



**STUDENT CENTER GOVERNING BOARD**  
**December 4, 2008**

The Student Center Governing Board at San Francisco State University held a meeting on **Thursday, December 4, at 9:30 a.m. in the Delmy Rodriguez Room.**

<u>Members Present</u>		<u>Members Absent</u>	
Lili Cortez	Derek Aitken	Kit Bomar (EX)	
Guy Dalpe	Dr. Will Flowers	Sokhom Mao (UnEX)	
Raul Amaya (T)	Dr. Rebecca Toporek		
Jackie Husary	Sam Brown		
Don Scoble	Dr. Linda Buckley		
Darlington Nwaokoro	John Saadeh (T)		

  

<u>Support Staff/Consultants/Presenters</u>		<u>Guests</u>	
Neha Shah	Edina Bajraktarevic	Monolito Twyman	Tyler Cornfield
Daisy Martinez	Edward Escamilla	Paloma Dudum-Maya	Jacqueline Mendez
		Sheyla Bolton	

Recording Secretary: Lori Hostetter

**i. The meeting was called to order by Cortez at 9:42 a.m.**

Changes to the agenda for the meeting of December 4, 2008:

- Change items “V.”, “VIII.”, “IX.” to (I) Informational Items.
- Move item VII. “La Raza Waiver Request” to item III.

**ii. Approval of the agenda for the meeting of December 4, 2008. Approved as amended.**

Changes to the minutes from the meeting of November 6, 2008:

- Change pg. 3 “Morishite” to “Morishita”

**iii. Approval of the minutes for the meeting of November 6, 2008. Approved as amended.**

**iv. Public Comment**

**I. Chairs Report**

**1. Annual Retreat**

**Cortez** stated that the annual retreat is being scheduled for January 23<sup>rd</sup> and 24<sup>th</sup> or January 30<sup>th</sup> and 31<sup>st</sup>.

*Amaya entered at 9:46 a.m.*

## **2. University Annual Retreat**

**Dalpe** stated that the university annual retreat is held every other year at the downtown campus and that in past SCGB has made a presentation about current issues with the CCSC. He asked how the Board felt about sending a representative to this year's retreat.

**Buckley** responded that it would be a great idea to get a different perspective about what's going on with the campus. She added that the new general education program will be presented this year and that it would be a good idea to get that information directly.

*Saadeh entered at 9:48 a.m.*

**Toporek** commented that as far as making a presentation this year, the university already has more proposals for presentations than they can accommodate.

## **II. Governing Board Election Results**

**Cortez** announced the official 2008 SCGB election results and the top three candidates were:

**Jacqueline Mendez** with 841 votes.

**Tyler Cornfield** with 700 votes.

**Paloma Dudum-Maya** with 586 votes.

**Motion to approve the official 2008 SCGB Election results.**

**Moved by Husary. Seconded by Saadeh.**

**Aiken** asked what the difference between voter turnouts for the online voting system versus the table voting system.

**Dalpe** stated that an electronic voting station was set up along side the table voting and a final number was not yet determined.

**Brown** asked if there was a way to check the IP addresses for the electronic votes.

**Dalpe** responded affirmatively. He added that the IP addresses were already checked and that there was no consistency that said a large number of votes were coming from one location.

**Motion passed.**

**Dalpe** welcomed the new Board members and announced that they will take office in January 2009. He added that the new Board members would need to attend the annual retreat and to please provide information to business office as soon as possible, to begin to set up the orientation process.

## **III. La Raza waiver request- 2007/2008 Noche de la Familia Event Charge**

**Dalpe** stated that La Raza was sent a brief synopsis of the charges being assessed for this event and that La Raza responded with an informational letter, which included a breakdown of their costs for this event. He added that on the proposal, La Raza shows a breakdown of costs and there is a component where people pay to attend this event; however, there is no breakdown provided for the revenue to La Raza from this event.

**Motion to waive La Raza Event Charge fees totaling \$1881.00 as requested by La Raza.  
Moved by Husary. Seconded by Brown.  
1 nay. 5 ayes. 3 abstentions.**

**Motion passed.**

#### **IV. Committee Chairship- Vendor Services**

**Cortez** nominated **Amaya** for chair ship of the Vendor Services Committee.

**Amaya** accepted the nomination.

**Motion to approve Amaya as chair of the Vendor Services Committee.  
1 abstention.**

**Motion passed.**

#### **V. Committee membership- Vendor Services**

**Motion to approve Lee Twyman to the Vendor Services Committee.  
Moved by Husary. Seconded by Saadeh.**

**Dalpe** stated that with the number of students of the Board, we would like to have more students on this Board sit on this committee.

**Nwaokoro** responded affirmatively. He stated that he would like to join the Vendor Services committee.

**Cortez** reminded the Board that in January new committee members and chairships would be open for assignment again.

**Aiken** suggested that at the annual retreat the Board should try to set meeting times for the committees.

**Toporek** asked if is there was anything in the SCGB By-laws that would prevent conference calls for committee meetings.

**Dalpe** replied that there is nothing in the By-laws that prevents SCGB from utilizing conference calls to resolve a schedule conflict for meetings, so it is an option but it is ideal that committee members be present in person.

**Motion passed.**

**Motion to approve Nwaokoro to the Vendor Services Committee.**

**Moved by Husary. Seconded by Saadeh**

**1 abstention.**

**Motion passed.**

#### **VI. 2008/2009 Budget Timeline**

**Dalpe** stated that this has been a standard process to bring the timeline forward so, we wanted to have this as information and information for the 1<sup>st</sup> quarter results for approval. He asked that Finance committee members, please look at the timeline coming up this spring and if there are any complications please let him know early so the process can move forward as expeditiously as possible.

#### **VII. PACE waiver request- Fall Event Charge**

**Cortez** stated that she emailed PACE a few times, hoping that they would be present at this Board meeting.

**Dalpe** noted that this is the third time the Board has considered their request and that the Board should make it clear that at the next Board meeting in February, will be the last time this will be considered for an action item.

**Motion to table item “VII. PACE waiver request- Fall Event Charge”**

**Moved by Scoble. Seconded by Husary.**

**Motion passed.**

#### **VIII. 1<sup>st</sup> Quarter 08/09 Investment report**

**Bajraktarevic** reminded Board members that this past quarter has been one of the most detrimental economic slumps in history, the crisis from July 1<sup>st</sup>- September 30<sup>th</sup>. She added that with the many buyouts and many bailouts, the current government was hoping that would restore some of the capital in the market by the end of this quarter; however, the market was still weak, and the equity markets feel, for the first time in the first week of October going into the 2<sup>nd</sup> quarter, the markets fell sharper. Equity markets falls during this quarter, fourth quarter in row. Last time we saw that was in 2002. What the CCSC needs to prepare for is the results of the worst decline in equities, which came in the first two weeks of October, when we see some of the deepest declines in equities since 1987 stock market crash. Additionally, Bonds dropped dramatically from an initial peak at \$147 a barrel, oil has now declined by over 60%. Even gold dropped from a \$1000 an oz to approx. \$700, which is about a 30% drop. And what is following for the CCSC is not the usual performance with our Merrill Lynch and Charles Schwab investment funds; for the allocation of CCSC mutual funds the reports show 27% and 4% cash for Merrill Lynch, who reacted in July to the market. The first quarter investment chart shows the totals or 3 accounts the CCSC has that include Merrill Lynch, Charles Schwab, and our LAIF account. If we look at the pie chart for Merrill Lynch, the 27% in mutual funds and 4% in cash markets is dramatically different than how it was when the CCSC reported for the fourth quarter

2008. She explained that what happened was that in July when Merrill Lynch reacted to the market decline by moving \$100,000 from cash into liquid funds, the move was conservative but it did not work out as expected since this market suffered.

**Dalpe** explained that since the value of bonds was decreasing and the percentage rate was increasing, the CCSC broker at Merrill Lynch thought it was an opportune time to buy corporate bond mutual funds as the CCSC can expect to receive both the higher interest component and the rising value as these funds rebound. The move into these instruments was bit early, however as the values continued to drop through the fourth quarter and into the first. He added that currently, bond mutual funds are still considered very good investment opportunities but it is undetermined how long this fund will need to be held before a return is gained.

**Bajraktarevic** stated that the Merrill Lynch investment account went from \$664,000 to \$574,000, which is about a \$90,000 loss for three months, overall \$135,000 loss since the last report from July 1<sup>st</sup> thru September 30<sup>th</sup>. The Charles Schwab account reports a \$23,000 loss for this quarter. In mutual funds the CCSC account went from \$226,000 to \$287,000, which is a \$50,000 gain, but \$100,000 was moved at the beginning of a period making it a loss essentially. The CCSC uses the industry benchmarks compared to the year, and the CCSC is still doing best for the year and the rest of the industry is doing much worse. She added that the CCSC is still out performing the market and we need to monitor these accounts closely. She stated that quick decisions are usual a recipe for disaster, so we should note that the recession that we're in isn't going away slowly and we'll have to monitor our accounts through this. She stated that for the CCSC portfolio and moving forward, the CCSC needs to keep in mind of the state of the economy and that this is a difficult time for investors. She added that it is important to remember that investing is a long-term endeavor and that experts always advise us to stick to a long term invest discipline rather than to make decisions on a short term trend and it is important to note that this is a lasting recession and any growth will come slowly and after a period of time. She pointed out that these facts are indicators that there may be a better way for the CCSC to invest at this time and that the Board should consider revising the CCSC investment policy. She added that the downsizing of financial services like banks restructuring and even Merrill Lynch being bought out by Bank of America, the government is getting more involved and is taking on more oversight and this sector will eventually come out more consolidated.

**Aiken** asked what would happen with the Bank of America with the take over of Merrill Lynch.

**Dalpe** stated that B of A has strength in the banking and leading and that the merger will strengthen its position in equities. As such, it is supporting the continuity of the brokerage branch of Merrill Lynch. He added that a more critical discussion is that the Board should look at the exposure it currently has in the markets. He explained that the Board wants to reserve capital and right now the bond market is doing very well; it's less risk than what the equities have on the table, but this won't be a quick turnaround, so the returns will be slow for the next year. He added that this issue would be discussed at the finance committee level before it comes back to the Board.

**Scoble** asked how often does the Merrill Lynch representative meets with the committee.

**Dalpe** stated that he did not meet that often with the committee.

**Scoble** suggested that a committee meeting with his attendance would be good.

#### **IX. 1<sup>st</sup> Quarter 08/09 Financial report**

**Bajraktarevic** reported the 1<sup>st</sup> quarter revenue vs. expenses. She explained that on the revenue side, the CCSC is looking at roughly 25% from food services since there is only one billable month during that period this percentage is lower. She noted receivable items captures the loan payoff from the bookstore and conference services which look like a much stronger year, as well as the recreation center, which is slightly underperforming and this is a continued decline. She stressed that for revenue for the CCSC, food services reported a lower amount due to eight academic months and at the end of the first quarter, only one billable month was calculated. Also, investment related interest/gain reflects the dramatic downturn in the market. She added that commercial / leased services and general services is reporting as expected, conference services appears to be reporting a stronger year than anticipated, and the recreation center is continuing to show a decline in billiards as we have been reporting for a while and in anticipation for this drop, this decline was calculated into the budget expectation for this year from the previous year but continues to see a decline in our area and are continuing to work with out games room on new innovative programs to attract more business to that area.

**Toporek** asked if Rac ‘n’ Cue holds private events or if people can reserve this space.

**Bajraktarevic** replied affirmatively. She added that for expenses, there is a lot of line items that we pay that are not quarterly, some bills are paid once a year, and so these percentages will appear to be off for this reason. She added that in general in this category, CCSC spending for some items happens when billed, which isn’t quarterly, like utilities, DPS, insurance, some products and services get purchased as needed like supplies and travel.

**Toporek** asked about the DPS Fee issue overall. She reminded Board members that it is very important to put together an ad hoc committee to deal with this issue.

**Aiken** stated that given the nature of the state budget and that the university is expecting a large cut, the prediction is that the discussion will be a long and hard one. He added that to his understanding, the Board is not contending the amount, just the process and the formula. He stated that the first step is to schedule a meeting with Dr. Saffold.

#### **X. Closed Session- Leases**

*Motion to move into closed session at 10:41 a.m.*

*Motion to move out of closed session at 11:49 a.m.*

**Motion to accept the Thai proposal, with the understanding that the Fire Marshall must approve the vent less hood.**

**Moved by Buckley. Seconded by Scoble.**

**2 nays. 1 abstention.**

**Motion Passed.**

## **XI. Committee Reports**

### **1. Finance- no further report.**

### **2. Rules- no further report.**

### **3. Audit**

#### **a. Audit Risk Assessment**

**Dalpe** stated that the request for proposals went out to auditing firms and the results are expected back January 5<sup>th</sup>, 2009.

#### **b. 2008/2009 auditor RFP- no further report.**

### **4. Community Relations**

#### **a. Palestinian Mural Celebration**

**Husary** announced a meeting next Wednesday at 2:30 p.m. She stated that this celebration was a low-key event due to lack of money and lagging outreach, but the evening event was great; the play was very well liked.

#### **c. Richard Oakes Celebration**

**Brown** stated that this event was a success.

### **5. Vendor Services- no further report.**

### **6. Master Plan**

#### **a. Mural Plaques**

**Dalpe** stated that one meeting was held, but it had no quorum. He stated that this project is moving along with most projects and currently the committee is looking at size, locations, and test, and trying to imagine where the plaques will be since they will be about 2ft by 4ft with about 300 words.

#### **b. Overview, Other Current Projects**

**Dalpe** stated that the bathroom plans are still with the state architect for approval. The next committee meeting will be held next Monday to discuss this project, mural plaques, and railings project.

**Cortez** asked for an updated timeline for this annual retreat.

### **7. Human Resources**

#### **a. San Francisco Minimum Wage Rate**

**Dalpe** referred Board members to the copy of the minimum wage document included in the packet. He stated that the minimum wage is going up and this will impact the CCSC. He asked Board members to review this and consider this decision.

#### **b. 403b Retirement Contribution Rate**

**Dalpe** stated the committee would be looking at our current providing of 11.5% and considering a possible increase to consistent with current level of contribution for university employees to cal-pers, which would be closer to 16%.

### **8. OSPLD Advisory Committee**

**Dalpe** stated that the staff is represented on this committee. He asked **Barnes** to contact **Joey Greenwell** to encourage standard timeline for these meetings.

### **9. Student Fee Advisory Committee**

**Dalpe** stated that the next meeting would be held on the coming Wednesday.

### **10. Univ. Cmte on Sustainability**

**Dalpe** stated that he spoke to **Drew Foster**, the Board appointed representative for this committee and he has been asked to bring forward a report to the Board.

## **XII. Managing Director's report**

### **1. LCL Restroom Renovation**

**Dalpe** indicated that these plans are still in the process of review and approval by the state architect.

### **2. South Plaza & Exhaust System**

**Dalpe** stated that he is still working with two architects to come up with an agreement to address the issues of liability and identifying the responsibilities of each of the architects in combining these two projects. He added that he hopes to have something to present to the Board by the annual retreat.

## **IV. Announcements**

**Flowers** announced the dates for this semester's spirit days, which will be a rally on February 25, a basketball game February 26.

**Saadeh** announced that Harvard's Endowment, the largest in the US, has suffered an 8 billion dollar loss since June, which is about 22%. He announced that over Thanksgiving, he attended and was certified in student leadership.

**Dalpe** announced that this meeting was the last for **Jackie Husary** and for **Lili Cortez**. He thanked them for their service and commitment to SCGB.

**Aiken** thanked the chair, **Lili Cortez**, for her years of service.

*The Board thanked Lili Cortez for her years of service and commitment to SCGB and thanked Jackie Husary for her service and commitment with SCGB.*

## **V. Adjournment**

The meeting was adjourned at 12:03 p.m.

Respectfully Submitted,

---

Guy Dalpe, Executive Secretary, Student Center Governing Board

Date