



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, December 12, 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 3:06 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
 Bonnie Li Victorino
 Celia LoBuono Gonzalez (3:33)
 Kathy O'Donnell
 Jason Porth
 Kal Salama
 Alison Sanders
 Rich Schwanbeck (3:36)
 Jordan Thomas (3:11)

Board Members Absent

Brian Beatty
 Troi Carleton
 Gene Chelberg
 Neil Cohen
 Grace Crickette
 Hrag Kalebjian
 Rob Strong

Others Present

Constance Cavallas
 Andrew Lok
 Chris Farmer
 Tammie Ridgell
 Anthony Victoria

1. Approval of the Agenda

Trevor announced removal of Item 4 from the agenda, Neil Cohen's report. There were no objections to the change.

2. Approval of the Board of Directors Meeting Minutes for November 7, 2016**Action**

The board unanimously approved the November 7, 2016 minutes as presented.

BOD Resolution No. 20161212-01

II. Public Comment

There were no members of the public present.

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

Chris Farmer reported out on behalf of Brian Beatty.

- The auto-adopt program allowed the DPRC an opportunity to convert instructional materials during an earlier timeframe. Though the cost to the DPRC remained unchanged, students benefited from earlier and more complete access to the materials. The DPRC completed approximately 350 requests, up from 200 last year.
- Wendy Johnson, the Textbook Manager, walked the committee through the Follett Discover tool for faculty. A similar presentation highlighting open educational resources materials and Discover's research tools will be presented to the Academic Senate.

- Brian continues his work on obtaining approval to create a course fee for "inclusive access" classes. Such classes create an opt-out model for materials, ensuring all students have access to the class materials prior to the first day of instruction. The key to competitive pricing from publishers is a near 100% opt-in rate from the classes. As made evident with the initial pilot of the program, this will only be possible with a structured course fee.
- The committee received an updated charge. Since the committee was created 4 ½ years ago, its role has evolved from monitoring a new store to the evolution of campus bookstores in general. The growing popularity of alternative textbook avenues such as Amazon and peer-to-peer exchange continue to affect the campus bookstore industry. The committee agreed that continuing a partnership with Follett was in the best interest of the campus community at this time, and recommended UCorp continue its contract with Follett through the optional two-year contract extension.

~~Trevor relayed a question received via email from student director Rich Schwanbeck, who was not present at the time of discussion, regarding the long-term plan for bookstore. The board discussed current trends and revenue streams related to the SF State campus store.~~

IV. Report from the Retail and Commercial Services Committee Chair, Neil Cohen

In Neil's absence, this item was removed from the agenda.

V. Report from the Finance Committee Chair, Kal Salama

Kal Salama presented the UBS Investment Statement report for the period ending October 31, 2016. Kal pointed out that the report became obsolete after November. The market has changed in response to the presidential election results.

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

Tammie Ridgell presented the financial reports for the period ending October 31, 2016, highlighting the following:

Statement of Revenues, Expenses, and Change in Net Assets

- Tammie explained to the Board that the variance seen between the current year and the prior fiscal year are due to timing—UCorp uses accrual basis accounting. Large items are accrued, but smaller items are cash operating. Monthly closing dates are not extended if something comes in late.
- The income for retail revenue appears slightly down- this is related to when revenues were recorded in current period vs the prior fiscal year.
- Investment income is up in first four months. It will likely show as up in November as well.

FSR

- Grants and contracts revenue is projected be down about 13% by the end of the year. The decrease in G&C revenues is a continuing trend.
- Campus program revenues are slightly down (less than 3%).
- Food vendor income is slightly up, likely this is related to increase in rent to match the CPI increase
- The Follett revenue includes both the donation amount and earned commission. The revenue shows as up, currently, but based on trend it can be expected that revenue will be flat or down.
- Expenses close to 100% of the proposed budget in most areas
- Investment income will be up 23% if the current trends continue, however it should be expected that markets fluctuate

All-stores Report

- The all-store revenue is down 11%; the all-store net profit is down 12% (approximately \$9K)

VII. **Resolution:** Approval to Transfer \$556,933.40 to fund FN110 **Action**

Approval of Transfer of \$556,933.40 Unrestricted Working Capital Funds to Rebalance Unrestricted General Fund.

WHEREAS, the University Corporation, San Francisco State (UCorp) maintains a working capital fund for unrestricted reserve funds;

WHEREAS, historically the working capital reserve fund has been an accumulation of excess funds earned from

UCorp's general fund operations. At one time, the surplus or deficit of the general fund would be transferred to the working capital fund at the end of each fiscal year on an annual basis;

WHEREAS, this practice has not continued to be performed annually, and for fiscal year 16-17 UCorp is reinstating this practice to rebalance the unrestricted funds by transferring the surplus or deficit to the working capital fund at the end of each fiscal year;

WHEREAS, the fiscal year 15-16 unrestricted general fund ended the fiscal year with a deficit of \$556,933.40;

WHEREAS, the UCorp Fund Transfer Policy requires Board approval for all transfers over \$100,000;

THEREFORE, BE IT RESOLVED that the UCorp Board of Directors approves the transfer of \$556,933.40 from the unrestricted working capital fund to unrestricted general fund FN110 in order to rebalance the general fund for fiscal year 15-16.

Tammie reiterated that this practice of rebalancing funds had been an annual practice, but had ceased with a change in leadership several years ago. The transfer will be from one unrestricted account to another unrestricted account. Vice President Ron Cortez has recently completed a cleanup and rebalance of funds. UCorp will reinstate this rebalancing practice moving forward.

After Board discussion, Michael Potepan moved to approve the resolution as presented. It was seconded by Kal Salama and approved unanimously.

BOD Resolution No. 20161212-02

VIII. Report from the Director of Operations, Chris Farmer

Chris Farmer presented the All-stores Report for the period ending October 31, 2016, highlighting the following:

- Overall, the stores are down 11% in revenue
- Lobby Shop was down 16% in October, but is projected to break even in November
- Healthy U experienced an unexpected equipment failure. The consequence of the cooler being inoperable for 3 weeks was a shift in sales to the Lobby Shop. Healthy U was down 3%.
- Shop24 is still down 20%. UCorp partnered with ITS to promote Shop24 coupon codes with the launch of the new SF State app.
- Ctrl+P will be down 1% in November, but that is up 13% from prior year. UCorp is projecting Ctrl+P to be up \$20K at year end. Outreach efforts have led to a new partnership with Academic Technology—professors are using Ctrl+P services to print conference posters.

The Retail and Commercial Services Committee revisited its charge at the October meeting to get new members up to speed. Items of discussion included remerchandising strategy for Lobby Shops, reporting capabilities with the new POS system, and Shop24 promotion such as personification of the machine, hidden gift cards, etc.

This year UCorp was able to assist ASI to get more vendors than in any previous year to stay open late for the "Final Stretch" ASI effort.

Celia LoBuono Gonzalez asked for an update regarding the closing of the Shop24 business. Chris reported that UCorp did not have to pay for the software, it was found to be already paid for in the contract language. Parts for the machine can be purchased directly from the manufacturer.

IX. Report from the Executive Director, Jason Porth

Commencement: The Giants Enterprises contract for commencement has been signed

Copy Center: UCorp worked closely with University Communications to secure permission to print University business cards. Unfortunately, Ctrl+P does not have the equipment to produce type print. However, the effort is commendable and Ctrl+P is working to secure other business from University Communications.

Newspaper Racks: The newspaper racks that house SF State's student publications are old and in need of replacement. The advisor to the Xpress newspaper has worked closely with UCorp to release an RFP in search of a company with the business model of providing racks with advertising. In exchange for ad space, the company will provide a monthly fee that would go to the Journalism Department. Additionally, the company will maintain the racks,

fill the racks, and recycle the unused content. The RFP process was deliberate, and the review committee was inclusive.

Awarding a vendor has been put on hold as the University considers the implications of allowing advertising on campus. As a public institution, the University cannot restrict free-speech. In a worst-case scenario, the campus should be deliberate in handling countervailing interests and supporting the campus community.

University Club: UClub had been the most contentious item at the October Board meeting. In order to respects and fulfill various concerns among stakeholders, UCorp, ASI, and the Academic Senate have begun to engage in a consultative process toward a win-win solution. Jason thanked the student representatives (who are wearing two hats on this project), Trevor, and Troi for their participation.

~~Holloway:~~ With support from all parties, including the Chancellor's Office, it was decided to continue working on business terms, and present to the Holloway Project at a later Board of Trustees meeting. There were too many contingencies with the model as proposed. With a project of this size and relevance it is important get it right. The timeline will change 2020. A positive outcome may be reduction in construction costs, the market is very high right now. There may even be savings.

Innovation Fund: UCorp has been asked to consider partnering with a faculty member in acquiring a full patent. The Office of Research and Sponsored Projects will be assisting the faculty in obtaining a provisional patent.

Jason will vet an Innovation Fund proposal through the Finance Committee, for consideration by the Board

X. Schedule of Meetings

Board of Directors:		
Monday, February 6, 2017	3:00 p.m. to 4:30 p.m.	ADM 153 L
Monday, April 4, 2017	3:00 p.m. to 4:30 p.m.	ADM 153 L
Monday, May 1, 2017	3:00 p.m. to 4:30 p.m.	ADM 153 L
Monday, June 12, 2017	3:00 p.m. to 4:30 p.m.	ADM 153 L

XI. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:08 p.m.

Passed and adopted on this 6 day of February 2017, by the following vote:

Aye: 13 No: 0 Abstain: 0 Absent: 3

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on February 6, 2017, 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 6 day of February, 2017, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20170206-01



Alison Sanders, Secretary