



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, February 6, 2017
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 3:01 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
Neil Cohen (phone)
Bonnie Li Victorino (3:08)
Celia LoBuono Gonzalez
Kathy O'Donnell (left at 3:51)
Jay Orendorff
Jason Porth
Kal Salama
Alison Sanders
Rich Schwanbeck
Rob Strong

Board Members Absent

Gene Chelberg
Hrag Kalebjian
Jordan Thomas

Others Present

Constance Cavallas
Tammie Ridgell
Anthony Victoria

1. Approval of the Agenda

The following agenda amendments were accepted by the Board with no objection:

- A discussion about including constituent report-outs as a reoccurring item will be inserted as Item IV
- Jason Porth will report out on behalf of Chris Farmer for Item VIII, "Report from the Director of Operations"

2. Approval of the Board of Directors Meeting Minutes for December 12, 2016 **Action**

The board unanimously approved the December 12, 2016 minutes as presented.

BOD Resolution No. 20170206-01

3. Bookstore Advisory Committee Change in Membership

Trevor informed the board of a change to Bookstore Advisory Committee makeup. Avi Chandiramani will take the seat of Nicole Bohn, who has left the university. Jordan Thomas will sit on committee as a student representative.

II. Public Comment

There were no members of the public present.

- III. **Resolution:** Affirmation for Appointment of Jay Orendorff as UCorp Board Member and Designee for the Vice President of Administration and Finance/CFO Commencing on February 6, 2017 **Action**

WHEREAS, pursuant to The University Corporation's bylaws, Article II, Section 2, Interim Vice President Ann Sherman serves as a member of UCorp's Board of Directors and sits on its executive committee due to her position as Vice President for Administration & Finance and Chief Financial Officer; and

WHEREAS, upon receiving presidential approval, the Corporation's bylaws permit the Vice President of Administration & Finance to appoint a designee to serve in her stead; and

WHEREAS, Interim Vice President Sherman has requested and received approval from President Leslie Wong to designate her role to Jay Orendorff, Executive Director for Risk and Analytics, as set out in the attached memorandum, dated January 18, 2017; and

WHEREAS, Mr. Orendorff has accepted the designation, both to serve on the board, as well as on the executive and finance committees; and

WHEREAS, Mr. Orendorff's background in budget and analytics will make him an excellent addition to UCorp's board.

THEREFORE, BE IT RESOLVED, that the Board of Directors hereby affirms the appointment of Mr. Orendorff as set out above and as approved by President Leslie Wong, hereby appointing him as a member of the Board of Directors, with those committee assignments that had been held by Interim Vice President Sherman, with a term effective on an ongoing basis until his appointment is either revoked by the Vice President for Administration and Finance, or by the Board as set out in the bylaws, and subject to the annual approval of the university president.

Trevor introduced the resolution affirming appointment of Jay Orendorff as a designee for the Interim Vice President of Administration and Finance/CFO, Ann Sherman.

Celia LoBuono Gonzalez moved to adopt the resolution as presented. It was seconded by Rob Strong and approved unanimously. Jay expressed gratitude and excitement for his new role on the Board.

BOD Resolution No. 20170206-02

- IV. Constituent Report-out Discussion (amended item)

Trevor introduced the idea of a new standing agenda item that would allow for any Board member to report out on behalf of their constituent group. The intent is to create a space where the Board can share UCorp-related opportunities for collaboration or areas of concern that have been expressed amongst their respective constituencies.

After discussion, the Board agreed such an item would improve collaboration and transparency, and supported the ongoing inclusion of such an item on the agenda.

Kal Salama asked that the Board be given the opportunity to report-out during the current meeting. There were no objections from the Board.

Celia reported that, with ASI, she will create a report with recommended CSU-wide actions that will back student initiatives for supporting mental health, AB540 students, tuition increases, development of legislative relationships, etc. She will share the report with the UCorp Board.

Rich Schwanbeck shared a discussion topic from the UClub consultative meetings- strengthening relationships with student representatives. He mentioned one area of concern amongst some student representatives is the challenge to make responsible voting decisions without expertise in areas such as business. He asked the board to consider ways to help facilitate that learning process.

- V. Report from the Finance Committee Chair, Kal Salama

Kal presented a review of the UCorp/Finance Committee Governance structure highlighting the following:

- Steps taken by the Finance Committee in the last year

- Definition of fiduciary responsibilities
- Portfolio governing principles and management structure
- Responsibilities of Board, Committee, and investment professionals
- Conflict of interest guidelines

Kal also presented the last UBS Investment Report for the old portfolio. He noted the health of the market as fortunate timing for transition to the new portfolio. Beacon Pointe will be producing the reports moving forward. It was noted that the Board would like the new reports to continue showing benchmark comparisons by manager.

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

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

Statement of Revenue, Expenses, and Change in Net Assets

- Investment income continues to increase; overall net profit down is down about 8%.

FSR

- Grant and Contract revenue continues to be down, this is not an alarming trend. Grants that can go to the university's Office of Research and Sponsored Programs - UCorp takes grants that require a 501c3.
- Program revenue has increased. This includes revenues raised by programs or donations raised by programs. This does not increase UCorp's IDC. Program revenue is currently on-target, but may be down about 8% at year end.
- The decrease in Food Vendors/Other Bus Revenue is due to a change in UCorp's licensing agreement. Most revenue from the new agreement will be allocated to University Advancement.
- Salaries and Wages expense are on-target, however benefits are showing as higher. Likely it is the budgeting that needs to change. Chris will research further.
- Investment income is up- if market holds true the UCorp's investment income would be up 48%.

All Stores Report

- Revenue is down in Lobby Shops; typically there is ebb and flow between Lobby Shops and Healthy
- Shop24 revenues are down, the machine has been operating as cash-only
- Ctrl+P is projected to profit a net of \$11K

VII. **Resolution:** Approval of Conflict of Interest Policy for Program Accounts **Action**

WHEREAS, in order to protect the University Corporation's (UCorp) interest when contemplating entering into a transaction or arrangement that might benefit the private interest of one of its project directors or other individuals authorized to expend UCorp funds, or might result in an excess benefit transaction, UCorp has created a Conflict of Interest Policy for Program Accounts, and

WHEREAS, the policy defines and sets out procedures for the identification and disclosure of any conflict of interest, and

WHEREAS, the policy is in accordance with Section 89906 of the California State Education Code,

THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves and adopts attached policy, which sets out formal procedure for the identification and reporting of conflicts of interest for UCorp project directors or other individuals authorized to expend UCorp funds.

The Conflict of Interest Policy presented to the Board was drafted by UCorp's Administration and Programs Manager, Kathleen Bruno, to be a less intrusive codification of practices than Form 700. It is similar to the UCorp Board and key staff Conflict of Interest Policy. Moving forward, it will be signed by all project directors and signature of authority.

Brian Beatty pointed out a typo in the numbering.

The Board unanimously approved the resolution accepting the Conflict of Interest Policy for Program Accounts, with the numbering corrected.

BOD Resolution No. 20170206-03

VIII. Report from the Director of Operations, Chris Farmer

Jason reported out on behalf of Chris farmer, highlighting the following:

- The shops are running well, lobby went down from 16% to 5%
- Ctrl+P is set to make a profit
- Shop24 is in need of a software upgrade. UCorp has been considering options to address this issue: the operations team has been working with Canteen Vending for ideas on how to resolve the issue, there is a possibility that Shop24 consultants may have advice, we may ask our programing faculty to hack into the system. The worst-case scenario will be to maintain the structure as a typically operated shop.
- The Mashouf juice bar RFP is ready to be published. The release date will be planned to correspond with the possibility of a walk-through of the space, soon.

IX. **Resolution:** Establishment of Innovation Fund **Action**

BOD Resolution: Resolution Supporting Innovation at SF State and Creating an Innovation Fund
Procedures for Fund Administration

WHEREAS, as stated in Academic Senate Policy F09-253 (hereinafter “policy”), San Francisco State University encourages the development of intellectual property (hereinafter “IP”) by faculty, students and staff, and recognizes the importance of clearly establishing ownership in a fair manner, which both supports broad dissemination of discovery and equitable distribution of any related financial remuneration; and

WHEREAS, the University Corporation aims to support the university by advancing the university’s initiatives; and

WHEREAS, it is within the mission of the University Corporation, as the university’s business partner, to both support the university and to identify and operationalize remunerative enterprises, which will ultimately provide additional support for university endeavors; and

WHEREAS, the board of the University Corporation wishes to establish an Innovation Fund for the purposes of advancing intellectual property interests for and on behalf of the university and its community members; and

WHEREAS, the board’s finance committee at its meeting on January 31, 2017 reviewed a proposal for the Innovation Fund, attached herewith, and offered its unanimous endorsement of the proposal;

THEREFORE, BE IT RESOLVED, that UCorp hereby establishes its Innovation Fund, as described in the attached document; and

BE IT FURTHER RESOLVED, that the board entrusts in the Finance Committee the authority to evaluate requests made to UCorp through the university’s Patent Evaluation & Innovation Committee, and ascertain whether it is in UCorp’s best interest to support the request; and

BE IT FURTHER RESOLVED, that the Finance Committee may approve expenditures though the Innovation Fund not to exceed \$100,000 in sum unless first seeking an additional allocation from the full UCorp board; and

BE IT FURTHER RESOLVED, that the board entrusts in UCorp management the responsibility for entering into agreements between UCorp, the university and any other entity or person, which may be required to establish U Corp’s role as the university’s partner in patent acquisition, management, and licensing.

During the Board’s discussion, the following points were clarified:

- Approval of the resolution will establish an Innovation Fund as stated, the process document is not part of the resolution. Responsibility for development of the process and corresponding process document rest with the AVP of ORSP, Michael Scott. The process document draft in its current form has support from the president and provost.
- The funds will not be encumbered, but rather drawn from unrestricted funds/LAIF as approved.
- If the Patent Evaluation and Innovation Committee (PEIC) concludes a patent/innovation qualifies for university support, UCorp will be presented with the option to manage the patent. UCorp may just as well choose not to pursue a recommendation from the PEIC. The UCorp Finance Committee will be responsible for making this decision.
- UCorp will not own any patents. UCorp will manage patents, and collet a management fee from the university’s proportion of commissions.
- The Finance Committee may request from the Board funding in excess of the allotted \$100,000.
- The Board recognizes that very few patent/innovation investments turn profit.

The following process document recommendations will brought to Michael Scott via Jason:

- Incorporate a student seat in the PEIC
- Include all intellectual property
- Consider more gender inclusive language

Troi Carleton motioned to approve the resolution as presented. It seconded by Celia LoBuono Gonzalez and approved unanimously.

BOD Resolution No. 20170206-04

X. Report from the Executive Director, Jason Porth

Jason began his report with a hearty welcome to Jay Orendorff. He also announced the retirement of UCorp's Controller, Vincent Cheung, who has served the SFSU campus for 35 years.

UCorp hosted a second Board orientation for new directors and for those who were unable to attend the first orientation.

The Holloway project has gained value from the negotiations that have taken place after missing the December Land Development Review Committee (LDRC) meeting. The non-compete clause hurdle has been solved via the agreement that the already onerous, codified Chancellor's Office building requirements satisfy the concerns of all parties. The project will be presented to the LDRC in March. The schematic design will be presented in late February.

Jason expressed gratitude to all those who have been participating in the consultative process for the UClub project, and to VP Luoluo Hong who has been facilitating the meetings. The resolution approving funding for the project was uncomfortable, and one of the few resolutions that did not gain unanimous support from the Board. UClub will be a stronger better program because of this consultative process. At the last meeting, increased representation was a topic of discussion. Associated Students will consider including a UCorp seat on their Board. UCorp has asked to consider increasing student seats on its Board. UCorp currently has three student seats; this was increased from one seat at the start of the 2014-15 fiscal year.

XI. Schedule of Meetings

Board of Directors:		
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

XII. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned with no objections at 4:32 p.m.

Passed and adopted on this 3 day of APRIL, 2017, by the following vote:

Aye: 10 No: 0 Abstain: 0 Absent: 7

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on ~~February 6~~ APRIL 3, 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 3 day of APRIL, 2017, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20170403-01


Alison Sanders, Secretary