

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

Monday, April 8, 2019

10 a.m.

BMU 205

Members Present: Alex Williams, Dan Herbert, Michelle Korte, Chris Taverrite, Megan Odom, Ashish Sahota

Members Absent: Stacie Corona

Others present: David Buckley, Karen Bang, (recording), Jamie Clyde, Steve Novo, Tom Rider, Elaine Kramer, Katrina Robertson

- I. **CALL TO ORDER** – The Chair, Williams, called the meeting to order at 10:01 a.m.
- II. **AGENDA** – **Motion to approve the 4/8/19 agenda (Taverrite/Sahota) 5-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the 3/25/19 regular meeting. **Motion to approve the minutes of the 3/25/19 regular meeting, as presented (Taverrite/Sahota) 5-0-0 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. **Information Item: Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2018-19 and proposed budget 2019-20** – Jennings said the Wildcat Store is included in the budget packet but goes directly to the Board for approval because it's based on the contract. She reviewed Dining Services overall with the committee. Revised Net for 2018-19 of \$165,322, Proposed Net for 2019-20 of \$(59,142). Rider reviewed the Revised 2018-19 and Proposed 2019-20 Executive Summaries with the committee as well as Residential and Retail Dining (Korte joined the meeting at 10:07 a.m.). The Capital Expenditures list was reviewed and Rider noted that the roof replacement is for Holt Station, not Butte Station. He said they plan to do this work in-house, which would be much less than the \$16,000 quoted by FMS. Jennings explained the Dining Services Net Assets Reserve Analysis. She said it's being suggested to increase the operating reserve from \$125,000 to \$250,000. Based on current assumptions, it is anticipated that the Net Assets Reserves required for Dining Services will continue to be fully funded in the years 2018-19 through 2022-23 and will then go into a deficit position. Korte questioned if reserves reached an actual point of being at a loss, if changes would be made and Buckley said yes. He said they have to really start addressing this issue and make changes. Jennings next reviewed the Corporate Services Fund Summary as well as Reimbursements. Buckley said the Board is aware that we're getting towards the end of a Compensation Study and it is hoped to provide this item to the Board before their last meeting this semester. He advised that any increases as a result of the Compensation Study aren't reflected in this budget and said that adding additional salaries and benefits can create more challenges. He said this study affects all areas of the AS.
 - B. **Information Item: Revisions to Associated Students Corporate Codes – Dining Services Net Assets Reserve Policy** – Jennings provided background on the Dining Services Net Assets Reserve Policy, explaining net assets represent excess operating income that has accumulated over time. She said that effective for the 2018-19 fiscal year there is a new accounting pronouncement that impacts the AS's annual audited financial statements. Financial statements will need to include both qualitative and quantitative disclosures. Jennings said the Net Assets Reserves Policy for each area is being updated to make clear which are cash and non-cash. In addition, there is also a proposed change to the Operating Reserve (formerly Working Capital Reserve) calculation, increasing to \$250,000. Jennings also reviewed additional wording added to the policy.
 - C. **Information Item: 2/28/19 Wildcat Store Financials** – Jennings reviewed with the committee, noting Income at \$81,481 and Net Decrease of (\$10,607). Commission Income at \$625,801 YTD.
 - D. **Information Item: 2/28/19 Dining Services Financials** – Rider provided an overview, noting Dining Overall income was up 1.74%, Net Income up \$164,552. He said Sutter Hall Dining income is contracted at

\$422,858 for the month. COS for the month was 45.44%, Net Income was 'up' (35.77%) for the month. Cash Ops Income was up 3.33%, Net Income up \$129,203. Dining received \$92,708 from the Pepsi contract. Marketplace Income was down 10.57%, Net Income down 39.10% for the month. Other Dining Services areas were also reviewed with the committee. Korte questioned student and casual wages being over budget by \$40,000 YTD. Rider said there was an increase in student labor due to covering unfilled career positions.

- VI. DINING SERVICES DIRECTOR'S REPORT** – Rider said a representative from EBT should be contacting him soon regarding a site visit of Urban Roots and to prepare an analysis.
- VII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Novo said they had \$71,000 in sales Saturday during Choose Chico, compared to last year's sales of \$59,000. He said they were very busy and the 9 a.m. to 1 p.m. schedule worked well for them. He displayed new items in the store and noted that the Faculty, Staff and Student Appreciation Day of 8% off on the educational price on iPads or Macs will be on May 3.
- VIII. EXECUTIVE DIRECTOR'S REPORT** – Buckley reported that our AS staff worked hard during Choose Chico this last Saturday to make it a great event. He said a few days before the event there were concerns regarding a downtown group that is concerned about safety distributing flyers to parents saying they shouldn't send their kids here because it's unsafe. He said Herbert reached out and was able to stop this from happening. • Buckley said the Dining Director search is just about wrapped up. Regarding the recent flooding, Buckley said there was water damage to both Butte Station and the WREC, with significant damage to the WREC basketball court.
- IX. VP APPOINTEE'S REPORT** – Sahota had nothing to report.
- X. CHAIR'S REPORT** – Williams said next week's ASBC meeting was originally scheduled in case it was needed for additional budget review. She said if everyone was comfortable with the budget review presented, the April 15 meeting could be cancelled and approval of the budget would be on the April 22 agenda. Consensus of the committee was to cancel the April 15 meeting. Williams said if anyone has additional questions regarding the budget they can contact Jennings or Rider.
- XI. ANNOUNCEMENTS** – None
- XII. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None
- XIII. ADJOURNMENT** – The Chair, Williams, adjourned the meeting at 10:54 a.m.