ASSOCIATED STUDENTS BUSINESSES COMMITTEE

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

Monday, May 8, 2023  8:30 a.m.  BMU 205

Members Present: Johnathan Montes, Allison Wagner, Michelle Korte, Stacie Corona, Anita Barker
Members Absent: Megan Odom
Others Present: Curtis Sicheneder, Karen Bang, (recording), Katrina Robertson, Tom Rider, Steve Novo, Kyle Alsberry, Keith Crawford, Windy Van Dam, Corinne Knapp

I. CALL TO ORDER – The Chair, Montes, called the meeting to order at 8:32 a.m.

II. MECHOOPDA LAND RECOGNITION: The meeting began with the reading of the Mechoopda Land Recognition Statement.

III. AGENDA – Approval of the 5/8/23 regular meeting agenda. Motion to approve the 5/8/23 regular meeting agenda, as presented (Corona/Barker) 5-0-0 MSC.

IV. ANNOUNCEMENTS – None

V. PUBLIC OPINION – Limited to items on the agenda, three minutes per speaker, five minutes for entire topic – None

VI. BUSINESS

A. Discussion Item: Chartwells – Rider explained that he was commissioned with the task to have Chartwells provide a proposal to take over all campus dining. He said that at the end of the year this committee will have to make a recommendation to the Board about what to do next. Rider said they came to campus and toured all of our areas, with the hope to take over all Dining Services areas including the Marketplace, all coffee shops, residential dining, concessions and catering. The only areas that would stay with AS Dining Services (ASDS) would be vending, food trucks and the Pouring Rights contract. He said they liked the Urban Roots concept and recommended not changing it. For year one, Rider said they suggested, along with some construction, introducing some new concepts into the Marketplace, such as the Wild Blue concept, True Burger and True Taco concepts, Sushi and Asian concepts. They recommended keeping Common Grounds the same for the first year. Rider said for year two, they would add in a full-service Starbucks, building it into the Marketplace, along with other concepts. Common Grounds would become a self-serve 24/7 technology hub (Roboburger and/or Ramen concepts). Butte Station would be turned into a modern market, something like an Amazon store. The Wildcat Den would basically stay the same; however, adding an in-house roasting business. Rider said one of the partnership aspects of their proposal is possibly funding a business to be developed in conjunction with the Business College, a student-owned coffee roasting company – Wildcat Roaster Company. Regarding the location in the new science building, it would possibly become a Shake Smart or Crave virtual kitchen. Montes asked if they already work with these companies and Rider said they do. He reviewed the brands they work with. Sutter Dining Hall was discussed next and Rider said they did not suggest a lot of changes. He said they talked about the “Social House,” some kind of teaching kitchens in order to bring the students into the production environment. Rider reviewed the various health and wellness suggestions they provided. He said they also have a waste management system similar...
to what we’ve previously used. Rider next reviewed their thoughts regarding food insecurity and their support of the Wildcat Food Pantry, such as 24-hour availability to stocked refrigerated coolers for eligible students. Technologies were next discussed, such as the installation of a Rockbot – a modern day jukebox, as well as proprietary ordering and delivery platforms. Boost is their proprietary brand and mobile App.

Corona asked if their proposal is their recommendation for Chico State. Rider said he provided them with real budget numbers, what we charge University Housing (UH), etc. He said “losing less” proposals are what have been discussed at ASBC previously. He noted he can’t tell the committee what the numbers are that they provided. He said it would cost UH less in the beginning, and Chartwells is requesting a 13 ½ year contract. However, Rider said it would be a 10-year contract, as there is 8 ½ years left by the time we’d get to it, next December or January because it’s a CSU contract, a master enabling contract. Barker asked how many campuses use Chartwells and Rider said 10 or 11. Rider said their proposal is presented to us as the full term in order to get their investment out. He said if the Chancellor’s Office contract ended and we wanted to continue with them, we’d have to do a RFP. He said it starts out cheaper and ends up more expensive in relation to what we’re charging UH this year. He noted that each year there would be a 3% increase in cost for the Chartwells contract. Rider said this means we wouldn’t have to go for a rate increase with UH immediately, but in a couple of years we’d have to look at it again. Rider said he’s been wrestling with this as it’s something he personally hasn’t been wanting to do, but said it would be negligent of him in his role if we didn’t look at this seriously and put a pause on everything we’ve been talking about. He noted that everything else puts band aids on things. He said this feels like a way out, someone wants to invest in us and sees the opportunity of the campus. Montes asked if there’s anything Chartwells wants us to contribute to this. Rider said they estimate a transitional cost, which would be free; there would be a substantial sign-on bonus, annual funds that get accrued in order to reinvest in some of these concepts in the future in case it’s desired to switch concepts out. Barker asked if students would still have employment opportunities with them and Rider said they’d want to keep all of our people. He explained that it’s likely that two Chartwells staff would end up here, a controller and marketing person. He said they’ve seen our org. chart and like our positions, although they would possibly add some more. On the AS side, he said there would be somebody, such as his position, who would manage the contract, go to the meetings, assure they do what they say they will do. We’d also employ someone to manage the meal plans accounts. All others would be Chartwells employees. Barker questioned Catering for events and Rider said Chartwells would take this over as well, ASDS would no longer be producing food. He said they’d let us keep the food trucks, only taking 15% out of our commission for them. He also said the possibility of this contract is another reason why the AS is asking for a year’s extension with Pepsi regarding the Pouring Rights contract. Korte questioned the number of students that would be employed by them as she said there appears to be a lot of automation. Rider confirmed employment of students would be lower; however, he said it’s the AS’ goal to reduce student employment in order to save money as well. He said we wouldn’t completely eliminate student staff; want to change positions to be less apt to injure someone, or make someone sick by not checking food temperatures correctly, for example. He noted that students are good at food prep and back of the house jobs; however, they’re making critical decisions at cooking events and fail often. Barker asked regarding an event in the BMU, if AS staff would be doing the non-food things, such as technology. Rider said Conference Services and Chartwells would work together for events. Korte asked if AS Catering currently has the right of first refusal for Catering events and Rider said for this building they do. He said this would be discussed if a contract is prepared with them. He said the Operating & Lease Agreement would need to be revised. Sicheneder said this was their first swing; we can work with them on concepts that might not work, and also discuss operating costs. Rider said he and Sicheneder reached out to folks at CSU, Northridge, who signed with Chartwell in May of COVID 2020. They fired all the Dining staff then brought them back in. Rider said he is contacting a list of referrals and noted Northridge said they would sign with them again, although there are currently some problems. They suggested making sure we get into the details of the contract and make sure all details are
squared away as they’ve noted gaps in their agreement. Barker said Chico State is different than those larger, urban campuses, at every level. She said she could see some of the concepts being very exciting to our students and modernizing us, although we need to take time to decide. Rider said we’ll go through the summertime and get down to something we could put into an agreement, meeting with a new lawyer. He said a possible transition would be in December. They have the first year as half a year of plans; that’s why it’s a 13½ year plan. Sicheneder said there would be two teams, one to do the food the other to handle the transition. Korte said they need to make sure they’re making mindful consideration of the Town and Gown relationship, concepts that haven’t been here previously that could conflict directly with neighboring restaurants. Regarding construction/renovation, Rider said they would make changes happen all at one time, not over a number of years. They have a team that comes in to do this. Sicheneder said during this summer they could come to campus to familiarize themselves with FMS, etc. Robertson asked if they have the certificates needed for the ITPR contract and Rider said they’ve jumped through the hoops with other universities. Barker suggested getting a contact point in the IT Division as they’re trying to have a front-end conversation early with folks to try and help facilitate in order to be a partner when needed.

Rider recommended pausing on the current RFP process in order to further review this option, noting they have a lot of options we can’t do and a lot of potential. Novo explained Follett’s process when they take over a store, noting they’re not required to have student staff but they like them working for them. He said 95% of their staff are students, or students that just graduated. Rider said there seems to be a lot of flexibility on how we approach it. He said this will require a lot of time to make sure we have a contract that all are happy with, noting he wants to make things better than when he started here. Sicheneder said he provided the Board with an overview of this item at last week’s Board meeting. Rider said this would be a big event for the AS overall. He said as a representative in charge of ASDS, this is the best thing he has right now; substantially better than his other piecemeal process.

B. Discussion Item: 3/31/23 Dining Services Financials – Rider said for Dining Overall YTD, Income was $6,660,037, Other Operating Expenses at $1,388,182 and Net Income at ($491,671). He reviewed each area of ASDS with the committee. Rider said they have reduced student staff by approximately 35%. Seventeen of 19 career staff positions have been filled. He said over the last few weeks of May they will see a substantial decrease in student employees. Catering wages were discussed and Rider said they had a cook that was pinned in the paperwork mistakenly at Sutter and have since moved her back to Catering. He said this extra person was the driver for losses. Corona asked about timing of the UH payment and Robertson said the invoice from UH was posted to Dining Overall at the end of the month.

C. Discussion Item: 3/31/23 AS Wildcat Store Financials – Robertson said Income was at $53,269, Expenses and Transfers at $67,730, with a Net decrease for the month of $14,462. Commission Income YTD was at $323,240.

D. Discussion Item: 3/31/23 Follett Wildcat Store Financials – Novo said Textbook sales were down 35.1% for the month to last year. He said they’re at a 71.9% adoption rate as of today. Novo said Choose Chico, which was held in March, was highly successful and General Merchandise was up 32.8% for the month, Novo noted that overall, they were up 9.4% for the month due to the shift of dates for Choose Chico. For the year they are down 7.4%.

VII. AUXILIARY BUSINESSES DIRECTOR REPORT – Rider said last week they did their Swipe Against Hunger, receiving 271 donations, a bit lighter than in the past but they were still happy to receive the donations. He said the Pantry will use them during the summer time. Rider said this Sunday, right before finals week, is the bi-annual Late-Night Breakfast, from 8 to 10 p.m. He said they had an amazing turnout last fall semester at Sutter so are doing this event again.
VIII. **CHICO STATE WILDCAT STORE MANAGER REPORT** – Novo said gown pickups in the Bookstore start today, and requested spreading the word.

IX. **INTERIM EXECUTIVE DIRECTOR REPORT** – Sicheneder said ASBC’s budget rolled up to the Board, as well as the GAC and ASFC budgets.

X. **CHAIR REPORT** – Montes thanked everyone for the great ASBC spring semester, noting the whole year was amazing. He said it made it easy for him to want to come back and do this again.

XI. **TRANSITION** – Montes will continue as the VP of Business & Finance for 2023-24.

XII. **ANNOUNCEMENTS** – Corona congratulated Montes on a successful year and he replied that it’s easy to come back when there are great people to work with. He noted appreciation to Rider and Robertson for getting him involved and answering all of his questions.

XIII. **PUBLIC OPINION** – None

XIV. **ADJOURNMENT** – The Chair, Montes, adjourned the meeting at 9:38 a.m.