

UNIVERSITY ENTERPRISES, INC.
Budget & Finance Committee Meeting Minutes
Thursday, March 8, 2018
UEI Conference Room
9:00 a.m. – 10:00 a.m.

Members Present: Larry Cook, Jamie Hoffman, Jay Lee, Mike Lee, Randy Sater
Staff Present: Craig Barth, Angie Laguna, Jim Reinhart

Mike Lee called the meeting to order at 9:03 a.m.

Craig Barth reviewed the December 31, 2017 financials reporting a \$2.2 million year-to-date "Enterprise" operating surplus, including \$2.1 million for the second quarter. Approximately one-third of the surplus is the result of positive investment returns. All departments are exceeding their financial targets for the year. The surplus exceeds prior year and budget by \$1.0 million and \$2.4 million, respectively. Sponsored Programs and California Intern Network indirect returns are well ahead of budget, the former the result of a \$2.1 million increase in gross contract activities. Even after applying corporate overhead, Dining Services, Property Services, Contract Services and CAIN are all yielding surpluses.

UEI net position increased from \$32.5 million at December 31, 2016 to \$36.6 million at December 31, 2017. UEI's LAIF balance was recently reduced for a \$2.1 million loan payment to the University to cover S Street tenant improvement costs.

After discussion the committee approved the second quarter financial statements. (Sater/J. Lee)

Other business:

Executive Director, Jim Reinhart, presented updates on each of the properties discussed at the January 19, 2018 board meeting and retreat.

Brailsford & Dunlavey Agreement:

Jim Reinhart explained the need for a new 15-month agreement with Brailsford and Dunlavey for student housing advisory services, which would be reimbursed by EdR when the project closes.

EdR Pre-Development Agreements:

Jim Reinhart explained the need for two Pre-Development Agreements with UEI's preferred development partner, EdR. The first agreement for the Ballfields Project allows construction to proceed prior to Board of Trustee approval in November 2018. Should the project not move forward, UEI would pay approximately \$5.4 million to complete the ballfields, based on current estimates.

The second agreement would allow the architects, environmental consultants, engineers, attorneys, estimators etc. to continue working on the project. Should the project not move forward, UEI would be responsible for 50% of the costs with a cap of \$995,000.

Mike Lee provided campus construction updates:

Parking Structure 5 is scheduled to open in April 2018. Science II is currently awaiting fire marshal approval. The University Union expansion is going well and will have a new fire sprinkler system installed throughout as well as updated LED lighting. The Well expansion will expand weight room and health facilities space.

Meeting adjourned: 9:46 a.m.



Angie Laguna
Recording Secretary