



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, September 11, 2017
3:30 p.m. to 5:00 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 3:37 p.m. at San Francisco State University, Administration Building, room 153 L, San Francisco, CA.

Board Members Present

Trevor Getz, Chair
Alison Sanders, Vice Chair
Brian Beatty
Anoshua Chaudhuri
Gene Chelberg
Neil Cohen
Monica DiLullo
Nancy Gerber
Hrag Kalebjian
Bonnie Li Victorino
Auggie Melendez
Kathy O'Donnell
Jay Orendorff
Jason Porth
Alison Sanders
Rob Strong

Board Members Absent

Maureen Carew
Kal Salama

Others Present

Constance Cavallas, Clerk of the Board
Chris Farmer, Director of Operations
Andrew Lok, Retail and Commercial Services Manager
Tammie Ridgell, Director of Finance and Administration
Anthony Victoria, Associate Director of Finance and Administration

1. Approval of the Agenda

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

2. Introductions

Being the first board meeting of the 2017/18 fiscal year, the board began with a round of introductions.

3. Approval of the Board of Directors Meeting Minutes for June 19, 2017Action

Trevor called for a motion to approve the June 19, 2017 minutes as presented. It was moved by Neil, seconded by Rob strong, and approved unanimously.

BOD Resolution No. 20170911-01

II. Public Comment

No members of the public chose to express comment.

III. Board Announcements/Constituent Reports

At the time of this meeting, there were no necessary report outs from Associated Students or the Academic Senate.

Trever had two announcements:

- Please return your conflict of interest forms to Constance.
- Trevor announced two extremely important September 11 birthdays: Gene celebrated his 50th birthday, and Chris Farmer celebrated his 40th. The board congratulated Gene and Chris on their milestone birthdays.

Jason Porth announced Trevor's recognition as a distinguished faculty member at the Open Faculty Meeting, where he was presented with an award for Excellence in Service.

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

Tammie Ridgell presented the draft financial reports for the period ending June 30, 2017, highlighting the following:

- The reports presented are in draft form. The finalized versions will be available after the audit. Still, the reports are mostly accurate, there will be modest changes to the final versions.

Schedule of Net Assets

- Total net assets increased from \$25 million prior year to \$33 million.

Statement of Revenue and Expense

- A significant amount of contributions came from the campus comprehensive campaign, about \$5.4 million. The additional \$2.2 million in contribution is from investment income.

FSR

- Program revenue from the campus program fee increased 15% over budget due to increase in donations and revenue in campus programs, as well as business partnerships like commencement.
- The copy center, Ctrl+P, is up \$30K.
- Lower enrollment translated to small deficits, but UCorp self-operations were able to gradually decrease that deficit amount.
- The University cost allocation plan greatly reduced from what was originally proposed for FY 16-17. UCorp paid \$154K instead of \$287K. The hope is that the smaller cost allocation carries forth into FY 17-18; there is a bit of uncertainty with a new AVP for Fiscal Affairs. Based on the smaller cost allocation, UCorp not increase the IDC for programs.
- As a result of the change in cost allocation contributions, UCorp's budget is far more conservative for fiscal years 16-17 and 17-18.

The board discussed current and projected enrollment.

V. Quarterly Investment Performance Report Review, Tammie Ridgell

Tammie presented the Beacon Pointe Quarterly Investment Report on behalf of the finance committee chair, Kal Salama.

The presented report is the first quarterly reflecting the new Beacon Pointe portfolio. The almost entirely new portfolio had transitioned completely in March 2017. Tammie highlighted the following:

- Beacon Pointe Bulletin (pg. 2): identifies institutional new clients and introduced the new head of asset allocation, Stephen Marshall. The finance committee met with Stephen at the last committee meeting. He will focus on portfolio modeling and construction. This will be good for the long-term portfolio performance.
- Market Performance (pg. 3): looking at the one-year column, US and non-US equities were very strong with returns 15-25%, bonds were flat to down in the US and non-US with only High-Yield strong at 15%, there were positive single-digit returns from Real Estate and Alternatives.
- Investment Policy and Guidelines (pg. 4): Lists target allocations for how we want to be invested
- Total Composite Info. (pg. 5): The fiscal-year-to-date shows an increase of about \$2 million in investment return from about \$20 million of investment.
- Total Composite Performance (pg. 7): The fiscal-year-to-date shows a 10.1% return versus 8.8% for Index; a positive return ahead of the index.

- Total Composite Historical Performance Summary (pg. 12): 4.6% annually vs 4.9% since August 2005 (inception).
- Detailed manager analyses can be found on pages 17-40: fees for the managers.
- Fee Analysis (pg. 40): The portfolio's manager fees total 76 basis points, a good rate. Nineteen points go to Beacon Pointe and 57 go to the managers.
- The finance committee met with Kimpact at the last committee meeting. Kimpact is one of UCorp's alternative investments. They are a real estate development company that focuses on blight areas and owns and manages affordable housing, including low income housing tax credit. They focus on bring sustainable practices to the places they own.

They updated the committee on where they are going and what they are doing. They are currently working to create unrelated business income tax (UBIT) blockers for entities like ours as their portfolio grows. Kimpact intends to go public, UCorp will monitor what that would mean for us.

VI. Report from the Director of Operations, Chris Farmer

The Director of Operations, Chris Farmer, reported out on UCorp's operations, highlighting the following:

- The semester is in full swing. UCorp hired six new staff for our self-operations- a big change for our shops! Many of our staff graduated and one person moved on.
- Physical inventory in the new POS went smoothly.
- Our self-ops are moving into new offices to make room for the UClub. The new space is painted and has new carpet. New furniture is on the way. Expected move-in is in October.
- Twelve new vending machines have been installed in the residential halls, replacing those that had been removed a couple of years ago when the campus dining RFP was still in progress. There will also be 2 in the Mashouf Wellness Center. UCorp is now scanning the campus for other needs. The machines will be tracked in one, clean new contract with UCorp.
- Clean Bites will be coming soon to the Mashouf Wellness Center. Capital Planning is reviewing the plans now.
- The Downtown Campus (DTC) will be housed within the new division that is University Enterprises. We have been meeting DTC staff and tenants to get a lay of the land and understand their needs in anticipation of hiring an operations manager. The tenants of the DTC space include both SF State components/programs and unrelated tenants.

VII. Report from the Executive Director, Jason Porth

University Enterprises: Effective August 1, Capital Planning and Design was moved to be housed in a new division with UCorp called, University Enterprises. Jason briefed the executive committee about this change in structure and the change in his position over the summer. Though new to this campus, it is not a unique combination of departments. UCorp and CPDC have already been working together closely, this change makes good sense in delivering the university's aggressive agenda for property development and addressing half a billion dollars worth of deferred maintenance.

Times are such that new construction costs cannot depend on government for funding; the university needs to rely on other sources of income. Holloway is a good example of a creative way to address capital funding issues.

We will be looking at other models to better understand options for our campus. For example, UC Merced and CSU Dominguez Hills have master developer agreements where they decided what they need and work with a single developer to find ways to produce and fund the capital projects/revenue generation for the campus. CPDC is to become a more entrepreneurial entity.

UCorp will still remain a totally separate entity. We may be asked to use our expertise in taking on projects, but there will be no changes to our board or our financials.

This division has also been asked to oversee DTC operations. In addition to hiring an operations manager, funding has been approved to double security personnel. The operations manager will report to Chris Farmer, who in has developed expertise in leases with UCorp's bookstore and commercial lease growth. Some of Chris' time will therefore be paid by the DTC.

Gene expressed his confidence in Jason in his new role as the Vice President of University Enterprises. Trevor also expressed that he and the executive committee had no reservations in Jason's expanded role.

Xpress Kiosks: Two years ago professor of Journalism and advisor to the Golden Gate Xpress newspaper approached Vice President Nava with the request to bring new newspaper kiosks to campus to replace the aging, mismatched boxes that currently house our student publications. The kiosks would also have potential to raise revenues that would support Xpress Publications. Being that this project would be the first to bring advertisements to campus, the two-year timeline included extensive communication with campus groups at all levels, including the Associated Students facilities committee and board of directors. As a public place, the university cannot make content-based decisions, an important point for the campus community to understand.

The kiosks will finally be installed this weekend. Two of the three panels will be for paid advertisements and one will be for the university's use. The kiosks will generate approximately \$10K a year for the student publications. The kiosks will have a decal stating that the proceeds generating from the advertisements will support Xpress Publications.

Innovation Fund: In spring, the finance committee approved use of UCorp's innovation fund to support Kimberly Tanner's pursuit of a full patent. At the time she had already secured a preliminary patent. The full patent was secured on Friday, and it is the first patent to be secured by SF State in recent history.

Another faculty person in computer science who has two new, amazing apps may come to the finance committee for similar support.

Audit: Jason thanked Tammie for her extraordinary work for in nearing completion of three audits- one for each of the auxiliaries.

President's Gala-: The UCorp board has been very gracious in raising money for the purchase of three tables at the President's Gala. The tables present opportunity for UCorp staff to also attend the event.

VIII. Schedule of Meetings

Board of Directors:

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

IX. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:30 p.m.

Passed and adopted on this 16 day of October 2017, by the following vote:

Aye: 13 No: 0 Abstain: 0 Absent: 4

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on October 16, 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 16 day of October, 2017, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20171016-01



Bonnie Li Victorino, Secretary