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

**Monday, April 5, 2021**

**10 a.m.**

**Via Zoom**

**Members Present:** Austin Lopic, John Barron III, Michelle Korte, Stacie Corona, Dan Herbert, Duncan Young, Megan Odom

**Members Absent:** Anna Smith (excused)

**Others Present:** Jamie Clyde, Karen Bang (recorder), Tom Rider, Susan Jennings, Thang Ho, Hugh Hammond, Katrina Robertson, Lauren Lathrop, Katie Peterson, Corinne Knapp

- I. **CALL TO ORDER** – The Chair, Lopic, called the meeting to order at 10:01 a.m.
- II. **MECHOOPDA LAND RECOGNITION** – The meeting began with the reading of the Mechoopda Land Recognition statement.
- III. **AGENDA** – Lopic said he would like to move Business Item A., review of the Auxiliary Businesses Budget, to the bottom of the Business Items so that the budget is reviewed last. **Motion to move Information Item A. the AS Auxiliary Businesses Budget – Dining Services (including Capital Expenditures) to be Item D (Lopic/Young) 7-0-0. Motion to approve the amended 4/5/21 agenda (Young/Corona) 7-0-0 MSC.**
- IV. **APPROVAL OF MINUTES** – Minutes of the 3/22/21 regular meeting. **Motion to approve the minutes of the 3/22/21 regular meeting, as presented (Corona/Barron) 7-0-0 MSC.**
- V. **ANNOUNCEMENTS** – Lopic said AS Elections are this Wednesday beginning at 8 a.m., through 8 a.m. Thursday. He noted we are more than half way through the semester and registration is coming up on April 26. He wished students good luck with their mid-terms.
- VI. **BUSINESS**
  - A. **Discussion Item: 2/28/21 Dining Services Financials** – Rider reviewed, noting Income at \$209,547, Net Income at \$1,637, and YTD Net Income at \$206,309.
  - B. **Discussion Item: 2/28/21 AS Wildcat Store Financials** – Jennings advised that Income was at \$18,972, Expenses and Transfers at \$65,644, Net Increase (Decrease) of (\$46,672) for the month), Commission Income YTD was \$226,125.
  - C. **Discussion Item: 2/28/21 Follett Wildcat Store Financials** – Lathrop said for the first time all year, the textbook department overall ran up 10%, or \$6,793. She said this was largely due to the shift in the start of school to one week later. Digital sales were up 491%. She said Clothing ran down 72%, computer sales were down 71%. Lathrop advised that they processed 917 online orders in February. Overall, the store was down 65% for the month of February.
  - D. **Information Item: Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2020-21 and proposed budget 2021-22** – Jennings said these budgets were built based on an optimistic assumption of 1,000 on campus residents using the Sutter facility along with service to a small number of students living in University Village. They used a conservative annualized headcount of 14,500 and she noted that what is presented is their best estimate given what we know at this time. Rider reviewed the revised 2020-21 Dining Services (DS) Executive Summary, noting that DS total operating income is expected to be \$2,216,638, trending 75.4% less than the original budget passed last year. Total Costs of Sales is expected to be \$171,150, trending down 94.1%. Total operating cost is expected to be

\$1,966,104, 69.4% less than original budget. He said this results in zero dollars available for reserves, per the Net Zero contract with University Housing (UH). Rider next reviewed the proposed 2021-22 Executive Summary, noting they are estimating total operating income at \$5,474,642, with total cost of sales at \$1,043,757. Labor is proposed to be \$2,995,556 which is a 34.4% reduction over the original 2020-21 budget. He said Total Other Operating Expenses are proposed to be \$1,415,949, and said all of this results in \$0 available for reserves, per our proposed Net Zero contract with UH. He reminded everyone this is a snapshot of what they thought at a particular period of time and explained assumptions have changed in a positive sense in that we will likely have more students and faculty/staff on campus than originally thought. He next provided an overview of all Dining Services areas and how they will be operating. He said Creekside and Holt Station aren't in the budget; however, he's now being told that Creekside may be able to reopen. Rider said they are asking for \$4.7 million from Residential Dining for this year. He said within that are all of our expenses for Dining beyond our predicted income, which will bring us to a net zero dollar income for the year. He noted retail predictions are based on 30% return to campus and now we're at possibly 50% on campus, which is not included in the budget. He said the 30% return to campus is only a prediction of \$706,168 in total retail income. Every dollar earned over that \$706,168 helps to offset the overall cost to UH. Young asked if there will be a way for students who don't have banking services to still be able to purchase food via cash. Rider said not all services will be cashless, and they could institute meal plans for students, which uses a card, and could be accessed on a computer if they don't have a cell phone. Clyde added that a service the AS provides is our Redd Dollar, noting any student can come in with cash and put it on this card. They don't need particular documentation other than their Wildcat ID card. Lathrop said the Wildcat Store has options in the Convenience Store as well, and they do take cash.

Jennings next reviewed DS Net Asset Reserves, noting that based on current assumptions, it is anticipated that the net asset reserves required for DS will continue to be fully funded in the years 2020-21 through 2024-25 and will then go into a deficit position. Korte said it seems like DS would negotiate so that it's not operating in the deficit. Jennings said there have been years where we have had negative results. She said this gives us a conservative view of what it could possibly look like if we stay with our current agreement with UH, and we would hopefully be able to negotiate with UH regarding projected losses in the future. Clyde said that she's working with both the VP's currently on a business model, and secured for last year and this year. DS Net Asset Reserves were explained and discussed. Jennings next reviewed Capital Expenditures for Revised 2020-21, and 2021-22.

Jennings reviewed the Wildcat Store Executive Summary and noted that 2020-21 income is expected to decrease significantly to \$299,937, due mainly to reduced sales volume in the store, loss of commission minimum guarantee and a lower commission rate in the pending agreement with Follett. She said 2021-22 income is projected to increase to \$527,054 based on projections of increased sales in the store as students return to campus. Jennings said 2020-21 expenses are expected to decrease due to lower utility costs and Contributions to the University. For 2021-22, expenses are expected to return to normal levels. The 2020-21 net is estimated at (\$460,674) and the 2021-22 net is estimated at (\$306,119). Jennings reviewed the Net Asset Reserves and noted that based on current assumptions, it is anticipated that the net asset reserves required for the Wildcat Store will continue to be fully funded through 2022. Clyde said she has been working with Follett on an updated agreement for this year and next year. Corporate Services Costs and Area Reimbursements were reviewed and discussed with the committee (Herbert left the meeting at 10:55 a.m.) Lopic reminded everyone to review this budget before it is voted on.

- VII. DINING SERVICES DIRECTOR'S REPORT** – Rider said he would be working on marketing for all the new operations this week, after elections are over. He noted that Butte Station will open on June 7. He said DS will be open for upcoming summer camps. Rider said in conjunction with the BMU tentatively reopening on August 2, DS will also open Common Grounds, Urban Roots and

something from the Marketplace. They will also be trying out the new hot dog cart while summer camps are on campus.

- VIII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Lathrop said they are collecting adoptions for the summer term and fall semester. She said there are approximately 250 summer courses this year, and they are at about 48% of adoptions. They are; however, almost complete with their title count for summer. Regarding fall, Lathrop said there are approximately 3,500 courses to be entered and they have only entered about 7%, so are working on that. Regarding graduation this year, caps and gowns can only be purchased, not rented. She said a lot of students have been in the store to purchase caps, tassels and stoles. Lathrop announced that starting this Friday, the Bookstore will be open on Fridays. In person shopping hours will be 12 to 4 p.m. Monday through Friday. Lathrop explained a partnership with Red Bull regarding graduation regalia. She said a 20% off Champion sale starts tomorrow and goes through Thursday, both instore and online.
- IX. EXECUTIVE DIRECTOR'S REPORT** – Clyde reported that they are continuing to work on the return to work for all the different AS areas offering services for all of our students. She said they are still working on large office moves for incoming officers, to make a collaborative space for them when they'll be on campus this fall. She said the new Strategic Plan is being worked on and has gone to the Board. Clyde noted the Brand committee is on the third round and are trying to finalize before the end of the school year. She said they are excited to be back in the building soon and getting to see students again.
- X. VP APPOINTEE'S REPORT** – Barron said BMUC will be meeting today at 2:30 p.m. and an introduction of their budget will be presented to them.
- XI. CHAIR'S REPORT** – Lopic said his 21<sup>st</sup> Birthday was last Wednesday and thanked all for the well wishes. He said he is re-running for his position.
- XII. ANNOUNCEMENTS** – Odom said the Career and Internship Job Fair is on April 28 and Rider could join them if planning on hiring for DS. • Clyde wished those running for office good luck, noting that it's extra challenging having to run on-line. She said she's excited to see who our next officers are. • Corona announced the spring 2021 emergency aid for students, from the 2<sup>nd</sup> Federal Stimulus Act. She said \$13,529,300 went out on April 2 to 15,238 degree seeking students. She said this doesn't include third round of stimulus money approved a few weeks ago, which they plan on giving in the fall. Corona said any students that were ineligible to receive Federal aid, such as dreamers, international and undocumented, were given campus funds since they couldn't be given Federal dollars. She said last spring they gave out \$11.6 million. Corona said she would share the document with the committee and Clyde said the information could be placed on the AS website as well. Corona noted they are trying to get all students to sign up for direct deposit so they can receive their funds quickly. • Young said Chico received national recognition because Riley's Bar won for the best bar in America
- XIII. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None
- XIV. ADJOURNMENT** – The Chair, Lopic, adjourned the meeting at 11:23 a.m.