



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, June 19, 2017
 3:00 p.m. to 4:30 p.m.
 John Paul L. Library, LIB 286
 1600 Holloway Avenue, San Francisco, California

I. Call to Order by the Chair, Trevor Getz (5 mins)

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, J.P Leonard Library, room 286, San Francisco, CA.

Board Members Present

Trevor Getz, Chair
 Michael Potepan, Vice Chair
 Brian Beatty
 Gene Chelberg
 Neil Cohen
 Hrag Kalebjian
 Celia LoBuono Gonzalez (phone)
 Bonnie Li Victorino
 Kathy O'Donnell
 Jay Orendorff
 Jason Porth
 Kal Salama

 Alison Sanders
 Rob Strong
 Jordan Thomas

Board Members Absent

Nancy Gerber
 Richard Schwanbeck

Incoming Board Members Present

Maureen Carew
 Anoshua Chaudhuri
 Monica DiLullo

Others Present

Edina Bajraktarevic, Associate Executive Director for Business, Administration, and Finance for Associated Students
 Constance Cavallas, Clerk of the Board
 Chris Farmer, Director of Operations
 Jackie Foley, President of Associated Students
 Shae Hancock, Administrative Assistant
 Andrew Lok, Retail and Commercial Services Manager
 Tammie Ridgell, Director of Finance and Administration
 Alejandro Rios, Associate Director for Facilities and Operations for Associated Students
 Anthony Victoria, Associate Director of Finance and Administration
 Judy Yu, Controller

1. Approval of the Agenda

Trevor called for approval of the agenda. Gene Chelberg requested introduction of a new item, "Special Order" to follow approval of minutes. There being no objections, the agenda was amended to include Special Order as Item 1.3.

2. Approval of the Board of Directors Meeting Minutes for May 1, 2017 **Action**

Trevor called for approval of the minutes from the May 1, 2017 Board of Directors meeting. Kal Salama asked that the "investment income" language under Tammie Ridgell's report be changed from:

"A smoothed vs non smoothed portfolio value was presented in a graph format, with the smooth value represented by the red line. The budget is based on 5.6% of the smoothed value. The smoothed rate of return is never higher or lower than peaks and falls. This is a double-conservative way to project investment income."

To:

"A smoothed vs non-smoothed portfolio value was presented in a graph format, with the smoothed value represented by the red line. Smoothing mitigates the impact of investment peaks and troughs to arrive at a more consistent projection. The budget is based on a smoothed 5.6% return applied to a smoothed value. This is a double-conservative way to project investment income."

Rob Strong moved to approve the amended minutes. It was seconded by Michael Potepan and approved unanimously.

BOD Resolution No. 20170619-01

3. Special Order

It being Trevor's birthday, Gene led the board in a celebratory serenade of the happy birthday song.

II. Public Comment

No members of the public chose to express comment.

III. **Resolution:** Approval of Officers and Board Members for The University Corporation, San Francisco State, Fiscal Year 2017/18 **Action**
(5 mins)

WHEREAS, the Nominating Committee of The University Corporation, San Francisco State (UCorp), a California non-profit public benefit corporation, has considered and reviewed UCorp's proposed Directors for Fiscal Year 2017/18;

WHEREAS, the Corporation's Bylaws require that the directors of UCorp include, during such time as the person holding these positions are willing and able to serve:

- President of San Francisco State University (SFSU), or his/her designee;
- Vice President & CFO for Administration and Finance of SFSU, or his/her designee;
- Chair of the Academic Senate of SFSU;
- Executive Director of UCorp
- And at least one representative from each of the following categories: administration, faculty, community, and student;

WHEREAS, the directors below are the persons holding the above stated positions who will serve as directors for Fiscal Year 2017/18:

- Alison Sanders, Chief of Staff and President's Designee
- Jay Orendorff, Executive Director for Risk and Analytics and VP of Administration and Finance/ CFO's Designee
- Nancy Gerber, Chair of the Academic Senate
- Jason Porth, Executive Director

WHEREAS, the board's officer positions will be filled as follows:

- Chair- Trevor Getz
- Vice Chair- Alison Sanders
- Secretary- Bonnie Li Victorino

- Executive Director- Jason Porth
- Designee for Vice President of Administration & Finance/ CFO: Jay Orendorff

WHEREAS, the Nominating Committee had recommended that the following board member with a term expiring on June 30, 2017, have their term renewed for an addition term of service:

- Kal Salama, Community Representative

WHEREAS, the following board member with a term expiring June 30, 2017 will not be renewing an additional term:

- Michael Potepan, Faculty Representative

WHEREAS, the Nominating Committee, with the approval of President Leslie Wong, is pleased to recommend the following new board member to serve one term with end date of June 30, 2020:

- Anoshua Chaudhuri, Chair of Economics, Faculty Representative

WHEREAS, the committee is pleased to recommend three student representatives, nominated by the Associated Students and approved by President Leslie Wong, to serve one term with an end date of June 30, 2018:

- Maureen Carew, Masters of Public Administration Student
- Monica DiLullo, Associated Students VP for Internal Affairs, Economics/Environmental Studies Major
- Auggie Melendez, Associated Students VP for Facilities and Services, Communications Major

THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the recommendations of the Nominating Committee as set out above and approved by President Leslie Wong; and

BE IT FURTHER RESOLVED that the number of members of the Board shall not exceed seventeen (17) for the 2017/18 fiscal year.

Trevor presented the slate of officers and board members for the 2017-18 fiscal year, as recommended by the nominating committee and approved by President Wong.

Rob Strong moved to approve the resolution as presented. It was seconded by Neil Cohen and approved unanimously.

BOD Resolution No. 20170619-02

- IV. **Resolution:** Approval to Appoint Chair(s) and Committee Members to The University Corporation, San Francisco State Board of Directors as Established by the Corporation's Bylaws for Fiscal Year 2017/18 **Action**
(5 mins)

WHEREAS, the University Corporation, San Francisco State, a California non-profit public benefit corporation (UCorp) accepts and approves the Nominating Committee's recommendation for committee composition, as designated in the Bylaws;

NOW, THEREFORE, BE IT RESOLVED, the following individuals are appointed to serve as chairs and members of the UCorp's Board Committees:

Executive Committee (Standing committee meetings held as needed)

- Trevor Getz, Committee Chair and Chair of the Board
- Bonnie Li Victorino, Secretary of the Board
- Jay Orendorff, Vice President for Admin. & Finance/CFO's Designee
- Jason Porth, Executive Director
- Alison Sanders, Vice Chair of the Board

Nominating Committee (Standing committee meetings held yearly and as needed)

Alison Sanders, Committee Chair and Vice Chair of the Board
Trevor Getz, Chair of the Board
Jason Porth, Executive Director

Finance Committee (Standing committee meetings held quarterly and as needed)

Kal Salama, Committee Chair, Community Representative
Gene Chelberg, Administrator Representative
Neil Cohen, Community Representative
Hrag Kalebjian, Community Representative
Bonnie Li Victorino, Administrator Representative
Jay Orendorff, Vice President for Admin. & Finance/CFO's Designee
Jason Porth, Executive Director

Audit Committee (Standing committee meetings held bi-annually)

Rob Strong, Committee Chair, Community Representative
Anoshua Chaudhuri, Faculty Representative
Gene Chelberg, Administrator Representative
Maureen Pasag*, Interim AVP for Audit and Advisory Services

Retail and Commercial Services Committee (Meetings held as needed)

Neil Cohen, Committee Chair, Community Representative
Hrag Kalebjian, Community Representative
Kathy O'Donnell, Faculty Representative
Jason Porth, Executive Director
Alison Sanders, Vice Chair of the Board
Rob Strong, Community Representative
Maureen Carew, Student Representative
Monica DiLullo, Student Representative
Auggie Melendez, Student Representative

Bookstore Advisory Committee (Meetings held as needed)

Brian Beatty, Committee Chair, Administrator Representative
Avi Chandiramani*, IT Consultant for DPRC
Nancy Gerber, Chair of the Academic Senate
Chris Farmer*, UCorp Director of Operations
Anne Krause*, Faculty
Jason Porth, Executive Director
Rob Strong, Community Representative
Connie Ulasewicz*, Faculty
Crystal Wong*, Faculty
TBA, Student Representative

*committee member is not a board director

Trevor presented the recommended slate of committee chairs and committee members for the 2017-18 fiscal year, as recommended by the nominating committee and approved by President Wong.

Neil Cohen moved to approve the resolution as presented. It was seconded by Gene Chelberg and approved unanimously.

BOD Resolution No. 20170619-03

- V. **Resolution:** Approval of The University Corporation, San Francisco State Board and Committee Calendar for Fiscal Year 2017/18 **Action**
(5 mins)

WHEREAS, it is customary at the annual meeting of the Board of Directors for the University Corporation, San Francisco State, (UCorp), to propose a calendar for meetings of the Board of Directors and its Committees for the subsequent fiscal year.

NOW, THEREFORE BE IT RESOLVED, the attached calendar is approved for fiscal year 2017/18;

Board of Directors

Meetings held at least bi-annually

Monday, September 11, 2017 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday, October 16, 2017 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday, December 11, 2017 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday, February 12, 2018 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday, April 16, 2018 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday, May 14, 2018 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L
Monday June 25, 2018 3:00 p.m. to 4:30 p.m. 1st Floor, ADM 153 L

Audit Committee

Meetings held bi-annually

Thursday, June 15, 2017 3:00 p.m. to 4:00 p.m. 3rd Floor, ADM 361 A
Thursday, September 28, 2017 TBA 3rd Floor, ADM 361 A

Executive Committee

Meetings as needed

No meetings scheduled at this time.

Finance Committee

Meetings held at least quarterly

Tuesday, July 25, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday August 29, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday September 26, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, October 24, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, November 28, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, December 19, 2017 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, January 30, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, February 27, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, March 27, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, April 24, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, May 29, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Tuesday, June 26, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A

Nominating Committee

Meetings held annually

Thursday, March 22, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A
Thursday, May 10, 2018 11:00 a.m. to 12:00 p.m. 3rd Floor, ADM 361 A

Retail and Commercial Services Committee

Meetings held as needed

October 2017- Date TBA
December 2017- Date TBA
February 2018- Date TBA
April 2018- Date TBA

Bookstore Advisory Committee

Meetings held as needed

October 2017- Date TBA
December 2017- Date TBA
March 2018- Date TBA
May 2018- Date TBA

Trevor presented initial calendar of meetings for the 2017-18 fiscal year.

Neil Cohen moved to approve the resolution as presented. It was seconded by Gene Chelberg and approved unanimously.

Rob inquired about the frequency of audit committee meetings, suggesting the California Integrity Act may require a minimum of three meetings.

Constance Cavallas confirmed UCorp's bylaws required two audit committee meetings. She will research the Act to ensure UCorp's bylaws are compliant with any meeting minimums.

BOD Resolution No. 20170619-04

VI. **Resolution:** Money Purchase Pension Plan Cessation and Disposition of Remaining Funds..... **Action**
(5 mins)

WHEREAS, effective March 1, 2007, all Central Office employees of San Francisco State University Foundation, Inc., (SFSUFI), which is now known as University Corporation, San Francisco State, were terminated by the auxiliary corporation and were hired by San Francisco State University; and

WHEREAS, due to this effective termination of all Central Office employees of SFSUFI, the Money Purchase Pension Plan for Central Office Employees of the San Francisco State University Foundation, Inc., no longer was an active plan, nor was there any need for a retirement plan of any kind for SFSUFI Central Office employees; and

WHEREAS, the remaining balance of the plan is to be allocated, properly and accordingly, to the remaining inactive participant;

THEREFORE, BE IT RESOLVED, the Money Purchase Pension Plan for Central Office Employees of the San Francisco State University Foundation, Inc., be terminated, effective immediately.

Before March 2007, UCorp existed as part of The University Foundation. The entity played both the philanthropic role that the current Foundation performs as well as the operational role that UCorp currently performs. As a separate 501c3, the former Foundation did not have CalPERS or provide university benefits. Rather, the entity had a money purchase pension plan through US Bank.

When UCorp's auxiliary business services employees became state employees through their university employment, they stopped contributing to the money purchase plan. There is only one employee who still has funds in the account. This person is currently employed at the university, and has agreed to move her money out of the account.

Jason assured the board that he has worked closely with US Bank, and will be work closely with the employee to ensure her decision is well-informed.

Michael Potepan motioned to approve the resolution as presented. It was seconded by Neil Cohen and approved unanimously.

VII. Board Announcements/Constituent Reports

There were no reports from constituent representatives or other board members.

VIII. Report from the Bookstore Advisory Committee Chair, Brian Beatty (5 mins)

The Bookstore Advisory Committee has completed one full year with an updated charge, reporting to the UCorp board. In the coming fiscal year, there will be a new faculty representative with expertise in affordable materials serving on the committee. The committee will continue to meet four times a year, but has adjusted the meeting schedule to better coordinate with the bookstore cycle and adoptions schedule.

This year the committee worked with Follett to make available the Student Discover tool. Student Discover will be available in the upcoming Fall semester. It provides students with easy, integrated access to multiple formats of course materials.

Brian passed out a draft proposal for an Immediate Access Program on campus. Initially one course had been granted permission to establish the opt-out course material model, but the permission was retracted. There is still some work to be done before rolling this program out. It has been implemented on other campuses. Questions or comments should be sent directly to Brian.

IX. Report from the Retail and Commercial Services Committee Chair, Neil Cohen (10 mins)

Neil commended staff for the progress made since UCorp accepted the additional responsibility of managing the Student Center leases in 2014. The self-operated stores have been mostly stable, even with decrease in enrollment. The copy center had achieved great turnaround, from operating in the red to turning a profit.

The new Mashouf juice bar coming RFP proposals are currently being reviewed.

The year has not been without some challenges. The newest Student Center vendor has been struggling. UCorp staff is considering the ways in which we can promote their success as a business partner without providing special, one-off treatment for any vendor.

At the last retail and commercial services committee meeting, the staff was asked to consider documenting a process by which UCorp decides when and how to contribute to the campus. For instance, UCorp will be contributing to the beautification of a parcel of campus that will surround a renovated Station Café. How can UCorp capture revenue from the small city that the campus makes up, and return to the campus, "help us help you."

Jason confirmed the staff is working on a procedure and will have something to share with the committee in the fall. It may be that UCorp aligns such decisions with the procedure already in place by the campus.

X. Report from the Finance Committee Chair, Kal Salama (10 mins)

Kal Salama introduced UCorp's new investment portfolio. He walked the board through the asset allocation decision-making framework used by the investment committee and UCorp's investment consultants, Beacon Pointe.

Kal explained the three asset class categories that comprise UCorp's new portfolio. Within the asset classes some assets are passive, they are selected to meet the index, and others are actively managed to exceed the index. Actively managed assets have higher associated fees. Kal presented to the board a listing of each manager, what they do, and what they are doing for UCorp. He noted the finance committee's decision to incorporate ESG where possible- particularly to exclude fossil fuels.

Kal also presented the investment performance report for the period ending April 30, 2017, highlighting the following:

Overall, the portfolio is performing above the target performance. There will likely be a surplus relative to UCorp's smoothed investment income budget. The FYTD rate of return is 8.8, well above the 7.4 target.

XI. Report from the Director of Finance and Administration, Tammie Ridgell (5 mins)

Tammie Ridgell introduced UCorp's new controller, Judy Yu, before presenting the financial reports for the period ending April 30, 2017.

Schedule of Net Assets

- Through April, the change in net assets is approximately \$7 million. This change is primarily related to contributions, though investment has also increased compared to last year at this time.

Statement of Revenue, Expense, and Change in Net Assets

- There was a \$3.6 million increase in contributions compared to April 2016 primarily due to the SF State fundraising campaign and some large current-use contributions.
- There is approximately \$1.6 million in investments. This has continued to increase in May and, so far, in June as well.

FSR

- Investment income is up around \$1.6 million. The finance committee has decided that earnings over the budgeted amount will go into a reserve and will be used to smooth earnings and losses in future years.
- Grants and contracts continue to decline, but program revenues have been increasing.

Stores

- All stores have net profit of 8%, which is approximately \$12K
- Revenue overall is down 4%, mostly related to Healthy U. Lobby Shop has had a flat performance after being down earlier in the semester. Ctrl+P revenue is up 10%, which is approximately \$37K.

It was noted that the variance for repair in maintenance was mostly related to Shop24. After the Shop24 corporate office folded, UCorp is no longer paying for a maintenance agreement nor revenue share.

XII. Report from the Director of Operations, Chris Farmer (5 mins)

Chris Farmer reported on UCorp's self-operations, noting that though the shops had a sluggish start, performance has since turned around.

- For the month of May, revenue in Lobby Shop will be up 2%, Healthy U will be down 4% (formerly down 7%), and Ctrl+P will make \$40K profit thanks to new partnerships and revenues from new parts of campus.
- This summer work has begun to move the UCorp self-ops team to new offices on the lower conference level of the Student Center. Moving some of Ctrl+P operations will allow the customer space to grow. Ctrl+P will add an additional walk-in station, the first self-station has been successful. After scaling down the copy center staff, the last year of growth may require scaling up again from two to three staff persons.
- Inventory is coming up, so all hands will be on deck.
- Vendors are all in good standing.
- Orientations have begun and are going well.
- The Mashouf RFP process is moving along. This Thursday the review committee will discuss the responses. The hope is for a contract by end of month.
- Shop24 will continue to operate as is—the store is still making a small profit and serving a need on campus.

XIII. Report from the Executive Director, Jason Porth (5 mins)

- Holloway Project: At the May 23-24 the Board of Trustees approved the Holloway revitalization project for Block 6. UCorp anticipates signing the \$100 million agreement in July. The relationship will be one that lasts for 65 years, and the series of agreements related to the project are thusly complex. UCorp has been working with university and UCorp counsel closely. This project will benefit UCorp financially- more importantly, it will provide housing for students at cost similar to other campus housing. This project will provide approximately 500 beds and 3,500 feet of commercial space.
- Station Café- UCorp has been working collaboratively with the campus and the vendor to upgrade the Station Café located on 19th Ave. UCorp plans to contribute to the project by paying for the beautification of the surrounding courtyard.
- Student Organization Fund Management- An executive order from the Chancellor's Office dictates how student organization funds are managed. It used to be that the campus could decide how to monitor the funds. Students used to keep their accounts at Patelco, which had a branch on campus at one time. The campus does not want to roll up student funds into its own. UCorp has been asked to act as a custodian and roll the funds into ours. The expenditures for student funds are significant and carry risk with the associated spending. UCorp is still walking through what the process will be like. Supposedly the process should be in place by July 1- the board will be kept apprised of the progress.
- Accomplishments: Jason distributed a list of UCorp accomplishments over the last fiscal year, noting that we have grown our services to the campus and our relationships with the campus community. Jason used the Yiddish word "nachas" to describe UCorp's success: feeling pride in someone else's achievements; our success is not just our work but our partners' work. He used the relationship UCorp has with the campus food vendors and Associated Students as an example. Growing relationships with the vendors also helps increase the revenue that is returned to AS. Another example was UClub- at first there was contention about the project, but after working together and growing trust and partnership, the UCorp has support to move forward.
- Innovation Fund: The UCorp board voted to establish an "innovation fund" with up to \$100,000 to support innovative efforts on campus. At the last finance committee meeting, the AVP for ORSP, Michael Scott, presented two proposals. The committee agreed to provide up to \$10K to support one of the proposals, assisting a faculty person in pursuing a full patent. UCorp will be paid back, and will receive a management fee.

Jason thanked the Trevor for serving as the chair of the board. Trevor took over for Charlotte who had been the chair for 20 years, and has done a great job of moving the board forward despite this not being his day job! Jason also

thanked the committee members and committee chairs who have committed a lot of time have brought great expertise to benefit of UCorp.

Jason thanked Michael Potepan for his many years of service. Before UCorp had Beacon Pointe, it was Michael who took the burden of analyzing and selecting our investment portfolio with a few others. He helped us select our vendor for the Holloway project based on an economic perspective. He was also instrumental in bringing Anoshua to our board—it takes great leadership to bring a dependable successor.

Jason also thanked the UCorp staff.

Trevor thanked the board and Jason.

XIV. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:17 p.m.

Passed and adopted on this 11 day of September 2017, by the following vote:


Aye: 15 No: 0 Abstain: 0 Absent: 2

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on September 11, 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 11 day of September, 2017, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20170911-01



Bonnie Li Victorino, Secretary