

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

Monday, November 5, 2018

10 a.m.

BMU 205

Members Present: Alex Williams, Dan Herbert, Stacie Corona, Michelle Korte, Zachary Schmechel, James Ryan, Chris Taverite, Megan Odom

Members Absent: None

Others present: David Buckley, Karen Bang, (recording), Steve Novo, Tom Rider, Katrina Robertson, Colette Young

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

II. AGENDA – Motion to approve the 11/5/18 agenda (Taverite/Ryan) 7-0-0 MSC.

III. APPROVAL OF MINUTES – None.

IV. ANNOUNCEMENTS – None.

V. BUSINESS

A. Information Item: 9/30/18 Follett commission and contract – Buckley said the AS contract with Follett could terminate on June 30, 2019. He said the Board will need to decide whether or not to extend the agreement, or do a RFP. Buckley said he had Susan Jennings run a couple of projection spreadsheets regarding this and explained that the Follett commission is used to support a variety of projects. If there is any money left over, it's held in a fund that the Board has access to. He said commission income for 2017/18 was \$971,505, projected to drop to \$925,211 for 2018-19, at \$899,632 in 2019-20 and \$886,185 for 2020-21. Buckley explained that when sales decline, the commission amount declines. He said the one-time bonus given to the AS when we signed the contract with Follett is being amortized out through the end of the contract. Buckley next reviewed and explained the various expenses and reimbursements (Herbert joined the meeting at 10:04 a.m.). He said when the AS stopped running the store, the Bookstore was paying about \$300,000 to cover Corporate Overhead (Admin., HR, FSO, and IT). Even though some of the overhead areas were reduced, there were still overhead costs that couldn't be reduced. Buckley said the Board decided to keep Activity Fee, Student Union and Dining whole. For 2017-18, the bottom line after all expenses was \$198,000, for 2018-19 projected to be at \$103,000. He said as we go further, will be in the negative. He said the trend is that we'll be in the negative, which will cause a hit to Activity Fee, Student Union and Dining, and the Board will have to decide how they want to slice the costs. Buckley next reviewed the Follett projections, which Jennings ran through 2020-21, explaining that sales continue to drop. Williams asked what he thought would be the best option. Buckley said he spoke with the Follett VP who we worked with on the contract and she is sending him information on projects they are working on that might affect sales, in particular, the Discover Program. In addition, there is another program where a fee is attached to certain classes, and with that fee students would get a reduced rate. Buckley said the Board should make a decision by the last meeting in December so that staff will know how to proceed with this. He explained that Follett hasn't given us any projections for the next three or four years. Buckley said because this decision effects the whole corporation, the Board will be making the decision. He said he wanted to provide this as an information item to ASBC, and is open to suggestions from ASBC members.

B. Information Item: 9/30/18 Wildcat Store Financials – Buckley said income was at \$109,656, expenses and transfers at \$97,084; net increase was \$12,571 for the month, \$89,048 net increase YTD. Commission income at 34.89% of 2018/19 original approved budget of \$840,000.

VI. DINING SERVICES DIRECTOR'S REPORT – Rider reported that Filta has been working with both Marketplace and Sutter Dining regarding cooking oil. He noted 700 pounds of oil have been saved, 630 pounds collected and formed into biodiesel. He said they reduced oil use by twenty 35-pound jugs. Rider reviewed the amount of money saved, as well as sustainability savings. He said by working with this customer Dining Services is extending the life of our oil by 100%. • Rider provided samples of Eco Stick, noting a 46%

reduction in packaging for bulk products such as sugar and creamer. Regarding compostable paper products, Rider said they're replacing bio plastics with compostable paper products. He noted that in Catering they have been using compostable products but there's a lack of means to dispose of them properly. He said he is obtaining quotes for the purchase of EcoCaddies so that compostable paper products can go into compostable containers at catering events. Currently due to food waste on paper products, they aren't recyclable. • Rider said in the first 9 weeks of the semester, 2,000 stainless steel straws were sold. Sustainability survival kits will be sold in Urban Roots soon. Rider said Lean Path waste tracking scales are being shipped to us, to start at Sutter Hall first, then transition into the Marketplace. Rider said Dining Services is partnering with Chico Regional and Continuing Education for coffee sleeves; he noted this helps support the AS/University partnership. • Rider said Daily Grind is the winning name for the Coffee Cart. • Rider said there are currently three manager positions unfilled and that the Residential Dining Manager recruitment has started. He said the Sous Chef position will be posted this week. In addition, a Catering Manager will be hired so that Elaine Kramer can focus on her Associate Director position. The Retail Associate Dining Director position will not be filled.

- VII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Novo said they are now selling additional items online via Advanced Online, and presented snapshots of some of their various offerings. He said this would create an additional revenue stream for the store. Novo said a three day Stock Up & Bundle Up 25% off sale will be held November 13-15. Customer Appreciation Day (25% off apparel and gifts) will be held Friday, December 7 from 8 a.m. to 5 p.m.
- VIII. EXECUTIVE DIRECTOR'S REPORT** – Buckley reported that the new scale system to weigh the food is a great thing because controlling food cost is one of the major factors in running a dining program. He said the waste is weighed, providing a benchmark for what the waste should be on a daily basis. He recognized Tom for moving the AS in this direction. • Buckley said the Chancellor's Office is more than likely moving forward with a policy to eliminate plastic water bottles throughout the whole CSU system. He reported they reached out to some of the auxiliaries about six months ago regarding this and the response was that it was not a good idea financially. He said the Chancellor's Office will allow those with contracts for bottled water to stay within the terms of the contract. Buckley said we have 4 ½ years left on our contract with Pepsi; after that, we will no longer be able to sell plastic water bottles. He also advised that campuses will no longer be allowed to sell plastic water bottles at campus events, such as graduation. Buckley said we receive a fairly decent commission from Pepsi for bottled water and a lot of those funds go to Athletics. He estimated a \$50,000 to \$60,000 loss. Discussion was held and Buckley said they could sell boxed water. Novo said in the Wildcat Store they have started selling rather inexpensive reusable aluminum water bottles.
- IX. VP APPOINTEE'S REPORT** – Schmechel reported that BMUC meets tomorrow.
- X. CHAIR'S REPORT** – Williams had no report.
- XI. ANNOUNCEMENTS** – Williams reminded everyone to vote tomorrow.
- XII. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None.
- XIII. ADJOURNMENT** – The Chair, Williams, adjourned the meeting at 10:41 a.m.