



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

Board of Directors Meeting Minutes

Friday, February 23, 2018
 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 3:02 p.m. at San Francisco State University, Administration Building, Room ADM 153 L.

Board Members Present

Trevor Getz, Chair
 Brian Beatty
 Maureen Carew
 Anoshua Chaudhuri
 Gene Chelberg
 Nancy Gerber
 Bonnie Li Victorino
 Jay Orendorff
 Jason Porth
 Kal Salama
 Alison Sanders

Board Members Absent

Neil Cohen
 Monica DiLullo
 Hrag Kalebjian
 Auggie Melendez
 Kathy O'Donnell
 Rob Strong

Others Present

Chole Campbell, Senior Rep., Associated Students
 Constance Cavallas
 Chris Farmer
 Tammie Ridgell

1. Approval of the Agenda

There were no objections to the agenda as presented.

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

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

BOD Resolution No. 20180223-01

II. Public Comment

There were no members of the public present.

Chloe Campbell, Senior Representative for Associated Students, introduced herself to the Board. Chloe will serve as a student representative on the Bookstore Advisory Committee. No resolution will be needed as she will not be joining the Board of Directors. Chloe attended this meeting on behalf of student representative, Monica DiLullo.

III. Board Announcements/Constituent Reports

There were no reports from constituent representatives.

Trevor urged the Board to read President Wong's email dated February 23, 2018, noting that it is rare to see such a heartfelt message and statement from leadership.

IV. Resolution: Acceptance of Updated UCorp Employee Bonus Award Program Policy Action

WHEREAS, The University Corporation, SF State (UCorp) has the need for a mechanism to recognize its employees who make significant contributions to the success of the UCorp and/or UCorp programs/projects, in serving and meeting the needs of the University.

WHEREAS, the former bonus incentive program requires updating and further revision.

THEREFORE, BE IT RESOLVED, UCorp adopts stated policy, authorizing recognition and compensation for its employees considered for participation in stated bonus award program, in accordance with approved protocol.

Policy Language:

This policy shall replace and supersede all previous bonus/incentive policies and procedures of the University Corporation, San Francisco State (UCorp).

Upon the recommendation/request of a UCorp project director, the Executive Director may approve a bonus award to UCorp employees who distinguish themselves through their contributions to UCorp and/or their UCorp program/project. Through their efforts and leadership, these UCorp employees will have demonstrated the ability to promote the UCorp's and/or their program/project's mission. Bonus awards are also granted in recognition for achieving a specific goal or tangible result. The Executive Director may also recommend a bonus award.

A bonus award may be given after the completion of one year of service and completion of the UCorp employee's annual performance review(s). The bonus award may be given in place of, or in addition to, any other increase in base salary that may be granted as a result of merit, promotion, or reorganization, but does not increase the base salary of the employee. A bonus award may not be paid more than once in a 12-month period.

The bonus award will be funded from the specific UCorp program/project making the recommendation.

The bonus award is a single, non-recurring payment and the amount is subject to approval of UCorp's Executive Director. It is recommended the amount does not exceed 10% of recipient's annual salary.

A request should be initiated by the UCorp project director and/or Executive Director, submitted in writing, with specific details justifying the Bonus Award, including but not limited to, the outstanding project, assignment, skill or implemented process, along with the time-period of involvement. A narrative further outlining the accomplishments, unique contributions and/or advancements, is also requested to substantiate the recommendation.

The UCorp project director should not advise their UCorp employee that they have been recommended for a bonus award, unless it has been reviewed and approved by the UCorp Executive Director, and notification has been received from UCorp's Personnel office.

The Bonus Award Program Policy applies to University Corporation employed administrative staff and program employees. Updates specify what types of programs are covered by the policy and add frequency and cap details for the bonus. The policy updates also specify who has authority to recommend and approve bonuses, and the requirement of an annual review to be on file.

The change in this policy was prompted by UCorp's desire to match the educational discount benefit received by State employees on campus.

Maureen Carew asked the Board to consider the equitability of 10% cap on salary, being that employees may have widely varying salaries.

After further discussion, Jason Porth proposed to amend the 10% cap on salary to a cap of \$8K or 10%, whichever is greater.

It was motioned for the Board to vote to accept the resolution, with direction to the Executive Director to amend the policy to read, "It is recommended the [award] does not exceed \$8,000 or 10% of the annual salary, whichever is greater."

It was moved by Gene Chelberg, seconded by Kal Salama, and approved unanimously.

V. Report from the Finance Committee Chair, Kal Salama

Kal presented the investment portfolio performance for the quarter ending December 31, 2017, highlighting the following:

- The current economic climate is good.
- Equity had a good year.
- Interest rates are expected to increase.
- The market has been very stable. There have been 15 straight months of increase, a record.
- Our investments are up 6%, and have stayed ahead of budget to date.

Fin Tech Conference

UCorp and the College of Business will cohost a fin tech conference on campus in December. As hosts, we can influence content, require free admission for students, request students and faculty be included on the panels, etc. This is great promotion for the university.

Ucorp's expense will be cost associated with use of 7 Hills, \$700-1,200 total, to be covered by non-state funds.

Custodian Change

After completing an RFP process with assistance from Beacon Pointe, UCorp will be changing our custodian from UBS to Schwab.

Asset Allocation Change

At the recommendation of Beacon Pointe, UCorp will reduce domestic equities by 11% and increase in international equity by 11%. The Finance Committee reviewed three funds and selected SPDR.

SPDR charges 20 basis points. It is a fossil fuel free fund.

The Finance Committee discussed moving toward a fossil fuel free portfolio to align with the Foundation. Currently UCorp's portfolio is designed to be ESG oriented. Beacon Pointe will be providing the committee with a summary of our ESG holdings. The Finance Committee will review the social responsibility portion of UCorp's Investment Policy Statement.

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

Tammie presented the financial reports for the period ending December 31, 2017, highlighting the following:

Statement of Revenue, Expense, and Changes in Net Assets

- Retail revenue is slightly down. This is primarily due to the loss of the Village Fitness Center which was an approximate \$118K pass-through to the University.
- UCorp does not have negative contributions. This is related to reversal of accruals. About
- Scholarships expenditures are related to timing. Scholarship disbursement is not related to UCorp decisions. Rather, increases are related to more money coming into programs or more endowment spinoff. The money is issued to the campus; Financial Aid is in charge of disbursing all scholarships.

FSR

- UCorp has three revenue sources: IDC, investment income, and business income.
- IDC from grants and contracts continues to decrease as more grants go to the university. UCorp receives foundation related grants or those which specifically call out need for a 501(c)(3).
- Though an agreement has not been reached yet, we are expecting to collect a flat rate from the campus to cover the cost of zero IDC grants. UCorp's role is to house grants, even if at a loss, for the overall benefit of the University.
- IDC from program administrative fees is projected to be down 15% from budget. Administrative IDC varies depending on how much revenue the programs bring in.
- Food vending business revenues look to be up 20%, however \$99k is related to UCorp's orientation voucher program with vendors. There is an offset in the expenses. The program nets about \$30K.
- Investment income has continued to perform over budget. The degree of over performance is related to the smoothing technique UCorp uses to budget investment income.

Shops

- Overall, the shops are up 1% of net profit.

- The Net Profit Budget vs Actual for the 2nd Quarter shows Ctrl+P continues to do well. There is a slight decrease for Healthy U and Lobby Shops. We are seeing a significant decrease for Shop24 in its cash-only state.

UCorp 403(b) Management

- After further discussion with the Finance Committee, UCorp will be extending the services of Beacon Pointe to include management of UCorp's 403(b) plan. Management includes looking at investment vehicles and plans offered to employees. Prior to now, UCorp had let the 403(b) plan self-manage.
- The fee for this service is 50 basis points up to \$5 million, or about \$25K annually. UCorp is at about \$5 million. The Finance Committee considers three scenarios to cover the annual fee: UCorp pay outright, pass a portion to participants, or run through burden pool. The committee determined UCorp covering the fee fully to be the best option. UCorp can only charge active participants- there are fewer than 10 and the maximum they can be charges is \$100 each. The burden pool option would only generate \$100 a year.

VII. Report from the Director of Operations, Chris Farmer

Self-Operations

UCorp's self- operations are running smoothly. Lobby Shops, Health U, and Ctrl+P are all performing ahead of last year.

Sugar Tax

The sugar tax went into effect in January- though it is pretty significant, UCorp hasn't noticed a difference in buying patterns yet.

Credit Card Processing

UCorp removed credit card minimums; our credit card fees are down about 30%. Chip readers arrived this week. Chip readers removes liability for chargebacks and also allows for the shops to accept Apple Pay. We expect no delay in processing time, and an additional \$10K in savings from processing fees annually.

University Club

UCorp is working on a network reconfiguration to make space for the University Club in the former mezzanine offices. All the rewiring should be completed in the first few weeks of March. Security is all up and running properly.

Shop24

Shop24 is no longer operating at its full capacity and is bringing in less than half of its peak revenues, from \$200K to \$80K. Chris and Andrew will be attending the National Automatic Merchandising Association convention in March. In addition to Shop24, the Mashouf Wellness Center also has unique needs for vending items such as yoga mats.

Student Center ATMs

The Student Center now has new Chase ATMs fully functioning.

Mashouf Juice bar

Clean Bites is anticipating a soft opening in early March and a grand opening in April. The final health inspection was yesterday.

VIII. Report from the Executive Director, Jason Porth

Holloway Project

UCorp signed the agreement with developers on January 12. The project will break ground this summer, after students move out of Block 6. The project will open in Fall 2020 with 167 units and over 400 beds.

The developers had the ability to select their financial partner. We expected they might have chosen a big bank, but they chose American Campus Communities (ACC). ACC had responded to the initial Holloway RFQ, but were not selected because they did not have a local partner and the team was not impressed with the architects they had proposed to work with.

While the agreement terms will remain unchanged, ACC will manage onsite housing operations management instead of Capstone. Student Affairs will still run residential life programs. Luoluo and the housing team have all been made aware of this change. Luoluo is comfortable with the change as she has experience working at ACC from Arizona State.

There will be minor changes, like insurance language. Jason will have the authority to approve such changes.

There was an accessibility follow up meeting last week. The development team worked hard to ensure universal access. Even seemingly minor changes make a big difference. For example, the main entrance address will be 2 Varela so that it is at an accessible grade.

The developers are looking at a pharmacy or grocer for main corner retail space. SF State is interested in at least one of the six possible leaseback locations.

Real Estate Manager

A new Real Estate Development Manager position has been create to work on future P3 projects. This will be through University Enterprises, but will work closely with UCorp.

AT&T Commencement Contract

The Spring 2018 Commencement contract was signed. Commencement will be Thursday May 24 at AT&T Park.

Work done by UCorp behind the scenes:

- North Bay fires: our staff set up a fund and website to collect fire relief donations for our campus community. UCorp split the funds between two employees who suffered extraordinary loss and reached out for assistance. It was not a lot, but it was an opportunity to give and to receive.
- Chris is chairing the AVP for CPDC search committee
- Constance is staffing the VP for A&F/CFO search committee.
- Our Chair, Trevor, is an acclaimed scholar and has a book coming out in March: A Primer for Teaching African History.

IX. Schedule of Meetings

Board of Directors:

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|------------------------|------------------------|--|
| Monday, April 16, 2018 | 3:00 p.m. to 4:30 p.m. | ADM 153L, Admin Building 1 st Floor |
| Monday, May 14, 2018 | 3:00 p.m. to 4:30 p.m. | ADM 153L, Admin Building 1 st Floor |
| Monday, June 25, 2018 | 3:00 p.m. to 4:30 p.m. | TBA |

X. 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 16 day of April 2018, by the following vote:

Aye: 16 No: 0 Abstain: 0 Absent: 1

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on April 16, 2018, 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 April, 2018, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20180416-01



 Bonnie Li Victorino, Secretary