ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
ASSOCIATED STUDENTS BUSINESSES COMMITTEE
MEETING MINUTES

Monday, April 4, 2016  10 a.m.  BMU 205

Members Present:  Matt Zaleski, Megan Odom, Stacie Corona, Michelle Korte, Pedro Douglas, Amanda Labrado, Daniel Venancio

Members Absent:  Brent Adams

Others present:  David Buckley, Karen Bang (recording), Jamie Clyde, Susan Jennings, Sarah Foisy, Corinne Knapp, Colette Young

I.  CALL TO ORDER – The Chair, Zaleski, called the meeting to order at 10 a.m.

II.  AGENDA – Item F – Information Item: Retail Opportunities/Changes, was moved in front of the 2/29/16 financial reports.

III.  APPROVAL OF MINUTES – Minutes of the regular meeting of 3/21/16.  Motion to approve minutes of the regular meeting of 3/21/16, as presented (Labrado/Douglas).  Corona requested that the second sentence under Business Item A be corrected to, “It was her opinion that positions, not names, be included.”  7/0/0 MSC.

IV.  ANNOUNCEMENTS – None

V.  PUBLIC OPINION – Limited to items on the agenda – None

VI.  OPINIONS – None

VII.  BUSINESS

A.  Information Item: Associated Students Auxiliary Businesses Budget – Chico State Wildcat Store (including Capital Expenditures), estimated results 2015-16 and proposed budget 2016-17, Jennings provided a PowerPoint presentation of the Auxiliary Activities Budget which included 2015-16 Estimated Results and 2016-17 Proposed.  Estimated net income for 2015-16 was noted at $151,960.  The 2016-17 Proposed showed an estimated net income of $72,864.  Auxiliary Activities Capital expenditures were also reviewed.  Discussion was held.

B.  Information Item: Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2015-16 and proposed budget 2016-17 – Clyde shared information regarding Dining Services Revised 2015-16 budget and Proposed 2016-17 budget.  She noted that their total operating income for 2015-16 is estimated to be $8,561,907 with total cost of sales at $3,026,240.  For 2016-17 proposed operating income is at $8,826,516, with total cost of sales at $3,079,902.  Capital Expenditures were also reviewed.  Regarding minimum wage, Buckley said a week ago Saturday there was a notification from the Governor’s office regarding a backroom deal to increase minimum wage by 50 cents effective January 2017 and then a dollar each year until reaches $15/hour.  He said this is not in the budget because it was just approved this past Thursday.  He expressed concern for Dining because that could be a hit of $800,000 over five years.  He noted the challenge is that costs will have to be picked up elsewhere and our agreement with Housing probably won’t allow us to pass the cost on to Sutter for this increase.  In addition, exempt employees have to be paid double minimum wage, which means students will be pushing up against the bottom wage of professional staff.  Buckley said there will be a huge ripple effect on how salaries will be adjusted, they will need to come up with a long term plan, and this will be discussed with the Board.

C.  Information Item: Corporate Services Fund and Area Reimbursements Summary – Jennings reviewed with the committee the Corporate Services Reimbursements, noting Financial Services, IT, HR and Administration are included in this area.  She noted total income is fairly flat from original budget to estimated results.  Jennings reviewed Area Reimbursements and discussion was held.
D. Information Item: Retail opportunities/changes - Clyde provided a PowerPoint and said she and Knapp have been reviewing NACUFS surveys, etc. and are seeing that “Grab and Go” items are getting extremely popular versus sitting and eating a meal. She said customers still want healthy food, but want it to be convenient. Clyde said prepared foods is a growing area but the NACUFS survey says our facilities aren’t what students are looking for. In addition, we’re also not providing enough vegetarian, gluten-free and healthy foods which are the fastest growing categories in college and university menus. Clyde explained that the old Conference Services area in the main level of the BMU would be a good area for an Urban Market concept as it’s the first thing you see when you walk in. She noted that the organic food and beverage market is expected to grow by 15.7% from 2014 to 2020. Clyde said that consumer awareness is increasing and North America is the leading consumer of organic food and beverages. Convenient, healthy food, grown locally is where the industry is growing. Knapp said they also liked this idea because convenience stores require less workers because the food would be prepared behind the scenes in the Marketplace (Buckley, Corona and Douglas left the meeting at 10:55 a.m.).

E. Information Item: 2/29/16 Dining Services Financials – Clyde reviewed the February financials for each area with the committee.

F. Information Item: 2/29/16 Chico State Wildcat Store Financials – Jennings reviewed the Wildcat Store February financials with the committee, noting numbers are consistent from what they see month to month.

VIII. DINING SERVICES DIRECTOR’S REPORT – Clyde reported that they’re looking at NACUFS operational benchmarking which Knapp has been working on, comparing us to other universities. She noted this survey will provide them with a lot of information. • Clyde said two internal candidates are being interviewed today for the Dining Services Associate Director position. If one of them is hired, their old position would need to be back-filled and it will take up to two months to fill all positions. • Clyde said they’re preparing for impact of the upcoming faculty strike, moving up vendor deliveries when possible. In addition, plans are set in place in case of any disruptions. Knapp said they’re not sure what this will do to their retail sales during the strike; however, business hours are not planned to be changed at this time. Discussion was held. • Clyde said Catering is extremely busy this month and reviewed upcoming events.

IX. CHICO STATE WILDCAT STORE DIRECTOR’S REPORT – Foisy distributed the March sales report and said there was a large increase in clothing sales, as well as increases in hardware and Clinique. Foisy explained the changes in regards to how Grad Fest is now being run and reviewed Graduation sales. • Foisy said the Clinique Gift with $27 Purchase event will be from 4/6 to 4/23. She noted they’re also advertising this promotion via the Chico Enterprise Record. • Foisy said on 4/14, during the strike, campus is holding their annual Staff Appreciation Week, so 20% discount for staff will be available in the store that day for items such as clothing/gifts/supplies.

X. EXECUTIVE DIRECTOR’S REPORT – Absent

XI. VP APPOINTEE’S REPORT – Labrador said BMUC did not meet last week.

XII. CHAIR’S REPORT – Zaleski said Choose Chico is on Saturday. He noted that the Student Government team is making a video to help welcome the new President.

XIII. ANNOUNCEMENTS – Odom announced that the Career and Internship Fair will be held this Wednesday from 10 a.m. to 2 p.m. in the BMU Auditorium.

XIV. PUBLIC OPINION – None

XV. OPINION – None

XVI. ADJOURNMENT – The Chair, Zaleski, adjourned the meeting at 11:19 a.m.