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

Monday, April 11, 2016  10 a.m.  BMU 205

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

Members Absent: Daniel Venancio

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

I. CALL TO ORDER – The Chair, Zaleski, called the meeting to order at 10:01 a.m.

II. AGENDA – No changes

III. APPROVAL OF MINUTES – Minutes of the regular meeting of 4/4/16. Motion to approve minutes of the regular meeting of 4/4/16, as presented (Odom/Corona) 5/0/0 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 – (Korte joined the meeting at 10:03 a.m.). Korte commented on budgets for both businesses, but mainly Dining. She said coming from a higher level business perspective, it seems in looking back over the last couple of years that when we get to this point in the process and are looking at what our expected results are for the current year and then coming up with the budget amounts for the next year, it seems like we’ve gotten into the mode of being reactionary and variance driven; what is going to change from what occurred this year to what we’re expecting to occur next year. She said as we go in to the budget process next year she would like to challenge the AS and businesses to be more proactive in budgeting and strategic as opposed to reactionary to what is changing. Korte said if we identify a source of revenue, for example in Catering, that appeared to be a one time item, what’s the strategy to be able to maintain the level of revenue going in to the budget for that new year? When preparing the budget for the next year, she asked what can be done to strategically maintain that level of revenue, so that our bottom line that we’re expecting as a result in the current year is maintained as the bottom line in our budget for the next year. She said it’s more of a philosophical change on their method of thinking through the budget. Korte said if we project conservative, likely going to achieve conservative. An opportunity to do that is when we come up with the We Wills and different things we’re going to do in a business plan; let’s see how we can build that into our budget to achieve these bottom line goals. She said this challenges the AS as a whole, and the businesses in particular, to become more proactive and strategic in budgeting to a growth bottom line.

B. Information Item: Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2015-16 and proposed budget 2016-17 – No questions.

C. Information Item: Corporate Services Fund and Area Reimbursements Summary – No questions.

D. Information Item: New retail space – Clyde said she presented on this last week and that she, Zaleski and Andrew Roberts will be chatting regarding whether or not to move forward on this project. Labrado asked where this retail space would be located and Clyde said it’s where Conference Services was previously located, on the main floor near the south entrance of the BMU. She explained that it’s a great visible area, and would be used more for grab and go healthy food items, vegan, sustainable, gluten free, etc. Before doing this buildout, Clyde said ASBC would need to decide if they want it, and if so, she would then need to work with FMS operationally, as well as purchase equipment, and do décor change. Korte said she liked the idea of utilizing that space for retail. She said it was discussed many years ago regarding having convenience stores on campus and other campuses were able to have a section that had quick pick-up
items even for staff to stop and purchase, such as milk, on the way home. (Adams joined the meeting at 10:14 a.m.). Knapp said Roberts sees this appealing not only to staff but to dorm residents as well, and could include items such as salads, eggs and milk. With the right marketing and product mix, Knapp said they might be able to draw more off-campus local residents as well. Labrado questioned prices and Knapp said they can’t compete against WinCo but can have competitive prices. Clyde said they may also be able to accept EBT cards. Buckley said BMUC would have to approve the allocation of the space and this will be discussed at their next meeting. He said Clyde and Knapp would prepare a Pro forma to bring back to this committee for their review and approval. Impact to the convenience store in the Wildcat Store was discussed and Clyde said they’re looking at a different concept than what the Wildcat Store has, noting it’s a lot of packaged foods, different styles of sandwiches and fair trade organic chocolates. The look and feel of the products would be very different – like going in to Whole Foods. Foisy said they used to have a small section of organic and fair trade products; however, they didn’t attract enough customers so they no longer have. The structure of the area was discussed and Clyde said the first office could be used for storage, an area for a cash register would need to be added, and if not too expensive, possibly moving in water. 220 power would be needed. Knapp said although they haven’t drawn up a floor plan yet, there could be three to four refrigeration units. This item is currently not addressed in Capital Expenditures.

VIII. DINING SERVICES DIRECTOR’S REPORT – Clyde reported that 72 events were held last week. Distinguished Alumni Dinner was Friday night, Choose Chico was Saturday and she said both events went off seamlessly. She said even though these events were super hard on everybody, it was really an opportunity to learn, grow and bond together. • Clyde said Associate Dining Director interviews were held and an offer has been made. Douglas questioned the smell of fish in the auditorium on Saturday and Clyde said they will no longer serve fish the night before another event is held in the auditorium.

IX. CHICO STATE WILDCAT STORE DIRECTOR’S REPORT – Foisy said they did very well over the weekend. She said having more events in the BMU, cupcakes in the store, and the new signage outside helped. Overall, clothing and gifts were up 11% between the two departments – up $8,000 during the three days. She said unfortunately they were down $8,000 in computers.

X. EXECUTIVE DIRECTOR’S REPORT – Buckley reminded that this budget does not include the recent increase in the minimum wages which will be approximately $40,000 to Dining for the 50 cent increase on January 1, 2017. He said they will be addressing with the Board minimum wage increases scheduled over the next five years and all the various impacts that are going to happen because of that. He explained that it will be complicated to come up with a plan on how to address it, especially as it starts moving to $1/year until it hits $15/hour. He noted students will be making as much or more than career employees and this also has an effect on exempt status. Buckley said it appears that there is a very strong chance that President Obama will make a change to the Federal exempt figure and it is going to go through the NLRB in July, changing the minimum exempt amount of $26,000/year to $50,000/year and would be implemented in September. He said any of our employees that are making up to $50,000 would then be considered non-exempt employees. They will then have to address the issue of overtime; those employees that were working over 50 hours per week can no longer work additional hours, which then means they may need to hire additional employees. He said he hasn’t seen anything official yet regarding this. He said for exempt employees, California is double minimum wage which is around $41,000. He said this will get worse every year and will be a challenge.

XI. VP APPOINTEE’S REPORT – Labrado said BMUC met last week and they approved the We Wills as well as December SFAC minutes. She said they are deciding on a t-shirt machine, the Recycling Coordinator position process has begun, the new marquee should be up by the end of summer, and they reviewed the basement lounge ideas and previous Conference Services space retail options.

XII. CHAIR’S REPORT – Zaleski said AS elections are tomorrow. He noted the CFA strike is not happening, which is good from a business standpoint. Choose Chico was on Saturday and went well.

XIII. ANNOUNCEMENTS – None

XIV. PUBLIC OPINION – None

XV. OPINION – None

XVI. ADJOURNMENT – The Chair, Zaleski, adjourned the meeting at 10:29 a.m.