

**UNIVERSITY ENTERPRISES, INC.**  
**Budget & Finance Committee Meeting Minutes**  
**Thursday, September 6, 2018**  
**UEI Conference Room**  
**4:00 p.m. – 5:00 p.m.**

Members Present: Larry Cook, Jay Lee, Stacy Hayano

Members Absent: Jamie Hoffman, Randy Sater

Staff Present: Craig Barth, Angie Laguna, Jim Reinhart

Stacy Hayano called the meeting to order at 4:10 p.m.

Craig Barth reviewed the June 30, 2018 financials reporting a \$2.1 million "Enterprise" operating surplus for the year. This surplus contributed to an increase in net position from \$34.5 million at June 30, 2017 to \$35.2 million at June 30, 2018. All departments exceeded their financial targets for the year.

Craig Barth presented the Ten-Year Cash Flow Projection:

UEI is required to maintain 120% debt coverage ratio. UEI is projected to either closely approach or continue to meet and exceed this requirement for the next ten years. Following the expiration of the Upper Eastside Lofts lease agreement in August 2022, UEI's debt coverage ratio is forecasted to increase from 1.15 to 1.42 over a two-year period.

Real estate update:

P3 Student housing project: on August 30, the general contractor, Sundt, reported a Gross Maximum Price that was \$19 million higher than projected. Sundt believes they can work with potential subcontractors to improve the bid coverage and obtain more competitive bids. They will also work with EdR and the architect to value engineer additional cost savings.

An updated Gross Maximum price will be provided by Sundt in mid-October. As a result of this delay the CSU Board of Trustees approval of the ground lease and CEQA has been rescheduled from November 13 to January 22.

Several potential real estate acquisitions were discussed.

Security Cameras:

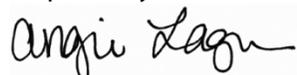
A proposal from Valley Communications was presented and reviewed by the committee. The committee moved to approve funding for a \$104,000 proposal to add high definition security cameras in UEI dining venues. (Cook/Lee)

Other business:

UEI is planning to purchase a Human Resources Information System and will present it to the board for approval on September 27, 2018.

Meeting adjourned 4:56 p.m.

Respectfully Submitted,



Angie Laguna  
Recording Secretary