

**UNIVERSITY ENTERPRISES, INC.**  
**Budget & Finance Committee Meeting Minutes**  
**Tuesday, November 20, 2018**  
**Via Teleconference**  
**3:00 p.m. – 4:00 p.m.**

Members Present: Larry Cook, Stacy Hayano, Jay Lee, Randy Sater

Members Absent: Jamie Hoffman

Staff Present: Craig Barth, Angie Laguna, Jim Reinhart

Stacy Hayano called the meeting to order at 3:02 p.m.

Craig Barth reviewed the September 30, 2018 financials reporting a \$34.8 million net position. Dining Services has seen an increase in food sales and the California Intern Network is up \$200 thousand compared to the same time last year. The investment return has decreased to 2.71% compared to 4.23% at the same time in the prior year. Net revenue over expenses is \$781 thousand ahead of budget for the quarter.

Property Purchases and Financing Update:

UEI is working on purchasing two properties; 910 University Avenue and 6011 Folsom Boulevard. 910 University Avenue's escrow has been delayed due to a change in title company requested by the seller. UEI anticipates escrow closing in late November or early December. The structural due diligence on 6011 Folsom Boulevard is still underway. Asbestos has been found in the area that UEI plans on building out for gymnastics. UEI is evaluating how to mitigate those costs. More information on both property purchases will be shared at the December 7, 2018 board meeting.

Due to the cash required for purchasing 910 University Avenue, 6011 Folsom Boulevard and the P3 student housing project, UEI is exploring the option with local banks of a \$5 million loan on the Sacramento State Downtown property. The loan would minimize the withdrawal of funds from UEI's long term investment portfolio. A motion for Board approval will be put forth at the December 7, 2018 meeting.

Jim shared with the Committee that the unanticipated campus closures from November 13 - 21, 2018, along with the downturn in the stock market will likely have a negative impact on UEI's 2<sup>nd</sup> quarter financials. Retail food outlets have been closed during this time, with the exception of the Dining Commons and the Courtyard Market, who serve the Residence Halls. Accounts receivable and accounts payable processing will be behind schedule. Employees who did not have vacation planned during this time will be paid, and essential nonexempt staff who are asked to report to the office are being paid overtime. All of these factors will impact the financials. UEI is reviewing its business interruption insurance coverage to determine whether the unexpected closure might be covered.

Meeting adjourned 3:28 p.m.

Respectfully Submitted,



Angie Laguna  
Recording Secretary