

BOARD OF DIRECTORS

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

Wednesday, March 13, 2024

8:30 a.m.

BMU 205

Members Present: Autumn Alaniz-Wiggins, Johnathan Montes, Dr. Tracy Butts, Mia Arisman, Allison Wagner, Christian Sullivan, Dr. Isaac Brundage, Jamie Clyde

Members Absent: Vincent Sy

Others Present: Dr. Chela Mendoza Patterson, Jon Simmons, Eliza Miller (recording), Kendra Wright, Kyle Alsberry, Thang Ho, Katrina Leach, Leah Mercer, Anna Paladini, Keith Crawford, Kristin Chelotti, Charlie Foor, Shar Krater, Katey VonMosch, Brooke McCall, Tom Rider, Richard Oliver, Amanda Dubner, Christina Jewell, Anna Paladini, Sarah Wilson, Curtis Sicheneder, Steve Novo, Joe Fischioni, Nikki Hamzneff, Stephanie Fabian, Robert Sur, Tanya Hostetler, Corinne Knapp, Jon Timko, Michael Masney, Dr. Cirilo Cortes, Mimi McCluskey-Wise, Windy Van Dam, Jessee McEckron, Verlene Moreno, Danielle Fierro.

CALL TO ORDER – The Chair, Alaniz-Wiggins, called the meeting to order at 8:33 a.m.

- I. **MECHOOPDA LAND RECOGNITION** - The meeting started with reading the Mechoopda Land Recognition Statement.
- II. **AGENDA – Motion to approve the 3/13/24 agenda (Wagner/Montes). 7/0/0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the regular meeting of 2/28/24. **Motion to approve the minutes of the regular meeting of 2/28/24, as presented (Arisman/Sullivan) 7/0/0 MSC.**
- IV. **ANNOUNCEMENTS- None**
- V. **PUBLIC OPINION** – Michael Masney from Chartwells introduced himself and thanked the AS for the year-long process they have been through with Dining. He thanked the room for considering a deep dive into the financials and allowing them to examine what makes Chico State unique. He introduced Nikki Hamzneff taking the next public opinion time. She shared a little about her background baking bagels at Einstein's as a student at Cal Poly, and how that led her to a career with Chartwells. She expressed that the career pipeline that Chartwells offers is incredibly rewarding. She introduced Stephanie, who shared her journey with San Jose State, where she worked in a self-op dining experience before transitioning to Chartwells. She discussed her experience in self-op at San Jose State and how much more they were able to do with their ideas once Chartwells was on campus.
- VI. **STANDING COMMITTEE REPORTS** – Action Items forwarded to the Board of Directors from the standing committees stand approved unless overturned by a 2/3 + 1 Board action.
 - A. Government Affairs Committee
 1. GAC Actions of 3/4/24
 - a. Approved the 3/4/24 regular meeting agenda.
 - b. Approved Minutes of the 2/19/24 regular meeting, as presented
 - c. Approval of removal of Owen Boggeln as the Director of Academic Affairs Student Appointment to the Social Justice & Equity Committee.
 - d. Approved Consent Agenda: 2023-24 Associated Students Committee/Council Appointments Confirmation of appointments to the Social Justice & Equity Committee:
 - Director of Academic Affairs Student Appointment: Aishwarya Gowda
 - B. Associated Students Facilities Committee
 1. ASFC Actions of 2/29/24
 - a. Approved the 2/29/24 regular meeting agenda.
 - b. Approved Minutes of the 2/15/24 regular meeting, as presented
 - C. Associated Students Businesses Committee

1. ASBC actions of 3/8/24
 - a. Approved the 3/8/24 regular meeting agenda.
 - b. Approved Minutes of the 2/23/24 regular meeting, as presented

VII. BUSINESS

- A. Info Item: Revised Pay Grades- Mercer shared that this item will be coming back multiple times before going to a vote, and currently, we are just providing some education. She shared that we currently evaluate pay grades based on points from different categories. We currently have 25 paygrades, but due to minimum wage, four of those are now inactive due to rising minimum wage. She stated that we have evaluated the range and are looking to expand the gap between pay grades. She also shared that rising minimum wage is causing compression and inversion, in addition to more candidate negotiation and having to compete with Chico State, Butte College, and other large regional employers. The new CSU union agreements also indirectly impact AS staff as we attempt to keep up with the campus pay. She also shared that we have several red-circled employees who are at the top of their pay range, in addition to several more getting very close to the top of theirs. Another issue is equity: are we paying people similarly to others in similar roles? Mercer shared that we had a consultant conduct some market analysis on our pay grades. The goal is to shift pay grades to allow more space within and in between them and provide some equity adjustments. This would give more flexibility when recruiting. We are also potentially looking at moving from the current numbering system to a lettering system. Dr. Brundage joined the meeting at 8:58 am. Clyde joined in to share that she will be abstaining from this vote due to her current situation. She also added that under the ed code, we are required to pay similarly to our campus counterparts. We tend to need to catch up to campus partially due to how we have our BOD review and vote on decisions like this. Richard Oliver on Zoom sent a message in the chat inquiring about the possibility of merit-based pay evaluations, as they had been brought up at an earlier all-staff meeting. Mercer responded that it is still on the table, but likely isn't in the near future. Alaniz Wiggins inquired whether the new compensation proposal would be included in the budget the BOD will review. Clyde shared that Leach is including a compensation pool in the proposed budget to help accommodate whatever might happen in the future.
- B. Discussion Item: 1/31/24 Dining Services Financials – Montes shared that our fiscal year runs July through June, so this will reflect half of our fiscal year. He shared that Dining's overall income for the month was \$661,552. Net income was \$104,554. Net income YTD was \$453,454.
- C. Discussion Item: 1/31/24 AS Wildcat Store Financials – Montes shared that AS income from the Wildcat Store for the month of January was \$55,974, with \$30,680 of that coming from commission.
- D. Discussion Item: 1/31/24 Follett Wildcat Store Financials – Montes Shared that the strike at the beginning of the year had a massive impact on the January income for the Wildcat Store. Computers and textbooks were particularly affected by the strike and Saturday power shutdown at the beginning of the spring semester. Overall, the store was down 36.2% in transactions for the month of January. Dr. Brundage suggested that the AS host a presentation to the cabinet on the importance of the relationship between the University and the Wildcat Store.
- E. Discussion Item: Local Agency Investment Fund and Money Market for the quarter ending 12/31/23 – Leach shared that this quarter looks slightly different because we recently opened a Money Market account with our local bank. That new account only holds Auxiliary business funds. Leach reviewed the investment amounts and interest earned in each account. Leach noted that the interest rate on the LAIF fund is currently at 3.99%, and our investments earned a total of \$247,667 in interest in Q2. The Money Market is at 4.25% interest, earning \$3,650 in interest during the month it was open before this report was created. Alaniz-Wiggins asked if there were plans to move more funds into the money market account. Leach clarified that the money market account would only be using Auxiliary Business funds, as none of those come from student fees, which have restrictions for investing.
- F. Discussion Item: Capital Expenditure report for 12/31/23 – Leach reviewed capital expenditures for all areas. The only area with any capital spending is the student union. This quarter, the union purchased some AV equipment and upgrades for the BMU, all of which were approved in the previous year. The WREC replaced a boiler for approximately \$61,000 dollars. Dr. Brundage left the meeting at 9:12 am.

- G. Discussion Item: Chartwells Update- Rider shared that some of this presentation is similar to what was previously presented to the BOD. He shared some of the background that led to the AS reaching out to Chartwells after a challenging year in 21/22 for dining services. He shared some proposed plans for the marketplace, including a local coffee shop anchor where the deli currently is. This plan does not include any national brands because the feedback wasn't supportive, and the recent rise in fast food minimum wages will cause an increase in menu prices, which Rider would like to avoid. The proposed changes also include transitioning the common grounds space into a digital food hall. In the new behavioral and social sciences building, several concepts are being considered, including Einstein's Bagels. Also in the potential plans are an environmental refresh of Éstom Jámani along with some programming to help with engagement, new software applications we lack, like inventory management, and new and robust marketing packages. Rider reviewed the schedule for capital investment for the next nine years. Rider shared that this contract is currently proposed as an 8-year contract with two 5-year extensions. A total of 18 years. Rider handed the presentation over to Leach to discuss more of the financials of this proposed contract. Leach took the first eight years of the contract to compare the financial situation between continuing as a self-op versus Chartwells. With all her calculations, she saw about a 5% decrease in revenue. She shared that there are many fixed costs that will remain no matter the situation. Leach covered all of these various costs and income sources. Leach shared that the AS would still be receiving our income from the pouring rights contract, but 12.3 million over eight years would still need to be absorbed by our other areas. Leach shared that Chartwells offers a 2 million dollar signing bonus. Campus and the Chancellor's office will also receive some funds should the AS move forward with this contract. The Chico Cash fund is 50,000 a year from which we can make in-kind donations for campus partnerships like the farm or the food pantry. Leach summarized by sharing the estimated return on investment for this contract, including AS capital investment, is about 8 million dollars. Overall Leach predicted this contract could potentially result in a projected 3-million-dollar loss for the AS. Montes inquired about the amount listed under the cost to revamp the marketplace with the concern that the allocated funding would not be enough. Additionally, Montes inquired about the technology allocation and what the plans were for that. Rider shared that Chartwells could send the committee a list of recommended software and other technology purchases.
- H. Director of Academic Affairs Report – Arisman shared that Corinne Knapp came to SAS last week to share information about the recent housing cost changes. Arisman also shared that she attended CHESS last weekend and had a great time. Finally, Arisman shared that at the upcoming SAS meeting, a rep from financial aid will be visiting to speak to the committee.
- I. Director of Social Justice and Equity Report – Sullivan shared that his next SJEC meeting is on March 28th. He shared that he also went to CHESS. Additionally, Sullivan shared that the Women's History Month display is in full swing. Finally, he shouted out Danielle Fierro for her recognition of Ramadan.
- J. University Vice Presidents' Reports – Clyde expressed her thanks to the Chartwells team; sharing that she has been very involved in all the budget planning processes across campus that are all invested in what happens with Chartwells. They have been wonderful to work with on such a complex concept. Clyde also shared some updates on the campus budget. The campus went into the reserves last year by about 9.5 million. Compensation has increased this year, and 86% of the campus is staff and faculty. The state compact is deferred. All these factors contributed to the campus looking at another deficit this year. UBC has been working to close the gap and help preserve reserves.
- K. Faculty Representative report – Dr. Butts shared that the distinguished alum celebration happened last Friday. Faculty leadership awards are going out, with more to come. These awards have been given out as surprises. Academica affairs budget tomorrow night, the recording arts and music industry program hosting their songwriting competition at Madison Bear Garden. You could win a recording session or an acoustic guitar.
- L. Interim Executive Director's Report – Dr. Patterson thanked the students who attended the presidential dinner. She also shared that after hearing the feedback about FAFSA challenges, she talked to enrollment management and said they encouraged folks to do it now and do it early.
- M. President's Report – Alaniz-Wiggins shared Chess; we didn't win the spirit competing; there was unanimous approval for the ceasefire resolution Alaniz-Wiggins co-authored. Tonight, the Ramadan celebration is happening in Selvesters.

VIII. ANNOUNCEMENTS – None

- IX. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for the entire topic – Joe from Chartwells thanked the room for having them come. He appreciated the welcoming nature and good people at Chico State. He shared that this program would be tailored to Chico State and not branded to Chartwells at all. He responded to earlier comments in the budget presentation about depreciation, sharing that depreciation lives in their books, not the AS'. Michael from Chartwells also shared that he is confident in the numbers around the costs of investment for the AS based on their calculations and the information that was provided to the AS. He added that Chartwells played a huge role in the new meal plan schedule and hoped that it could provide a small taste of what the partnership could bring to the AS and Chico State. Based on the Chartwells presentation, Corinne Knapp spoke about the relationship between Housing and Dining. She expressed some concerns about a structured 3% fee increase each year and Housing's ability to pay that going forward.
- X. ADJOURNMENT** – The Chair, Alaniz-Wiggins, adjourned the meeting at 10:05.