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

Monday, April 20, 2020

9 a.m.

Via Zoom

Members Present: Chris Taverrite, Dan Herbert, Michelle Korte, Austin Lopic, Stacie Corona, Mattea Bertain, Megan Odom, Nicole Loiseau

Members Absent: None

Others Present: Jamie Clyde, Karen Bang, (recording), Lauren Lathrop, Tom Rider, Susan Jennings, Katrina Robertson, Elaine Kramer, Katie Peterson, Sarah Fenton, Shar Krater, Miranda Pierson, Corinne Knapp, Hugh Hammond, Jennifer Mendoza, Thang Ho, Scott Harrison, Kiley Kirkpatrick, Zachary Aramante, J. Fiddle

- I. **CALL TO ORDER** – The Chair, Taverrite, called the meeting to order at 9 a.m.
- II. **AGENDA** – **Motion to approve the 4/20/20 agenda (Lopic/Loiseau) 7-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the 3/9/20 regular meeting. **Motion to approve the minutes of the 3/9/20 regular meeting, as presented (Lopic/Loiseau) 6-0-1 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. **Action Item: Approval of Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2019-20 and proposed budget 2020-21** – Jennings provided an overview of the budget, noting that due to the unknown of student enrollment this fall that they based the budget on a very conservative student head count of 14,000. She said as time goes on, they will know more as we get closer to summer and see how campus closure due to the COVID-19 pandemic plays out. Rider reviewed each area of Dining Services revised 2019-20 and proposed 2020-21 with the committee. He said all retail operations will remain closed through June 30. Korte questioned if they have various planned scenarios for what may happen this summer and fall. Clyde said VP Sherman asked them to run various scenarios based on different head counts. They settled on a student head count budget of 14,000, which is 3,000 students less than we've had recently. Clyde said the worst-case scenario would be if we don't come back to campus this fall. She said the information they put out is good and adjustable, noting it's tied to a top line revenue which makes this budget easier to manage. They continue to work with University Housing regarding residential dining. She said we are covering our cost as an organization this year but we do start drawing on reserves next year for all areas. Clyde said the won't have all the pieces until next year's budget revision; the hope is that we're not in a deficit but more time is needed to make sure models are accurate. Korte questioned monthly fixed costs and Clyde said debt service and corporate overhead are the fixed costs. Jennings reviewed Net Assets Reserves, noting reserves are set in order to set aside operating cash for when additional cash flow is needed. Starting in Projected 2023-24, she said they would be in negative reserves due to cost increases and flat sales. She also reviewed Dining Services Capital Expenditures for 2019-20 and 2020-21. Jennings reviewed Wildcat Store information with the committee, noting the Board approved a two-year extension with Follett and the extension is currently pending. She said the AS receives a 90% commission minimum guarantee from Follett. Bookstore sales have been less due to the bookstore closure and sales trends in general. It was noted that health costs were significantly increased in the budget as it is unknown what effect COVID-19 will have on health insurance costs in 2021. Jennings also reviewed and explained Area Reimbursements. **Motion to approve Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2019-20 and proposed budget 2020-21, as presented (Lopic/Loiseau).** Corona said she and Korte discussed approving the budget on the condition that if things change a revised budget would be prepared if necessary. Jennings expressed concern regarding preparing another budget and said Dining Services would need to adjust their operating plan via ASBC if there's a significant change, especially if we don't come back to campus in the fall. Clyde said the budget is a snapshot in time and that's why ASBC meets every other week to review and discuss the budget. She

said if necessary, adjustments would be made and budget revisions would be in January. The budget approval process was discussed and Clyde said each committee approves their budget, then the budget as a whole goes to the Board for their approval. Korte asked if the University President does a stamp of approval for this process and Clyde said yes. Korte said if the budget significantly changes, she would like the president to be given the opportunity to look at it. Korte asked if there are scenarios of A, B, C, D that the committee can refer to. She said it would be important especially next year that if there's a potential for having such differences from the norm, the members could look at the report and compare to meaningful budget numbers. Clyde said this can be done since they are ratios and noted that Rider will be spending time on this. She said he prepares financials from scratch every single month for the committee's review. Korte asked if they could have an informal revised budget during meetings and Clyde said they could do this so the committee could see what the ratios look like. Corona thanked them for talking through this. Korte said she would like to see the cost to revenue number monthly, or per semester and Rider said he could provide that information. It was decided that the numbers would be provided to Corona and Korte before Friday's Board of Directors' meeting, where all budgets are scheduled to be approved. Korte requested all information for fixed costs. Jennings said based on the discussion, they will be providing the committee with an internally modified version of the budget each month for their review.

7-0-0 MSC.

- VI. DINING SERVICES DIRECTOR'S REPORT** – Rider had no report.
- VII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Lathrop said right now the store is surviving on online orders. She said they are seeing a lot of alumni sales for graduation as well as parents purchasing items for incoming freshmen. Online sales are currently running \$2,000 to \$4,000 per day. They are not seeing a lot of textbook orders at this time. Lathrop said a company opened up free online access for e books for those students who had to leave books in dorms or shared books with roommates. She said they will be sending out reminder emails that rentals will be due in the next few weeks which can be shipped back to the Bookstore via the barcode label. Lathrop updated regarding the Discover implementation that they've been working on and becoming HEOA compliant on campus. She said they are currently not compliant due to COVID-19 and reduction in staff.
- VIII. EXECUTIVE DIRECTOR'S REPORT** – Clyde thanked everyone for all that they've done, noting this has been a challenging budget cycle. She explained that the majority of capital projects have been placed on hold. Three projects that are moving forward are BMU security cameras, outdoor lighting and roof repair as they all have to do with safety and security. Regarding Paid Administrative Leave (PAL), she said the AS followed suit with campus in terms of how career and student staff were provided PAL - a percentage of 128 hours through June 30 as that's when the current fiscal year ends. PAL will be looked at again after June 30 regarding the additional 128 hours campus provided. She said the AS is in a different financial atmosphere vs. campus as we're revenue based. She said AS student employees are also eligible for unemployment. Clyde said that in the midst of all the chaos due to the COVID-19 pandemic, she is very proud that the AS as an organization really took into account student services and started putting the entire organization online, continuing to provide services to everyone. Clyde thanked the committee for their involvement and recognized Taverrite for his leadership.
- IX. VP APPOINTEE'S REPORT** – Lopic said ASBC approved their budget at Monday's meeting.
- X. CHAIR'S REPORT** – Taverrite thanked everyone for attending the consistent Monday morning meetings and said he gained much insight of how this corporation runs. He thanked the committee, noting all have brought insight in a different way to this table.
- XI. ANNOUNCEMENTS** – Jennings said it has been an honor and a pleasure to work with Taverrite. Taverrite congratulated Lopic on being the next ASBC Chair. Lopic said he is looking forward to chairing this committee and working with everyone.
- XII. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – Krater said it has been an honor to work with Taverrite and she looks forward to working with Lopic next year.
- XIII. ADJOURNMENT** – The Chair, Lopic, adjourned the meeting at 10:36 a.m.