

## ASSOCIATED STUDENTS BUSINESSES COMMITTEE

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

**Monday, April 3, 2023**

**8:30 a.m.**

**BMU 205**

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

**Members Absent:** None

**Others Present:** Jamie Clyde, Lexi Extein, (recording), Katrina Robertson, Tom Rider, Steve Novo, Kendra Wright, Windy Van Dam, Anna Paladini

- I. **CALL TO ORDER** – The Chair, Montes, called the meeting to order at 8:44 a.m.
- II. **MECHOOPDA LAND RECOGNITION:** The meeting began with the reading of the Mechoopda Land Recognition Statement.
- III. **AGENDA** – Approval of the 4/3/23 regular meeting agenda. **Motion to approve the 4/3/23 regular meeting agenda, as presented (Odom /Corona) 5-0-0 MSC.**
- IV. **APPROVAL OF MINUTES** – None
- V. **ANNOUNCEMENTS** – Montes noted the 3//31/23 Cesar Chavez Day of Recognition, noting Cesar Chavez was a civil rights leader and a big mover on labor laws.
- 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 Dining Automated Cash Count System in an amount not to exceed \$45,000. **Motion to approve Dining Automated Cash Count System in an amount not to exceed \$45,000, as presented (Corona/Korte) 6-0-0 MSC.**
  - B. Information Item – Revisions to Associated Students Corporate Codes – Duties for Vice President of Business and Finance – Montes explained the suggested revisions, noting that reference to the Revenue Allocation Committee (RAC) is being deleted as that committee is now combined with the Campus Fee Advisory Committee (CFAC) and RAC no longer meets.
  - C. Information Item: Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2022-23 and proposed budget 2023-24 – Rider provided a PowerPoint, noting it's the workup of the budget sent this morning. He said for 2022-23 they are trending Total Income about 9.29% more than originally budgeted for. Total Cost of Sales are up 15.31% due to the cost of sales and income going up. He said Total Operating Costs are expected to be about 9.61% over the original budget, resulting in zero dollars for reserves. Rider said on the Residential side, they are looking at an increase in the Cost of Sales of \$144,000 more than originally budgeted. Total Operating Costs are up about 10.86% over the original budget, resulting in a little over \$1 million available to cover the net deficit in cash operations. Overall net left is zero dollars for 2022-23. Regarding Cash Operations, he said they're about \$404,000 over what was

originally budgeted for all retail operations. Rider reviewed the revenue for each area. He said they added money to the bottom line; however, it was minimal. Clyde explained that the revised budget includes a lot of adjustments and revisions. First round is the revised budget. She said when they prepared the 2022-23 budget last spring they didn't know a lot of the stuff that would happen this year. She said they took their best educated guess regarding the two largest drivers: Sales in the retail areas and then Cost of Sales. She said Cost of Sales ended up being higher than expected. Regarding Sales, she said they predicted less sales, which costs us less. However, we had more sales, which costs us more. Clyde explained that Rider put together where we're actually trending now that we have better data, not how we guessed originally. She explained how our contract works with Housing. Clyde explained that based on our contract, we must force a zero at the bottom of our budget. Discussion was held, including a review of the budget process. It was noted the committee can continue review of the budget at their next meeting.

Rider said for 2023-24, income predictions are based on estimated enrollment of 12,000 students, about a 7% decrease. He said the proposed budget includes the closure of Holt Express and Creekside Café next fiscal year due to income losses. Rider said Dining Services will be opening a new coffee shop in the atrium of the new Physical Sciences Building. He said the Marketplace is being kept as an active project in the budget and they're very hopeful about it. Discussion was held regarding the reduction of staff due to the closures of Holt and Creekside and Clyde explained that it will be a majority of student staff. She said the one designated career staff will move to a different location, so there will not be a huge decrease in wages. Clyde explained Dining Service's relationship with University Housing and also noted Dining Service's budget is very complicated. Corona asked what the plan is with Whitney Hall. Clyde stated they've been told that Whitney will be off line, but they'll still be hopefully offering more places for students in university housing. Clyde explained that they had to build this budget assuming that nothing has changed for us. She said even though we know we'll be short approximately 550 students that will not be paying into Sutter Dining meal plans, Housing still has to pay for them, noting they're paying more money per student than they've ever had to before. She said with Whitney going off line, it will cost our Dining Services approximately \$2 million in lost revenue due to the 550 students that won't be there. Clyde said no matter how many students go into university housing, this is what it costs to run our dining services. She said we have to budget as if all the areas are open. Clyde said the reductions they'll see are variable labor, and our cost of sales that are associated with actual food. She said since they don't know what those numbers are, they had to tie it to what a traditional year looks like. Clyde said the good news is that the way our contract is tied, is if there are savings, we split them with Housing. She said as they gain more information they'll correct the budget, noting that's why we have the revision mechanism in order to make adjustments. Clyde said Corinne Knapp has been extremely helpful. Korte questioned if we are in a scenario that we could revise the budget at the beginning of the year when more information is received. Clyde said no, we would need to wait until spring 2024 to make revisions. Rider said they're talking about making real time operational changes, such as closing Holt Station. Discussion was held regarding budget preparation, as well as the lag time in receiving monthly budget reports. Korte asked if two months of financials could be combined and Robertson said although other committees provide quarterly financials, it's more pertinent to provide monthly financials to ASBC. The Capital Expenditures were next reviewed and discussed with the committee.

- D. Discussion Item: 2/28/23 Dining Services Financials – Rider said for Dining Overall, Income YTD was \$5,843,486, Other Operating Expenses YTD at \$1,160,899 and Net Income YTD at (\$405,184). He reviewed each area of Dining Services with the committee, noting that Holt Station is now closed and that Creekside's numbers are driving our decision to ask for its closure.
- E. Discussion Item: 2/28/23 AS Wildcat Store Financials – Robertson said Income was at \$218,239, Expenses and Transfers at \$67,627, with a Net increase for the month of \$150,612. She said they received a \$180,000 HEERF Grant from stateside and explained the grant.

F. Discussion Item: 2/28/23 Follett Wildcat Store Financials – Novo said Textbook sales were down 25.3% for the month to last year, General Merchandise was down 14.6% for the month, Graduation/Convenience/Health & Beauty were up 19.2% for the month, and Technology Sales were down 39%. Overall, Novo noted that were down 19.4% for the month due to less traffic in the store. He said the 16' expansion in food and beverage has been completed. An Apple sale will be held during Senior Sendoff Week.

- VIII. AUXILIARY BUSINESSES DIRECTOR REPORT** – Rider said the first Marketplace RFP presentation will be held this Friday and the second group is waiting to select a date. He said a recommendation will be brought to this committee before BOD for approval or not.
- IX. CHICO STATE WILDCAT STORE MANAGER REPORT** – Novo said Choose Chico went great and they were very busy. He said numbers were up for attendees on campus, and noted they did \$68,000 in sales last year and \$64,000 this year. Novo advised that in regards to the financials that last year Choose Chico was held in April, this year it was held in March. • Novo said he recently attended a CSU wide Alternative Learning Solutions (ALS) meeting in San Jose for the northern California group. He said one of the topics discussed was more inclusive access, which they're trying to get on campus, noting that opt-out rates are about 12% to 13% for all the CSU's that are on inclusive access (students that don't want pre-paid books on day one can opt out). Novo said the average cost of course materials right now is \$339, which is the lowest it has been in 15 years. Also, a questionnaire was sent out to students regarding how they make their purchases, and 79% bought books from their bookstore, 46% from Amazon and 18% from other websites.
- X. EXECUTIVE DIRECTOR REPORT** – Clyde was absent.
- XI. CHAIR REPORT** – Montes thanked everyone for their cooperation in helping get through this meeting and especially thanked Wright for her assistance with Zoom. He also thanked Robertson. Montes said he appreciated the questions as they help get through this complex budget.
- XII. ANNOUNCEMENTS** – None
- XIII. PUBLIC OPINION** – None
- XIV. ADJOURNMENT** – The Chair, Montes, adjourned the meeting at 9:59 a.m.