. Not all activity has been recorded through the new revel system yet. The same is true for Shop24. The true activity is expected to be reflected in the September reports.

VII. Report from the Director of Operations, Chris Farmer

Operations have been running smoothly. Staff have embraced the new Revel system and have been providing positive feedback.

Revenues are likely down due to the 5% decrease in student enrollment. September numbers will better reflect the revenues, after the Revel system is properly synced.

The Lobby Shop revenue decrease is the biggest the store has seen. This was the store that has been in "cruise control" as the others have been updated and reorganized.

Shop24 has not been able to accept cash, which may have contributed to the decrease in revenues. UCorp received an email from Shop24 stating that the business would be shutting its doors this Friday, and that if UCorp did not pay \$15K, the software would be shut down. UCorp has already contacted council on the matter. UCorp owns Shop24, it will be paid off in one year; it is being depreciated over 7 years.

VIII. Report from the Executive Director, Jason Porth

It being close to 4:30 p.m., Trevor asked that Jason's report be moved to after Item IX, which required Board action. There were no objections from the Board.

IX. **Resolution:** Approval of University Club Capital Project Funding & Related Transfer of Funds to the Plant Reserve in Excess of Fund Requirement ..... **Action**

**WHEREAS**, it is the mission of The University Corporation, San Francisco State (UCorp) to enrich the campus experience for students, faculty, and staff; and

**WHEREAS**, faculty and staff have not had a dedicated campus space to collaborate and otherwise build collegial relationships since the loss of the University Club space in 2005, which was demolished to make way for an expanded library facility; and

**WHEREAS**, in 2015, administrative offices located within UCorp's leased Student Center space on the Mezzanine level of the building became vacant, and UCorp received approval from the University to fill the vacancy with the University Club; and

**WHEREAS**, the space will require renovation in order to suitably support the programming activities of a University Club. UCorp has worked with the Academic Senate Executive Committee, and Physical Planning and Development to obtain an estimate of the capital costs and related expenditures, which is approximately \$750,000;

**WHEREAS**, initial support funds for the project have been identified in a \$100,000 non-state discretionary fund contribution from President Wong, and an ongoing \$25,000 per semester contribution from Follett Higher Education; and

**WHEREAS**, UCorp has never received rental income from this space and wishes to support this valuable initiative by continuing to allow use of the space by a University Club at no rental cost; and

**WHEREAS**, UCorp has a plant fund reserve set aside, currently at \$500,000, as required in the policy related to fund reserves; and

**WHEREAS**, UCorp has funds in the amount of \$375,000 available in the 2015-16 fiscal year; and

**WHEREAS**, UCorp anticipates recouping the funds over time based on a financial model conducive to the University Club's ability to pay, to be established by the University Club Project Director and agreed upon by the UCorp Executive Director;

**THEREFORE, BE IT RESOLVED**, that the Board of Directors approves the expenditure of up to \$750,000 for capital improvements related to University Club space with the understanding that the UCorp executive director will negotiate terms with the University to ensure that UCorp is made whole should the University require the improved space or spaces before the full value of the improvements has been depreciated; and

**BE IT FURTHER RESOLVED** that the Board of Directors approves the transfer of \$375,000 to the plant fund reserve to bring the fund balance to \$875,000 in anticipation for the costs associated with the capital improvement project, with the expectation that the fund reserve will be replenished to the requisite \$500,000 fund balance by the close of the 2016-17 fiscal year, thereby allowing for the expenditure of \$750,000 over two fiscal years.

Rob strong presented a brief history of the University Club on campus, which had operated from 1970s through 2006 when the building it was housed in was demolished, and the space incorporated into the renovated J. Paul Leonard Library.

Jason Porth presented a brief history of how the administrative spaces on the Mezzanine Level came to be available, and UCorp's work with three consecutive chairs of the Academic Senate to move forward the development of a University Club.

Constance Cavallas presented a preliminary financial model, indicating the UClub would likely be able to repay UCorp over the course of approximately 14 years. The model identified anticipated revenue streams and as well as operational expenses.

After discussion, Michael Potepan moved to approve the resolution as presented. It was seconded by Troi Carleton.

After further discussion, Neil Cohen moved to remove the following location-specific language:

**WHEREAS**, in 2015, administrative offices located within UCorp's leased Student Center space on the Mezzanine level of the building became vacant, and UCorp received approval from the University to fill the vacancy with the University Club; and

and

**WHEREAS**, UCorp has never received rental income from this space and wishes to support this valuable initiative by continuing to allow use of the space by a University Club at no rental cost; and

The motion was seconded by Celia LoBuono Gonzalez. After further discussion, the motion to amend did not pass with a vote of 5 aye and 8 nay.

Brian Beatty moved to approve the resolution as originally presented. The motion passed with a vote of 8 aye and 5 nay.

**BOD Resolution No. 20161010-02**

Postponed Item VIII: Report from the Executive Director, Jason Porth

Progress on the Holloway project continues. In keeping with a target open date of Fall 2019, the project will be submitted for review at the Chancellor's Office December Land Development Review Committee meeting. An early November Board meeting be added to the calendar to address Holloway related business.

X. Schedule of Meetings

Board of Directors:

Monday, December 12, 2016	3:00 p.m. to 4:30 p.m.	1 <sup>st</sup> floor, ADM 153 L
Monday, February 6, 2017	3:00 p.m. to 4:30 p.m.	TBA
Monday, April 4, 2017	3:00 p.m. to 4:30 p.m.	TBA

XI. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:50 p.m.

Passed and adopted on this 7 day of November 2016, by the following vote:

Aye: 12      No: 0      Abstain: 0      Absent: 4

**Secretary Certification**

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on November 7, 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 7 day of November, 2016, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20161107-01

  
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Alison Sanders, Secretary