



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

Board of Directors Meeting Agenda

Monday, October 16, 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

Board Members Present

Trevor Getz, Chair
 Brian Beatty
 Anoshua Chaudhuri
 Gene Chelberg (phone)
 Neil Cohen
 Monica DiLullo
 Nancy Gerber
 Bonnie Li Victorino
 Kathy O'Donnell
 Jay Orendorff
 Jason Porth
 Kal Salama
 Alison Sanders

Board Members Absent

Maureen Carew
 Hrag Kalebjian
 Auggie Melendez
 Rob Strong

Others Present

Constance Cavallas
 Chris Farmer
 Jackie Foley, President, Associated Students
 Andrew Lok
 Tammie Ridgell
 Anthony Victoria

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 3:04 p.m. at San Francisco State University, Administration Building, Room ADM 153 L.

1. Approval of the Agenda

There were no objections to the agenda as presented.

2. Approval of the Board of Directors Meeting Minutes for September 11, 2017**Action**

There were no requested amendments to the minutes. The minutes for the September 11, 2017 Board of Directors Meeting were approved without objection.

II. Public Comment

Jackie Foley, President for Associated Students, attended the meeting on behalf of Auggie Melendez. The board proceeded with a round of introductions.

III. Board Announcements/Constituent Reports

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

IV. UCorp's Role on Campus/ New Initiatives for Consideration.....**Discussion**

Trevor introduced Item IV as an opportunity for board members to share prospective initiatives or activities UCorp could consider in pursuit of advancing the UCorp mission.

The board presented several ideas:

- Bonnie discussed the possibility of an expansion on the College of Business' efforts to assist students in paying for the graduation application fee (\$100). Nancy mentioned current discussions about the appropriateness of charging a graduation application fee in general.
- Brian discussed the possibility of assisting students with course material fees for the Immediate Access classes once the program is in effect, perhaps a need-based scholarship. Chris mentioned two possible sources of funding related to course materials. 1) Follett provides an annual \$10K in Bookstore gift cards. Chris works with Financial Aid to identify awardees who do not qualify for financial aid but still exhibit need for assistance. 2) UCorp gifted a \$200K endowment for course materials from the dissolution of Franciscan Shops. The endowment creates approximately \$8K for spending annually.
- Gene discussed further support of the HOPE Fund, recommending UCorp review a report about the types of requests that the Dean of Students Office receives and how the fund has helped students. Gene offered to provide such a report at a future meeting. Jason mentioned that since UCorp's \$100,000 endowment contribution, there have also been several thousand dollars of current use funds donated to the HOPE fund. He also mentioned a student who had borrowed money from the funds chose to pay back double what they borrowed.
- Several board members discussed the issue of student food insecurity. Monica mentioned the Associated Students Monday pop-up pantry at the annex serves approximately 200 students weekly. Jackie inquired about the possibility of moving the pantry to former Village Fitness Center space, and share the space with Health Promotion and Wellness. The annex space does not accommodate a refrigerator and therefore can only offer non-perishables. The Marin Food Bank has suggested they could double the amount of food donated if the pantry were in a bigger space. Further, the former Village Health Center space has showers to accommodate students facing housing insecurity. Currently many housing insecure students are showering in the Mashouf Wellness Center.

Jason provided an update on the space: UCorp returned the Village space to the University when the Village Health Center moved out. At the time, UCorp was still responsible for covering the rent for the space, approximately \$5K monthly. Finding a replacement vendor was difficult due to UCorp's short lease and the cost for improvements a vendor would need to make the space fit for any other type of service. The space is currently being used as storage for Sodexo as they begin their renovations, however Sodexo is not using all of the space. With tenant upgrades, the space may be conducive to other uses. Perhaps dividing the space into multiple, would allow for a portion to generate enough revenue to cover the rent, and the other spaces could be offices. Gene mentioned VP Hong has put together a working group on the matter of food insecurity, and he will share with the board their report with programmatic and standing committee recommendations when it is available. Trevor asked if this was a matter the board was interesting in pursuing. Brian, Gene, and Kal agreed there was value in such efforts, and that such efforts would fall in line with UCorp's mission.

Trevor will remain in communication with Jason on the matters discussed and report back to the board.

V. Annual Audit Outcome Report from the Audit Committee Chair, Rob Strong

There was no objection to skip this item until after the Executive Director's report.

Anoshua reported out on behalf of the audit committee. The auditor's report was good, nothing to report. There were no findings. The auditors were pleased at the successful implementation of suggestions from the prior year.

Tammie presented the report from Grant Thornton, highlighting the following:

Management Discussion and Analysis:

- Pages 8-17 of the report are prepared by management to discuss and explain trends and changes, and UCorp's financial position and operating activities.

Statement of Net Position

- Net position increased by approximately \$6 million. This was largely due to an increase in contributions associated with the comprehensive campaign (about \$5 million) and investment income (about \$2 million).

- Grants and contracts revenues were nearly the same compared to prior year.
- Overall, there was not a large change in expenses compared to prior year. Most of the increases are due to increased due to salary increases and expenses related to additional projects.

Note 2- Summary of Significant Accounting Policies:

- Unrestricted net assets: UCorp's balance here is \$875K instead of the usual \$500K due to the Board's resolution supporting the renovation costs for the University Club.
- Pledges receivable: Note 2 provides a comparison 2017 and 2016 pledges receivable, and also provides information about discount calculations.

Note 3- Investments:

- Provides an overview of UCorp's portfolio composition

Note 4- Fair Value Measurement

- Provides the fair market value of the investment holdings.

UCorp's and other auxiliaries' audited financial statements are included in the campus financial statement as component units. Pages 36-46 of the report are a recasting of UCorp's data to match the CSU format.

VI. Report from the Finance Committee Chair, Kal Salama

The information presented in the Beacon Pointe for the period ending August 31, 2017 represents the first two months of the fiscal year. In terms of performance, things are ahead of schedule with a 3% return, compared to UCorp's budgeted 5% for the year.

Thus far the market has shown to be impervious to Washington and geopolitical environments, and continues to run smoothly in terms of volatility. Bonds are also performing fine despite the threat of interest increases.

Kal also noted that the committee has begun the process of meeting UCorp's managers.

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

Tammie presented the financial statements for the period ending July 31, 2017, noting that the timing of the audit's end in September dictates when the July financial statements are available to present. UCorp will not see trends in activity until the end of the first quarter; summer is a quiet time on campus and activity begins to pick up again in August. The following was highlighted:

Statement of Revenue and Expenses:

- Investment income continues to come in ahead of projections. In July it was \$325K, in August it is close to \$400K.
- The negative revenues/expenditures for grants and contracts and programs is based on how UCorp accrues expenses. They usually net out around in September.

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- The presentation of this report has been altered to separate general business and operations/vending. It is too early to point out any notable activity or recognize trends in this report.

Tammie noted that the finance committee has invited Beacon Pointe to present services offered related to 403b plan due diligence and fiduciary responsibility. It was brought to UCorp's attention by Grant Thornton that it is the corporation/Board's responsibility to monitor investment vehicles offered to UCorp employees. UCorp's current vendor is TIAA Cref. Though many of UCorp's employees are students who are not counting on what they make with UCorp for their retirement, UCorp does also have some long term employees for whom the 403b plan is very important.

VIII. Report from the Director of Operations, Chris Farmer

Chris reported that UCorp's self-operation stores are off to a good start. Last year in the first quarter the self-operation stores were down double digits. Management worked closely with the retail and commercial services committee to turn things around.

Lobby Shops is performing 2% above budget, and 13% over last year. Healthy U is below budget, but 5% over last year.

Ctrl+P is 30% over budget and is experiencing its third year of growth.

The new self-operations office is almost ready. The furniture has been delivered and the team is very excited. The new office provides a back office space for Ctrl+P that will open floor space in the shop and allow for more self-serve stations.

Shop24 is down 30% and just barely breaking even. UCorp is depreciating the shop over seven years, though we were able to pay it off in the first five years. Still, the shop serves a purpose and brings in about \$100K annually (at its peak it was doing \$200K annually with 70% card transactions).

IX. Report from the Executive Director, Jason Porth

Jason began his report announcing some UCorp wins:

- On behalf of the Journalism Department and Xpress Publications, UCorp was able to successfully bring to campus new newspaper kiosks to house the student publications and also generate revenue for Xpress Publications via ad space. The process was long- two years- because this was the first time the campus has seen advertising on campus. It took a lot of coordinating and communication with campus stakeholders to get it right. Victory was seen through a collaborative approach, making something work for a department at their request.
- Anthony Victoria and Shae Hancock put a lot of work into launching a new option for UCorp. Our former vendor, CashNet, was a little clunky and not mobile friendly. The new vendor, AMPLO Sprout is both user and mobile friendly. Anyone with a UCorp account can request one.
- The Pacific Learning Institute is expanding its ropes course team-building operations to include camping- one of the only two legal campgrounds in the city of San Francisco.

Public Private Partnership Conference:

Jason attended a P3 conference. UCorp will soon be breaking ground on its first P3 project, the first block of the Holloway Revitalization. The SF State campus deserves the best we can provide, but, regrettably, the state does not pay nor provide the resources for what it once used to. The conference was insightful in highlighting the pros and cons of utilizing private resources. Moving forward we will have to consider what we are selling vs what we will gain in P3 projects. The chancellor's office has been providing resources and encouraging experimentation with P3 structures. Bottom line: go in with eyes wide open.

Holloway Revitalization Project:

UCorp has been working closely with both state-side and UCorp counsel on negotiating the language for agreements with the development team, and is very close to signing. There is a lot to consider when negotiating language for events that might happen 65 years from now. We are still on target for a summer 2018 groundbreaking and 2020 grand opening. A guaranteed maximum price for construction has been agreed upon. The project is open for bidding- we hope the bids come in with the budget. Otherwise the schedule may be effected.

Innovation Fund:

UCorp's ability to assist in funding a faculty person to secure a patent has led to exciting things. More faculty have been coming to share with ideas with UCorp.

Business Interruption from Poor Air Quality:

Unhealthy air quality from the North Bay fires led to a day of campus closure. The unexpected closure affected our vendors' business operations. Though our leases do not hold us accountable for unexpected business interruption, UCorp wants to be mindful that we are fulfilling the role of a good business partner. UCorp is considering how to move forward, keeping in mind that any sort of relief offered to vendors would come from the revenues that would otherwise go to Associated Students.

Trevor made an announcement about the Collaborating Through Difference Workshops, organized by Victoria Chen in the Communications Department with the support of Associated Students. The workshop will be held on October 31, and will provide a place for guidance about how to have conversations with people you disagree with. UCorp will be covering the cost of food for the event. Jackie added that Associated Students has been working with the new Equity and Community Inclusion Division to continue other dialogue work, such as conversations about DACA, hate speech, etc. The hope is to collaborate further to develop on ongoing series for dialogue.

X. Schedule of Meetings

Board of Directors:		
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

XI. Call for Adjournment

There being no further business to conduct, The University Corporation, SF State Board of Directors meeting was adjourned at 4:18 p.m.

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


Aye: 14 No: 0 Abstain: 0 Absent: 3

Secretary Certification

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

Action Item No: 20171211-01



Bonnie Li Victorino, Secretary