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

Monday, February 22, 2016 10 a.m. BMU 205

Members Present: Matt Zaleski, Megan Odom, Stacie Corona, Michelle Korte, Daniel Venancio, Brent Adams

Members Absent: Pedro Douglas, Amanda Labrado

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

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

II. AGENDA – No changes

III. APPROVAL OF MINUTES – Minutes of the regular meeting of 2/8/16. Motion to approve minutes of the regular meeting of 2/8/16, as presented (Odom/Adams). 5/0/1 MSC.

IV. ANNOUNCEMENTS – Zaleski introduced Daniel Venancio, the new ASBC member.

V. PUBLIC OPINION – Zaleski introduced Daniel Venancio, the new ASBC member.

VI. OPINIONS – None

VII. BUSINESS

A. Action Item: Approval of oven replacement/capital expenditure in the amount of $35,587.15. Motion to approve oven replacement/capital expenditure in the amount of $35,587.15, as presented (Odom/Korte). – Clyde explained that they chose the Wasserstrom vendor; however, NorCal Food Equipment will be installing the oven. (6/0/0) MSC.

B. Information Item: Proposed water bottle ban – Buckley said every year there’s a class that puts together an Advisory Measure that goes before the students during elections. He said they have presented to the Student Government and their proposed Advisory Measure goes to the Board today for approval of the language of the measure. Buckley noted the AS attorney has reviewed and approved the language, which is: Shall the Associated Students halt its sales of single use bottled water at Chico State as soon as contractually possible. Buckley said a similar Advisory Measure went to the students back in 2008. At that time, net loss to the bookstore and Dining would have been around $80,000 and the AS attorney said it would be fiscally irresponsible to lose these sales. He said sales losses would be similar again, not including commission from vendor and Follett, is approximately $41,000 to our Dining Services bottom line. Buckley said the students will say yes because it sounds like something they should do; however, they don’t understand the larger context of it. This time Jon Slaughter said there will be a position statement that will be included which will note net losses, but they’re not sure that will help. Buckley said there would be a $40,000 to $50,000 bottom line effect to the AS. It was noted that the Follett contract goes through 2019, Pepsi contract through December 2017, and Glyn Pye Vending contract through June, 2016. Buckley said assuming the vote is yes, the Board will have to take a position and agree to stop selling bottled water, or not. He said he has suggested to Deanna Jarquin, AS President, that this year’s Board should agree or disagree with the Advisory Measure since they are familiar with it. Buckley said Dining Services is not making a lot of money and we would either have to raise our prices or cut our expenses. He noted we also count on revenue from Residential Dining and the Board Rate would possibly need to be increased. Buckley said he understands their concern from an environmental aspect; however, if you Google water bottle ban at University of Vermont, their plastic bottles consumption increased because students started buying sugary drinks, which was an unintended consequence. Discussion was held and it was noted water bottle sales at graduation would not be banned.

C. Information Item: CFA strike – Zaleski said CFA, which includes professors and lecturers, is currently planning to strike on April 13, 14, 15, 18 and 19. He said campus will be open but most likely no classes will be held. Adams asked how this affects graduation and Buckley said a lot of students are raising that same question and CFA hasn’t addressed that. He suggested he talk to his Department Chair or Dean and let them know his concern. Buckley explained the strike process, noting there’s a pretty good chance the
strike will happen. He said if the CSU gives the CFA a 5% increase instead of the 1.9% increase, they'd have to give the other unions the same increase. The CSU would be struggling to come up with all the money because the Governor/Legislature did not give the CSU enough money to cover such an increase.

Regarding concerns for deliveries to the BMU and Sutter, Buckley said vendors are being contacted to make sure there are no issues with crossing of picket lines. Currently, this doesn’t seem to be an issue.

D. Information Item: Local Agency Investment Fund and Certificates of Deposit for quarter ending 12/31/15 – Jennings reviewed the LAIF Report, noting the return on investment was at 0.37%, up from 0.26% previously. Jennings next reviewed Certificates of Deposit, explaining these are excess reserves in the amount of $1 million. She noted a 1.275% return on investment.

VIII. DINING SERVICES DIRECTOR’S REPORT – Clyde reported they are in the final phases of the merger between Catering/Conference Services. She said the new menu is done and being printed and explained there are three menus: Student menu, Wildcat menu and Presidential menu. An events party will be held on March 3 in BMU 203 where new food items will be presented. She said they are also looking at new uniforms for Catering. • Clyde said sales at the basketball games this weekend were over $2,000 which is very significant as sales are normally about $800. • Clyde said they have been calling vendors regarding the strike and all vendors are ok to come in to bring food. • Clyde said sales of the wrapped sandwiches are up 75%. In addition, premade wraps are coming to us which lowers our labor. She said January financials are looking really nice. • Clyde advised they have transferred over to Daylight Produce Company as their quality is better. She said they are also transitioning from PFG to Cisco. She said they’ll stay in the same UC procurement group at the same rates. Transition should be completed by the end of March. • Clyde said results from the NACUFS survey will be presented to ASBC soon. • Clyde said Dining Director interviews will be held soon. Also, they have been receiving a lot of positive comments regarding Thomas Rider, our Executive Chef.

IX. CHICO STATE WILDCAT STORE DIRECTOR’S REPORT – Foisy distributed January Wildcat Store financials. She said Rush falls in to February this year so comparison to last January isn’t quite the same. She said they’re improving their options for students, decreasing overall top line sales. She said this will drive an overall top line sales decline but will keep the store a strong player in students’ purchasing decisions. She said Clothing had a very strong increase despite second week of Rush missing. Overall, the departments saw a decline in sales. • Foisy said on Friday she attended the CSU Affordable Learning Solutions Bookstore Conference at San Jose State University. She said bookstores want to support more affordable solutions for students but need to be financially responsible for campuses, and are considered a revenue stream for campuses. She noted San Jose State and CSU, Stanislaus have piloted a student charge account so that students can purchase their books before the semester begins, before they receive their financial aid checks. She said the Bursar’s Office took point on collection, and payment to the bookstore. She noted a potential roadblock is that it would be a huge hit on the store’s liquid capital because of not bringing any income on those charge accounts. Financially, it may not be a smart decision in terms of accounts receivable line. She also said she wasn’t sure if our Bursar’s Office would be willing to support the program and do the guarantee and collections for it. She said her regional manager is discussing with their group vice president. Discussion was held and Foisy said students would get $900 put on their Wildcat Card as a charge account with the Bursar’s Office, and pay off same as they do their tuition, or when they get their financial aid money. She said this gives students more time to make the payments. Buckley said this was talked about some time ago at ASBC and it was questioned who would be supporting defaults as ½% of a large number is a large amount. Korte said it’s her understanding that most students receive their financial aid the week before classes start and Foisy said she’d check on this.

X. EXECUTIVE DIRECTOR’S REPORT – Buckley reported that Jennings has started the budgeting process and budgets will be presented to ASBC the first week of April. • Buckley said the salary compensation study has been completed and will be presented by Richard Lane to the Board soon. He noted a Comp Study hasn’t been done since 2007 and potentially there could be some significant increases if the Board wants to go that way. He said there could be a significant hit to Dining as that area tends to pay the least; however, they want to be fair to employees. He said they are looking at different scenarios to recommend to the Board. • Buckley said ASBC members would be provided with Dining Director open forum schedules – the first candidate will be here this Friday, the second candidate will be here on March 2.

XI. VP APPOINTEE’S REPORT – In Labrado’s absence, Zaleski said BMUC is reviewing the BMU’s lower level space. Buckley said they will be focusing on the area where the computers are, perhaps changing to more of a lounge space, including a pool table and big screen TV’s. He said the old Common Grounds area is being left as is because it’s used a lot by groups.
XII. **CHAIR’S REPORT** – Zaleski said AS elections are just getting started and noted information sessions will be held for those interested in running.

XIII. **ANNOUNCEMENTS** – None

XIV. **PUBLIC OPINION** – None

XV. **OPINION** – None

XVI. **ADJOURNMENT** – The Chair, Zaleski, adjourned the meeting at 10:38 a.m.