

This meeting was facilitated via an online Zoom format, consistent with the Governor's Executive Order N25-20, suspending certain open meeting law restrictions

**ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
BOARD OF DIRECTORS MEETING MINUTES**

Friday, May 7, 2021

10:30 a.m.

Via Zoom

Members Present: Bre Holbert, Austin Lopic, Ann Sherman, Anthony Ruiz, Tracy Butts, Anita Barker, Kaylee Biedermann

Members Absent: Ella Snyder (unexcused)

Others Present: Jamie Clyde, Karen Bang (recording), Jon Slaughter, Susan Jennings, Hugh Hammond, Katie Peterson, Tom Rider, Curtis Sicheneder, Eliza Miller, Shar Krater, Katrina Robertson, Anna Paladini, Jaycob Arbogast, Bryce Sonsten, Alex Sorger

- I. **CALL TO ORDER** – The Chair, Holbert, called the meeting to order at 10:34 a.m.
- II. **MECHOOPDA LAND RECOGNITION** – The meeting was started with the reading of the Mechoopda Land Recognition statement.
 - I. **AGENDA** – Approval of the 5/7/21 regular meeting agenda. Information Item: Follett Contract, was added as new Item VIII. G. and Discussion Item: Student Management Investment Fund Presentation, was added as new Item VIII. H. **Motion to approve the amendments to the agenda (Biedermann/Lopic) 6-0-0 MSC. Motion to approve the 5/7/21 revised agenda (Biedermann/Lopic) 6-0-0 MSC.**
 - II. **APPROVAL OF MINUTES** – Minutes of the 4/30/21 regular Board meeting. **Motion to approve the minutes of the 4/30/21 regular Board meeting, as presented (Biedermann/Lopic) 6-0-0 MSC.**
- III. **ANNOUNCEMENTS** – Lopic said happy Friday, and two more weeks left of the semester.
- IV. **PUBLIC OPINION** – Limited to items on the agenda, three minutes per speaker, five minutes for entire topic – None.
- V. **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 – No meetings held
 - B. Bell Memorial Union Committee – Biedermann reviewed the items approved and discussed at BMUC.
 1. BMUC Actions of 5/3/21
 - a. Approved the 5/3/21 regular meeting agenda.
 - b. Approved Minutes of the regular meeting of 4/19/21.
 - C. Associated Students Businesses Committee – No meetings held
- VI. **BUSINESS**
 - A. Action Item: Approval of new Associated Students branding and logo centralization. **Motion to approve new Associated Students branding and logo centralization, as presented (Biedermann /Lopic)**. Biedermann thanked all that contributed to this work. **5-0-1 MSC.**
 - B. Action Item: Approval of revised Strategic Plan. **Motion to approve revised Strategic Plan, as presented (Biedermann/Lopic) 6-0-0 MSC.**
 - C. Information Item: Revisions to Associated Students Corporate Codes – Records Retention Policy – Bang explained that revisions are being made to this policy to update it regarding the keeping of electronic vs. physical documents.
 - D. Information Item: Proposed revision to Student Pay Grade 4 – Railey explained that after the Board approved the compensation plan on April 16, she brought forward to the staff directors for their review, the student pay grades, in particular Pay Grade 4 which would be higher than what was just approved for career/fulltime

employees. She said there are only two positions in this pay grade – IT student assistants and WREC weekend supervisors. Railey said the staff directors are not comfortable with a student pay grade higher than career employees and it is being proposed to change the difference from grade 3 to grade 4 to 10%, instead of the current 15% difference. Lopic asked how many students would be impacted and Railey said typically three or four and there are currently no students in this pay grade. Ruiz asked about graduate students and Railey said she wasn't aware of a grad student working for the AS, noting there are no current positions designated as graduate assistants. She said if they were hired, they would be paid at this same rate.

- E. Discussion Item: Review of Investments – Quarter ending 3/31/21 – Jennings reviewed the information with the Board.
1. Local Agency Investment Fund and Certificates of Deposit
 2. Board Designated Fund.
- F. Discussion Item: 3/31/21 Activity Fee, Student Union, Auxiliary Activities and Corporate Services Fund Capital Expenditures Reports – Jennings provided an overview of third quarter capital expenditure purchases made by each area.
- G. Information Item: Follett Contract – Clyde said a contract with Follett has been prepared and reviewed the changes with the Board. She noted there's a large projected loss of sales for the Wildcat Bookstore. There will be no 90% minimum guarantee for prior year's sales. Follett reached out to all campuses advising they would not be paying this minimum for any of the campuses. She said losing this hurts us the most as it's the most financially challenging component of this contract piece. In addition, the commission will be reduced down 2% until students are fully back on campus, with the contract being extended for four years. Clyde said that even though she is suggesting we should move forward on this contract with the changes they presented to us, it is not a sustainable contract for the AS and we will have to look next year at possibly doing another RFP process, or other options such as a self-op style, Barnes & Noble or Amazon as we can't live with these changes for four years. Holbert asked if our financial situation would look better if we didn't operate a CSU bookstore. Clyde said since it is a loss, it does cost us money and with our current financial situation, we would look better without having the bookstore. She noted that there are some fixed costs, such as rent costs, that don't go away, that would have to shift to other areas. In addition, debt service wouldn't change and the AS would owe the debt no matter if Follett is there or not. She said costs would have to shift to Activity Fee, Union and Dining for debt service, trash service, and administration pieces such as the Financial Services Office, Human Resources, Administration Office and Information Technology. Clyde said right now in its current state, it is costing us money. She explained that next year we're going back to a 50% on campus presence and the hope is that we'll see increased sales. She said we're seeing decreased sales because of the pandemic and no one on campus, all of our costs are fixed and we're still paying campus the same amount except gross sales that have reduced down. Clyde said next year the Board will really have to look at this and decide if the current business model still works or if needs to shift. Barker said the historical passage of the campus-wide rebranding will affect retail sales in the bookstore. Holbert asked if we don't run the bookstore, if stateside would. Clyde said probably not and that Chico State Enterprises might because it's traditional that an auxiliary runs the campus bookstore. She said more realistically, we'd reach out to Barnes & Noble, we could self-op, or could also look at Amazon stores where they rent all their textbooks on-line; t-shirts and swag would be sold by the AS. She said the fourth and best option is to help Follett increase sales. Clyde said once campus is back at full capacity we will be able to re-discuss the minimums and the percentage will automatically go up 2%. She said signing this contract helps us as we want our \$172,000 from last year and this buys us some time to see what next year will look like regarding students coming back to campus, with the hope that things will be in a good place. Clyde said she doesn't feel comfortable that Barnes & Noble would give us an extraordinary deal, self-op is not a great option and the Amazon option needs to be explored further.
- H. Discussion Item: Student Management Investment Fund Presentation (SMIF) – Lopic introduced Jaycob Arbogast and Bryce Sonsten. Arbogast said SMIF is a portfolio of investments managed entirely by students with oversight and guidance from faculty. He said SMIF is not a student club but a campus center within the College of Business. They are guided by an Investment Policy Statement that outlines which investments are allowed, with rules established for investment decisions. Sonsten said this provides students with real life experience and would be good for the AS as this would help diversify their portfolio. He said there would be reduced risk with increased income. They noted other campuses that have similar investment funds. Arbogast said all investments involve risk and they can work with AS officers or directors to establish agreed upon terms. He said the SMIF Investment Policy Statement can be modeled after the AS Investment Policy, noting no leveraged products would be invested in, which carry higher risk than other investments. Arbogast said this would be a diversified portfolio which would track an agreed upon benchmark – typically the S&P 500. He said

Dean Lau has hired him to get this program going and noted they are open to any student who is interested in being involved with this. Sonsten said they would like to partner with the AS to allocate funds to the SMIF, noting it would still be AS monies. He said SMIF would be the custodian of AS investments and asked for \$1 million or more to start, perhaps allocating more over time after success is shown. Holbert thanked them for their presentation to the Board and said this would be brought back for discussion.

- I. Director of University Affairs Report – Absent
 - J. Director of Legislative Affairs Report – Ruiz said the last Legislative Affairs Committee meeting was held Wednesday and he has transitioned Michelle Davis to her new role. He congratulated those who are graduating. Holbert congratulated him on his new CSSA VP of Finance position.
 - K. University Vice Presidents' Report – Barker said the COVID vaccination clinic is scheduled for May 11 and due to high interest was expanded to 400 slots. She said discussions will be held regarding additional local vaccination clinics. • Barker said the president is very excited about the plans for campus repopulation, now up to around 60% of the campus schedule being in person this fall. She said by June 7 we'll start to see some regular activity on campus. Barker said Housing has received approximately 1,600 applications for the residence halls, with another 140 students still in process to pay for their intent to enroll. She said they are aiming for 1,900 students in the residence halls. • Sherman said she was on a CSURMA/AORMA Board meeting earlier, which is the insurance Board for the CSU and they discussed insurance rate increases. She said liability and property insurance are going up approximately 30% and a property audit is going to be done. Cyber insurance will be going up 60% and Workers' Compensation (WC) insurance will be going up about 14%. She said some auxiliaries have exhausted their WC funds and will have to do a loan with a five year payback. Sherman said the Governor's budget revise comes out on May 14 which will help with knowing about what is going on for fall planning. She said decreases in state support are not expected and our budget uncertainties revolve around enrollment.
 - L. Faculty Representative Report – Dr. Butts had no report.
 - M. Executive Director's Report – Clyde said she and Rider met with Mike Guzzi of FMS this week to look at the new Butte Building and we have noted our willingness to expand what we do in Dining. She said it is possible to have a coffee shop expansion at that location as well as high end vending. Clyde noted appreciation for the University reaching out to us and this will work great with our portfolio.
 - N. President's Report – Holbert said she's wrapping up the semester and to reach out to her with questions. She said this last week she and Duncan Young had their second meeting, and he joined her meeting with President Hutchinson so that he can begin taking over.
- VII. CLOSED SESSION:** Pursuant to Education Code Section 89307(c)(1): Evaluation of Executive Director – Executive members of the Board went into Closed Session at 11:33 a.m. (Sherman joined the meeting at 11:34 a.m.). The Board came out of Closed Session at 11:47 a.m. and Holbert announced that no Action was taken during Closed Session.
- VIII. ANNOUNCEMENTS** – None
- IX. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – Peterson said she's proud of the members of the Board and expressed her appreciation for them.
- X. ADJOURNMENT** – The Chair, Holbert, adjourned the meeting at 11:51 a.m.