

ASSOCIATED STUDENTS BUSINESSES COMMITTEE

This meeting was facilitated both in-person and via an online Zoom format.

Monday, January 23, 2023

8:30 a.m.

BMU 205

Members Present: Johnathan Montes, Allison Wagner, Michelle Korte, Anita Barker, Stacie Corona, Megan Odom

Members Absent: None

Others Present: Jamie Clyde, Karen Bang, (recording), Katrina Robertson, Tom Rider, Hugh Hammond, Steve Novo, Kendra Wright, Corinne Knapp, Keith Crawford

- I. **CALL TO ORDER** – The Chair, Montes, called the meeting to order at 8:31 a.m.
- II. **MECHOOPDA LAND RECOGNITION:** The meeting began with the reading of the Mechoopda Land Recognition Statement.
- III. **AGENDA** – Approval of the 1/23/23 regular meeting agenda. **Motion to approve the 1/23/23 regular meeting agenda, as presented (Barker/Wagner) 5/0/0 MSC.**
- IV. **APPROVAL OF MINUTES** – Minutes of the 11/10/22 regular meeting. **Motion to approve the minutes of the 11/10/22 regular meeting, as presented (Barker/Wagner) 5/0/0 MSC.**
- V. **ANNOUNCEMENTS** – None
- VI. **PUBLIC OPINION** – Limited to items on the agenda, three minutes per speaker, five minutes for entire topic – None
- VII. **BUSINESS**
 - A. Action Item: Approval of Revised Resolution for Establishing Time and Location for Associated Students Businesses Committee Meetings for the Spring Semester of Academic Year 2022-23. **Action Requested: Motion to approve Revised Resolution for Establishing Time and Location for Associated Students Businesses Committee Meetings for the Spring Semester of Academic Year 2022-23, as presented (Barker/Wagner) 5-0-0 MSC.**
 - B. **Action Item: Approval of revisions to Associated Students Corporate Codes – Duties for the Associated Students Vice President of Business and Finance, effective beginning the 2023-24 elected representative term. Addition to Duties and Responsibilities: Shall participate in the peer-mentoring program facilitated by the Connection Coordinator** – Wright shared that the Government Affairs Office is in the process of hiring a Connection Coordinator, who will oversee the First Year Leadership Opportunity (FLO) Program and facilitate/participate with stateside regarding first year opportunities for a peer mentoring, matching program for second year students. She said this addition is being added to the duties of all 17 elected representatives. Wright explained that student representatives will be mentors and the Connection Coordinator will supervise. Corona asked Montes if he has any concerns about this and he said his only concern is talking to a crowd of students and that a guideline for mentoring would be helpful. Wright said the Connection Coordinator would be providing training. She also noted this peer mentoring requirement would be included in their five office hours, not in addition to their office hours. **Motion to approve**

revisions to Associated Students Corporate Codes – Duties for the Associated Students Vice President of Business and Finance, effective beginning the 2023-24 elected representative term. Addition to Duties and Responsibilities: Shall participate in the peer-mentoring program facilitated by the Connection Coordinator (Korte/Barker) 5-0-0 MSC.

(Odom joined the meeting at 8:43 a.m.). Clyde said this isn't a new program and that it has been happening as long as she knows through FLO. She said many of the previous government officers have taken on FLO students, who have in turn become government officers.

- C. Discussion Item: 10/31/22 and 11/30/22 Dining Services Financials – Rider reviewed the October financials, noting that Dining Overall Income was at \$841,073 and YTD Income was at \$2,938,901. Net Income for October at (\$201,640) and YTD at (\$86,314). He reviewed all Dining Services areas with the committee. Corona questioned Creekside's Other Operating Expenses and Rider said this was high due to repairs to refrigeration units and the cost of purchasing more cups. Rider next reviewed November, noting that COVID flat payments went out for a total of \$96,000 during November which makes November look pretty bad. Korte asked what other problems are causing issues and Rider responded that wages are high to budget and cost of sales are higher than budget. Regarding wages, he said they're trying to be lean, following last year's pattern. He noted that leanness relates to customer experience and they're trying to get back to where they were previously in order to promote better customer service. Rider noted the NACUFS survey is better than last year. Clyde said COVID sick leave at the time ended then extended but is now finally gone. She said we didn't budget for COVID sick time, and if someone calls out, they have to backfill this time which caused an impact. She also noted that Dining Services has had to reinvent themselves over the past five years due to operations, regulations, students being brand new, additional training costs, etc. She said at a conference she attended over winter break, other campuses were talking about the same things and didn't have their areas open. She said it has been rough to budget these past few years. Rider said he has ideas that he will be sharing regarding how to move forward, make us relevant and save us some heartache in the future. Clyde said they're looking at a business model change. She said with the loss of students, it's a scale issue that the whole campus is dealing with. She said a lot of conversations have been held regarding how Dining can move forward and be a sustainable model. Montes suggested hiring less students and more professional staff. Clyde said student labor was less expensive at one point but their wages are now butting up against career staff wages. She said a reduction in bodies has a ripple effect throughout the organization that saves costs for various areas, such as the Financial Services Office due to payroll numbers. Rider said their strategy has to change and that career staff will be more committed to their work. He said in December they employed 209 students and are now down to 176. He said he'll be making moves section by section, noting these changes will help resolve issues and that it's not fair to treat students like they're career staff. Costs were discussed. Clyde said we'll gain an efficiency by hiring career staff vs. hiring student staff and said this is only a change they're looking at in Dining, not in other areas and that the AS will still be the largest student employer on campus. Rider said Sutter is where the big shift needs to be done, especially cooks. He noted Dining Income for November was at \$721,323, and YTD \$3,660,224. Net Income for the month at (\$246,853) and YTD loss of (\$333,167).
- D. Discussion Item: 10/31/22 and 11/30/22 AS Wildcat Store Financials – Robertson said for October Income was at \$41,563, Net Decrease for the month of (\$25,425) and (\$47,074) YTD. Commission Income YTD of \$187,531. For November she said Income was at \$33,556. Net Decrease of (\$32,040) for the month and (\$79,114) YTD. Commission Income YTD at \$207,890.
- E. Discussion Item: 10/31/22 and 11/30/22 Follett Wildcat Store Financials – Novo said October Textbook sales were down by 27.3%, General Merchandise was down 17%. He said overall, they ended the month down 10.6%. and down 2.2% YTD to last year as sales continue to suffer with less students on campus. He also noted that computer sales from campus have dropped as they're now purchasing direct through another company instead of purchasing through the bookstore. Clyde said she shared with Sara Rumiano, Ann Sherman and Dr. Brundage regarding

the loss of computer sales further impacting the sales of the bookstore, which also affect sales back to campus and AS, and might also affect our Apple license. Novo said in order to give educational discounts, the bookstore has to have a certain level of educational sales and we could lose that discount if sales numbers drop. He said at the start of the pandemic, the bookstore lost their Apple manager, as they have to have \$1 million in sales in order to maintain an Apple manager, and are at half that now. Novo said any computer accessories purchased through the bookstore are commissionable to the AS. Clyde said there are many conversations being held regarding the bookstore. Novo next reviewed November, noting that overall they were down 4% for the month (\$5.6k) with the majority of loss from computers. YTD down 2.3%. Novo said there has been an approximate 60% reduction in hours at campuses by Follett and store hours were discussed. He said the bookstore is normally open 8 a.m. to 6 p.m., now open 9 a.m. to 5 p.m.

- F. Discussion Item: Local Agency Investment Fund (LAIF) and Certificates of Deposit for quarter ending 9/30/22 – Robertson reviewed the Auxiliary Business LAIF Report and noted the Certificates of Deposit funds were moved to LAIF when they matured.
- G. Discussion Item: 9/30/22 Auxiliary Activities Fund Capital Expenditure Report – Robertson noted the purchase of an Espresso machine in the first quarter. Discussion was held regarding the process for Capital Expenditures. Corona asked about Steve's Pizza and Clyde said she and Rider met with Sara Rumiano and they're hoping for a formal RFP this spring. Rider said Steve's Pizza, Round Table, TBar, and possibly Jeremy from Synergy Foods is interested. He explained the RFP process.
- VIII. AUXILIARY BUSINESSES DIRECTOR REPORT** – Rider said he and Montes met with Coca-Cola representatives over the break and will be providing this committee with additional information. He said both Coke and Pepsi will be trying to win our business. He noted that Coke has a number of products that they're not able to provide, they're far behind in sustainability, and they'd hold us to 10%, (90-10) for non-Coke products. He said with Pepsi we're currently at 20% (80-20). Clyde said there's a proposal from Coke that is already CSU wide, there is not one from Pepsi. She said if we choose to move to Coke, we'd slide into the CSU contract, and wouldn't have to do a RFP as the contract has already been negotiated. She said we can go either route and noted there are concerns from both companies because of our declining enrollment. Barker asked if this is our last year with Pepsi and Clyde said yes. Rider said the process is easier to go to Coke due to not having to do a RFP, but of less benefit to the AS. He said they would look to see what the agreement is compared to our Pepsi agreement. Clyde said we could go back to Pepsi with what we've received from Coke and see if they could match. She explained the RFP process, noting that price of product and sponsorship are what they would be looking for. She said we're also tied with Follett regarding this as well due to them selling product in the bookstore. Novo said it's tied to display space and said 80-20 is definitely important. • Rider said there are a couple of new food trucks starting this week, one of them serving Halal certified food five days a week on campus. • Regarding customer service problems, Wagner asked if tipping would be an option in regards to Dining's customer service problems. Clyde said all tips have to be taxed and since we don't have the ability to do that for all of our employees, tipping is not allowed.
- IX. CHICO STATE WILDCAT STORE MANAGER REPORT** – Novo said textbook adoption rates for this semester were awesome. Of the Follett 14, he said we were number one in adoption percentage coming into this semester. He said cutoff was the last day of the fall semester and we were at 88%; normally in the 50's. He said Jennifer Aceves, their connection on campus, reached out to all the others on campus, pushing this, and was a huge partner with Follett for this. Novo said that hopefully Access will be up and running this fall. He said his team of managers have been great.
- X. EXECUTIVE DIRECTOR REPORT** – Clyde said as talked a lot about previously, HEERF Dollars were provided to help businesses in a tough spot during COVID. She said Corona did a lot of work on this and was a big help to the AS. She said we were able to be made whole for last year in the

amount of \$180,000 that we were in the red for in the bookstore. Clyde said bookstore numbers haven't improved since then and HEERF dollars are now gone. She said that over the break, she was advised that Humboldt was looking at going into a RFP process for their bookstore and offered to us to join them. She noted an Executive Order was approved by our Board for us to join the conversations. She said after looking into it, Follett is also going to be looking at doing a proposal for the entire CSU system as well and explained that we have a year left on our contract with Follett. She said she would be following up to see if this larger contract will be in place by the time we have to do a RFP. Similar to Coke, she said we would have the ability to sign on to their contract, or do a RFP on our own. Clyde said she, Corona and Ann Sherman have discussed this a lot. She said currently they are pausing on going with Humboldt, at least at this point.

- XI. CHAIR REPORT** – Montes thanked everyone for asking all the questions from stateside, and the AS having answers to all of them. He wished everyone a happy and successful 2023.
- XII. ANNOUNCEMENTS** – None
- XIII. PUBLIC OPINION** – None
- XIV. ADJOURNMENT** – The Chair, Montes, adjourned the meeting at 10:05 a.m.