



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, April 16, 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
Anoshua Chaudhuri (3:42 p.m.)
Gene Chelberg
Neil Cohen
Monica DiLullo
Nancy Gerber
Hrag Kalebjian
Bonnie Li Victorino
Auggie Melendez
Kathy O'Donnell
Jay Orendorff
Jason Porth
Kal Salama
Alison Sanders
Rob Strong

Board Members Absent

Maureen Carew

Others Present

Constance Cavallas
Chris Farmer
Anthony Victoria

1. Approval of the Agenda

There were no objections to the agenda as presented.

2. Approval of the Board of Directors Meeting Minutes for February 23, 2018**Action**

The February 23, 2018 minutes, as presented, were approved with no objections

BOD Resolution No. 20180416-01

II. Public Comment

There were no members of the public present.

III. Board Announcements/Constituent Reports

Monica reported out on behalf of the Associated Students.

- Associated Student terms will be ending this month.
- The Associated Students will be asking the campus administration to offer space for a permanent food pantry, to be discussed at this Wednesday's Board meeting. The current weekly pop-up model is not adequately meeting students' needs. Fourteen of the 23 CSU campuses currently run permanent food pantries. As part of the CSU Basic Needs Initiative, SF State received a one-time grant for the purpose of improving food access.

Gene provided additional context. The campus' Basic Needs Initiative Committee reports to the Health Promotion and Wellness, which reports to Gene in his role as the Associate Vice President for Student Affairs and Enrollment Management. The grant money received from the state is to fund a full-time staff to manage the pantry as well as purchase the equipment required to store food. The committee is working with Associated Students and other campus partners to fulfill the needs of our students.

IV. **Resolution: Approval of Charles Schwab Certificate of Authority and Corporate ResolutionAction**

BE IT RESOLVED, that The University Corporation, San Francisco State (UCorp), approve the attached authorization and resolution required and relative to accounts transferred to and held by Charles Schwab in their newly authorized role as UCorp's financial custodian,

BE IT FURTHER RESOLVED, that the attached resolution also apply to the opening of an Inherited IRA account with Charles Schwab, for the purpose of accepting a beneficiary donation to the University.

Certificate of Authority and Corporate Resolution

The Corporation adopts the following Certificate of Authority and Corporate Resolution.
The undersigned certifies that:

1. Each individual whose signature appears below (each, an Authorized individual) is authorized (1) provide tax certifications; establish, maintain, and operate an account(s) with Schwab on behalf of the Corporation and to bind the Corporation to the Application Agreement and all incorporated agreements and disclosures, including, but not limited to, the Schwab One Account Agreement and the applicable Charles Schwab Pricing Guide, each as amended from time to time (the "Agreement and Disclosures"); and (3) designate persons to operate such account(s).
2. Each authorized Individual is authorized to act individually, independently, and without the consent of the board or any director, officer, or other person of the Corporation. Notice sent to any Authorized Individual will constitute notice to the Corporation. Nothing in the organizational documents, agreements, and laws governing the Corporation imposes any obligation upon Schwab for determining the purpose or propriety (1) of any instructions received from any Authorized Individual or (2) of payments or deliveries to or among Authorized Individuals.
3. The Authority thereby conferred is not inconsistent or in conflict with the Certificate of Incorporation, charter, bylaws, resolution, or other applicable constituent documents of the Corporation and is within the Corporation's corporate power and authority and agreements and laws governing the Corporation.
4. The signatures that appear below are true and genuine original signatures.

The information set forth in this Certificate of Authority and Corporate Resolution is true and correct, and Schwab may conclusively rely upon this Certificate of Authority and Corporate Resolution until the Corporation delivers a written replacement Certificate of Authority and Corporate Resolution to Schwab at an address specified by Schwab.

Jason Porth Executive Director _____
Trevor Getz Chair _____
Allison Sanders Vice-Chair _____
SIGNATURE Bonnie Li Victorino _____
Title Corporate Secretary _____
DATE April 16, 2018

The "Certificate of Authority and Corporate Resolution" language provided by Charles Schwab is needed to complete the process of transitioning UCorp's investment accounts from UBS to Charles Schwab. This document permits UCorp's officers authority as signers for the accounts.

The same resolution will allow for UCorp to open a short-term account needed to receive a donation. Tammie will ensure the account is closed thereafter.

Gene Chelberg motioned for approval of the resolution approving the Charles Schwab Certificate of Authority and Corporate Resolution. It was seconded by Neil Cohen. Rob Strong abstained from the vote. The resolution passed with 15 ayes.

BOD Resolution No. 20180416-02

V. Report from the Finance Committee Chair, Kal Salama

Custodian Change

With the signing authority in place, UCorp's accounts will be moved before the end of the month. Following the transition to the new custodian, UCorp will move 11% of U.S. equities to international equities, as has been suggested by Beacon Pointe and discussed by the Board at the February 23, 2018 meeting.

Portfolio Performance

Kal presented the Investment Portfolio Performance Report for the period ending February 28, 2018, highlighting the following:

- The month of February was volatile in the market. Still, UCorp's portfolio performance was mostly flat. The fiscal year to date performance is still up almost 6 basis points. If the portfolio performance remains the same for the remainder of the year, UCorp will still meet projections.
- Noise in the market right now is about trade and politics. Still, the overall economy has continued to improve. Federal Reserve rates will be going up.
- A more robust report will be available at the next meeting after the quarter has ended.

Fintech Conference

The Terrapinn conference is set to take place in December. Constance will serve as UCorp's point person.

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

Tammie presented the financial reports for the period ending February 28, 2018, highlighting the following:

Revenue and Expense

The Revenue and Expense report includes everything that comes into UCorp. This does not directly correlate to UCorp's budget as it includes a mix of restricted and unrestricted funds. UCorp Management has a responsibility to keep the Board informed of how the whole organization is functioning.

- Program revenue is ahead 16% because of timing of funds received, and because of endowment spinoff. At this time of year it is difficult to know how the year will end.
- Retail not behind 18%. This is also related to timing. Commission from Follett had not be recorded before the period closed. The commission check has since been received. The check is less than the check prior due to a decrease in the Bookstore's performance.
- Rental revenue only looks to be down. This is related to the Village Fitness Center. UCorp served as a pass-through for the University when it collected rent for the Village Health Center in prior years.
- The increase in "other" revenue is related to student organization activities. About \$150,000 is current year activity. UCorp does not charge administrative fees to student orgs. UCorp had negotiated with the University to recoup costs.
- Scholarship expenses are up and are expected to increase at the end of the fiscal year.
- Contribution are not down 91%. This is related to an accounting treatment. Pledges are accrued then adjusted as received. To date about \$2.2 million have been received.

Rob Strong noted the steady decline in Bookstore profits and the effect on UCorp's commissions. There were no objections to continuing discussing the Bookstore performance. Anoshua Chaudhuri noted the importance of considering how affordable materials initiatives will affect the need for campus bookstores and the services they provide the campus.

Brian Beatty noted that the Bookstore Advisory Committee will begin to discuss the strategic direction and how a campus store can best serve our campus in the late spring and summer.

FSR

The FSR report compares UCorp's budget vs actuals. The Board approves the budget annually. This report focuses on UCorp's unrestricted funds.

- Investment income up 6% through February. If performance remains flat, UCorp will still end over budget.

Shops

- The overall net profit for all shops is up 7%, or about \$7K.
- Lobby Shops is up 3 % over budget, Healthy U is flat, Ctrl+P is up 10% from budget.
- Shop24 down \$10K from budget and \$35K overall. With Shop24 out of business, some of the loss is mitigated because there are no fees to pay to Shop24.

VII. Report from the Director of Operations, Chris Farmer

Chris Farmer provided the following updates:

Shops

- The shops are off to a strong start for the Spring semester, performing a little over budget.
- New card readers have been installed in the shops. UCorp's self-ops are now able to accept chips and Apple Pay. The installation of the new card readers has allowed UCorp to expand payment options while lowering credit card fees.
- The new sugar tax does not seem to have affected sales. More analysis will be completed at the end of the semester.

Ctrl+P

- Ctrl+P is now in the second year of making profit.
- UCorp's marketing coordinator has begun the first of what will be a quarterly newsletter to send to campus partners and customers. The newsletter will provide updates and highlights on services offered.
- Office Max is no longer providing the delivery service. However, Ctrl+P will still be able to provide a variety of products similar to those from Office Max through a new partnership with a local company, A. Maciel Printing.
- Ctrl+P has acquired new equipment that allows for post printing and booklet production.

Rob suggested conducting a needs assessment for 3D printing on campus.

Hrag suggested Mail Chimp as an email solution for Ctrl+P's newsletter.

Shop24

- Chris and Andrew attended the National Automatic Merchandising Association (NAMA) show in Las Vegas in search for a solution to replace Shop24 and a vending solution for large, nonperishable items in the Mashouf Wellness Center.
- Open 24 looks to be a good solution to meet both needs. The company has already worked with SUNY Courtland to replace their former Shop24 by using the existing infrastructure. The cost of this solution is about a tenth of what Shop24 cost. This will be a summer project.
- Mashouf no longer needs a vending solution for items like yoga mats or goggles as they had originally requested. UCorp may work through our existing vending relationships to accommodate needs for Mashouf as they are identified.

Vendor Subleases

- Ike's closed for Spring Break and, without notice, chose not to reopen. It has been a challenging semester for all of our vendors. There have been multiple hot water and electricity outages in addition to campus closures due to the North Bay fires. Ike's also seemed to have some staffing challenges internally. They have decided to walk away from their contract with one year remaining (through June 2019). UCorp has

been able to assign the remainder of the lease to Nizzario's, who hold the lease for the adjacent vending space. Nizzario's plans to move into the space within the next couple of weeks. They will hold the lease to the end of its term, June 2019. The option for a five-year extension will not be offered. Instead, UCorp will go through a formal RFP process to find a replacement vendor.

- The Clean Bites juice bar in the Mashouf Wellness Center officially opened doors on April 2. The space looks great. The Retail and Commercial Services Committee will visit at their next meeting.

VIII. Report from the Executive Director, Jason Porth

Jason began his report with a "behind the scenes" look at the projects UCorp staff has been working on in addition to everyday business functions:

- Student Org Banking: Ricardo Angeles has been managing the banking of Student Org funds. Two student assistants have been of tremendous help and have been gaining extraordinary experience in their contributions to managing the funds. Students are not charged any administrative fees for this service. UCorp has negotiated with the University to cover associated costs. Getting the program up and running has required a lot of hard work from Tammie's team.
- Audit: Tammie is gearing up for three annual audits, UCorp, AS, and the Foundation, on top of preparing the FY1819 operating budget.
- Clean Bites: Clean Bites opened on April 2. It looks fantastic and changed the whole experience of being in the Mashouf Wellness Center lobby.
- Operation Structure: Chris has done a great job creating paths for career development in UCorp's self-op stores. With the "lead" structure people can move up.
- Pacific Learning Institute: PLI has received approval from the SF Parks Department to allow camping as part of their programming in Fort Miley. This is the second space in the whole city that allows camping.

Follett Changes

Last Friday, Husam Erciyes stepped down from his position as the manager for the campus bookstore. However, he has not left the campus community. Husam will be University Enterprise's new Operations Manager at the Downtown Campus.

Holloway

UCorp continues negotiations with American Campus Communities (ACC) in their role as the financial partner for the Holloway project. This is still an all equity deal. ACC has a lot of experience in student housing. They have asked for modifications to the previous agreement, for instance they want increase loan leverage from 60% to 75%. The proposed change to participation rent is not as sweet. Of the \$640,000 of base rent proposed, UCorp receives about 10% in administrative fees. Jason expressed confidence that a deal will be reached. The construction documents are 60% developed with a Fall 2020 target for opening.

Holloway is mostly concrete, it is not anticipated that the steel tariffs will impact the project. The Chancellor's Office is working with the campus to find resources needed to cover additional costs for the Creative Arts Building.

Director of Real Estate

University Enterprises will be posting the Director of Real Estate position this week. This is not a UCorp position, but the director will work very closely with the UCorp team on real estate projects.

There are real estate opportunities in the near future. Jason will be meeting with the movie theater near the former Macy's/ future Whole Foods to see if there is any interest to sell. UCorp would operate any activities in that space.

Neil recommended the Board consider a process for entertaining small projects/ short-term victories for UCorp to consider and turn-around quickly.

IX. Schedule of Meetings

Board of Directors:

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 4:15 p.m.

Passed and adopted on this 14 day of May 2018, by the following vote:

Aye: 9 No: 0 Abstain: 0 Absent: 8

Secretary Certification

The undersigned state that she is the authorized Secretary of the Corporation and certifies that on May 14, 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 14 day of May, 2018, at San Francisco State University, 1600 Holloway Ave. ADM 153 L, San Francisco, California.

Action Item No: 20180514-01



Bonnie Li Victorino, Secretary