

5-12-2016

## Finance Committee Meeting Minutes 05/12/2016

UC Hastings Board of Directors

Follow this and additional works at: [https://repository.uchastings.edu/board\\_materials\\_2016](https://repository.uchastings.edu/board_materials_2016)

---

### Recommended Citation

UC Hastings Board of Directors, *Finance Committee Meeting Minutes 05/12/2016* (2016).

Available at: [https://repository.uchastings.edu/board\\_materials\\_2016/82](https://repository.uchastings.edu/board_materials_2016/82)

This Finance Committee is brought to you for free and open access by the Board of Directors Agenda and Materials at UC Hastings Scholarship Repository. It has been accepted for inclusion in 2016 Board of Directors Agenda and Materials by an authorized administrator of UC Hastings Scholarship Repository.



**UNIVERSITY OF CALIFORNIA  
HASTINGS COLLEGE OF THE LAW**

**FINANCE COMMITTEE  
OPEN SESSION**

May 12, 2016– 12:30 p.m.  
UC Hastings College of the Law  
Office of the General Counsel  
A. Frank Bray Board Room, 1-Mezzanine  
198 McAllister Street, A. Frank Bray Board Room  
San Francisco, California 94102

Chair Don Bradley called the meeting to order at 12:30 p.m. and the Secretary called the roll.

1. ROLL CALL

Committee Members Present in Answer to Roll Call:

Chair Don Bradley  
Director Tina Combs  
Director Claes Lewenhaupt  
Director Chip Robertson  
Director Marci Dragun  
Director Courtney Power

Staff Present:

Acting Chancellor & Dean David Faigman  
Chief Financial Officer David Seward  
General Counsel Elise Traynum  
Provost & Academic Dean Elizabeth Hillman  
Controller Debbie Tran

2. Public Comment Period

Chair Don Bradley opened the Public Comment Period. Hearing no requests from the public to speak, Chair Bradley closed the Public Comment Period.

3. Approval of Minutes – February 11, 2016

Chair Bradley called for approval of the February 11, 2016. Hearing no corrections, the Minutes were approved and ordered filed as distributed.

4. Investment Report as of March 31, 2016

Chief Financial Officer David Seward presented the investment report as of March 31, 2016, including detail about changes in the market, GEP levels over time, and the status of the investment pool. He reported a return of 4.89%. He cautioned that the investment return missed the UC GEP policy benchmark due to the volatility of the market.

Chief Financial Officer David Seward reported that the STIP balance was lower than normal. Generally, the College is cash poor this time of the year. He explained that he may bring back to the Committee an action item to liquidate some of the GEP investments to cover the cash deficit situation.

Chief Financial Officer David Seward mentioned that a representative from the Treasurer's office will be brought in to give the Board a presentation on the University of California's endowment investment strategy and outcomes. He will request that the Treasurer attend the August Finance Committee meeting.

5. State Budget Report for 2015-16 as of March 31, 2016

Chief Financial Officer David Seward summarized the state budget report as distributed. He reported that the budget was on target with an upside in revenue. He noted that the Summer Legal Institute continues to show a profit. He discussed the reserves, noting the difference between the state planned funds versus the reserves for which the Board has discretion. He mentioned the impact of tuition discounting on the reserves. Extensive discussion ensued on the College's operating budget and the various deficit reduction measures instituted by the College. Chief Financial Officer David Seward reiterated that the Board approved a continuation of the 40-50% discount rates for the current admissions cycle.

\*6. Auxiliary Enterprises Budget Report for 2015-16 as of March 31, 2016

Chief Financial Officer David Seward presented the Auxiliary Enterprises Budget Report for 2015-16 as of March 31, 2016, as distributed. He reported that the budget was on target, especially with the 6% rent increase for McAllister Tower. He highlighted that the parking garage was fully leased with the UCSF personnel moving in a couple of months ago. The parking garage average net is \$6,000 to \$7,000 Monday through Friday. A lengthy discussion ensued on opportunities to increase parking revenues on the weekend when special events are held in the area. In response to questions, Chief Financial Officer David Seward stated that this is the first full fiscal year that the parking garage had a positive cash flow after debt service.

7. State Budget Update 2016-17

Chief Financial Officer David Seward summarized the state budget report as distributed. He reported that the Governor provided an allocation of \$2 million to fund deferred maintenance in the state supported facilities. The funding will not be included in the College's state appropriation, and the College will have to apply for the money as if it is a

grant. The College will submit documentation on deferred maintenance projects to justify receiving the funds. He explained that the money could fund the replacement of the undersized emergency generator in the 200 McAllister Street building. Also, the funds could be used to fund window cleaning. Furthermore, Chief Financial Officer David Seward noted that the money would help support the long range campus planning efforts, including roof replacement of the 200 McAllister building. He mentioned that the UC system received \$35 million system wide for deferred maintenance, as opposed to UC Hastings' \$2 million.

\*8. State Contracts in Excess of \$50,000

- 8.1 Kane Hall Facade Project- Construction Services- \$189,000
- 8.2 Temporary Staffing Service- RemX Specialty Staff

Chief Financial Officer David Seward explained that the College has used RemX in the past for accounting and executive assistant staff. Typically, the cost of the services exceed \$50,000 each year.

- 8.3 Offices Supplies- Office Max- \$50,000

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the above contracts in excess of \$50,000.

\*9. Nonstate Contracts in Excess of \$50,000

- \*9.1 Engineering Services – American Building Maintenance- \$560,000
- \*9.2 Consulting Services – WorkLife Law - Cynthia Calvert- \$65,000

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the above nonstate contracts in excess of \$50,000.

\*10. Non-State Budget Changes 2015-2016

Chief Financial Officer David Seward requested approval to amend the 2015-16 budget for the following;

10.1 Hastings Public Interest Fellowships-Summer Grants: Request was made for an allocation of \$80,000 from nonstate unrestricted funds. The fellowships would be provided to students in the form of summer grants to place students in public interest agencies. It is intended that the Hastings Public Interest Law Foundation would match the College's financial contribution to the program. He noted that even with this allocation, less than half of the HPILF applicants would receive support this year.

10.2 There was a lengthy discussion on the UC's commitment to public service. Recently, President Napolitano announced making a \$4.5 appropriation for public service and post graduate positions for its students. Acting Chancellor & Dean David Faigman commented that he wrote a letter to President Napolitano, emphasizing UC Hastings' public service record and requesting consideration for sharing some of the funds with the College to support our students who chose public service.

10.3 Kane Hall Repurposing Shelving Removal: Request was made to allocate \$50,000 from the state plant fund reserves form removal of shelves from the 6<sup>th</sup> floor of the Library.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the non-state budget changes.

\*11. 2016-17 Proposed Budget- Auxiliary Enterprises

Administrative Overhead

Chief Financial Officer David Seward recommended a change in the calculation to 12% of total operating revenue to more accurately account for indirect costs. He noted that the change was cash neutral.

Salaries and Wages

Chief Financial Officer David Seward recommended a general salary increase of 2.5% for all non-represented staff positions effective July 1, 2016. He noted that the AFSCME unit employees had received a 2.5% GSI effective January 1, 2016. The non-represented staff consist of approximately 70 positions. The total cost of the GSI is \$260,000.

Mc Allister Tower:

Revenue

Chief Financial Officer David Seward requested a 5% increase for residential rents and 7% for the penthouse. The total projected revenue is \$4,608,303. A lengthy discussion ensued on the rental market for students in the Bay Area and the proposed joint student housing project with UCSF.

Parking Garage:

Revenue

Chief Financial Officer David Seward requested a 3% increase based upon current trends and a rate increase for monthly parkers of \$15, to \$275 per month.

Expenditures

Chief Financial Officer David Seward noted that the budget includes allocations for ongoing maintenance of equipment and systems. Also included in the budget are allocations of \$10,000 to repair stairwell treads and \$10,000 to power wash the garage.

Student Health Services:

Revenues

Chief Financial Officer David Seward reported a proposal of \$650 to fund the self-supporting Student Health Center. This equates to a \$17 increase per student.

Expenditures

Chief Financial Officer David Seward reported that the Health Center employees would be entitled to the 2.5% GSA. Contract employees would receive a 1% increase.

Business Center:

Revenues

Chief Financial Officer David Seward reported that the budget reflects a continued trend of decreased printing at the College

Expenditures

Chief Financial Officer David Seward reported that the 2016-2017 budget reflects a \$9,600 reduction in the base contract with UCSF.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the 2016-2017 budgets for Auxiliary Enterprises, McAllister Tower, Parking Garage, Student Health Services and Business Center.

\*12. Budget Pre-authorizations for 2016-2017

12.1 General Salary Increase for Non-represented Staff

Chief Financial Officer David Seward reiterated the request for a 2.5 % increase for all non-represented staff as a General Salary Increase.

12.2 Media Services – Classroom K Technology Upgrade

Chief Financial Officer David Seward requested approval of an allocation of \$75,000 to fund activities related to upgrades in Classroom K. The work would be completed over the summer. The plan is to use the upgrade of beta test technology deployment in the new building.

12.3 Long Range Campus Plan – Pulled for a future meeting.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors authorizes the expenditures activities prior to the Board's adoption of the 2016-17 budget

\*13. Student Fees for 2016-2017: Parking Rates, Health Center and UCSHIP Fees and Freeze on General Enrollment and Other Mandatory Fees

Chief Financial Officer David Seward began his report by affirming that the College would not change most of the student fees, including the JD General Enrollment Fee of \$43,486 and the Nonresident tuition of \$6,000. He requested approval for minimal increase for the Student Health Center Fee, (2% for a total of \$650.) the UC SHIP premium (7% for a total of in annual premium of \$4,753.), and the Parking Garage Rate Schedule (\$260. To \$275 per month). He discussed the parking rate structure as distributed and noted that the rate structure provided discount parking for students.

A lengthy discussion ensued on student fees and how UC Hastings compares to other law schools, especially with reference to tuition discounting.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors affirm the existing JD General Enrollment Fee, Nonresident Tuition, MSL Tuition, LLM Tuition, LLM Tuition, and the Summer Legal Institute Fee. Be it further resolved that the Finance Committee recommend to the Board of Directors approval of increasing the Student Health Center Fee to \$650, the UC Ship Premium to \$4,753 and the Parking Rate Structure \$260 to \$275 as proposed.

\*14. Long Range Campus Plan – Approval of Predevelopment Agreement with UCSF and Project Update

Chief Financial Officer David Seward presented a draft Predevelopment Agreement for the joint housing project between UC Hastings and UCSF. He explained that he was meeting with UCSF tomorrow to clarify terms. The agreement would provide the framework for cost sharing as the entities move forward with the development project. He passed out a report that UCSF presented to the UC Regents on capital projects. It was relayed to him that the Regents were complimentary about the project and the “out of the box” thinking. David Seward explained that the joint venture would require the formation of a joint powers corporation with the possibility of Bob Thompson, of Sheppard Mullin Thompson, representing UC Hastings. The costs for legal representation would be shared among the parties.

A lengthy discussion ensued on the details of representation. Chief Financial Officer David Seward announced that CEQA review will be presented to the Board at a special meeting on June 14.

Upon motion duly made, seconded, and carried, the Finance Committee recommended that the Board of Directors approve the Predevelopment Agreement between UC Hastings and UCSF for development of a Joint Student Housing Project at 198 McAllister and Rehabilitation and Seismic upgrading of 100 McAllister Street.

15. List of Checks over \$50,000

16. Adjournment

There being no further business to come before the Finance committee, the Meeting was adjourned at approximately 2:30 p.m.

Respectfully submitted,

---

Elise K. Traynum, Secretary