

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

Monday, February 26, 2018

2 p.m.

BMU 205

Members Present: Taylor Rogers, Megan Odom, Dan Herbert, Stacie Corona, Michelle Korte, Roman Aguirre, Ethan Dilley, Miguel Maldonado

Members Absent: None

Others present: David Buckley, Jane Raley (recording), Karen Bang, Jamie Clyde, Susan Jennings, Sarah Foisy, Corinne Knapp, Elaine Kramer, Thang Ho

- I. **CALL TO ORDER** – The Chair, Rogers, called the meeting to order at 2 p.m.
- II. **AGENDA** – Information Item. E., Dining Director Search, was added to the agenda. **Motion to approve the revised 2/26/18 agenda (Aguirre/Dilley) 5-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the regular meeting of 2/12/18. **Motion to approve the minutes of the 2/12/18 regular meeting, as presented (Odon/Aguirre) 5-0-0 MSC.** (Korte and Corona arrived at 2:01 p.m.)
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. **Information Item: Revisions to Associated Students Corporate Codes:**
 - 1) **Deletion of AS Bookstore Performance Standards Policy.** Jennings said this policy is outdated and is no longer applicable. She said it could be revisited if store operations are taken over again.
 - 2) **Deletion of Business Enterprises Advertising Policy.** Jennings said this policy is no longer current as it focused on allocations from the Revenue Allocation Committee (RAC) which is no longer in existence.
 - 3) **Deletion of Complimentary Textbook Policy.** Jennings said this policy is outdated and no longer applicable (Herbert arrived at 2:12 p.m.).
 - B. **Information Item: 1/31/18 Dining Services Financials** – Clyde explained the reports have been reformatted as requested. She reviewed the Executive Summary noting revenue was at 4.5% less than budget, Total Operating Expenses at 8.7% less than budget and net income at \$283.3% more than budget. Kramer reviewed the Retail Financial Summary, noting Revenue at 15.2% less than budget, Total Operating Expenses at 12.4% less than budget and Net Income at 4.8% more than budget. She next reviewed the summary for the areas. Discussion was held regarding Urban Roots and Clyde explained that they did not initially know what kind of sales they wanted to see or what Urban Roots sales would do with other areas. She said their hope for this type of store is to see cost savings and addressing students' requests for healthier options. She said they are starting to make up some of the sales than if we just had Butte by itself. Buckley said Urban Roots has not been open long enough to do an accurate analysis and that a better evaluation will be done at year-end. Clyde said that from a business perspective, it was not supposed to make money; it was supposed to save costs. It is paying for a portion of its corporate overhead and has a low depreciation stream. Knapp reviewed Concessions/Vending and prep foods and noted concession sales and vending commissions are down. Knapp reviewed the residential financial summary, noting revenue was 6.5% more than budget, total operating expenses at 4.6% less than budget, net income at 90.6% more than budget.
 - C. **Information Item: 1/31/18 Wildcat Store Financials** – Jennings reviewed the Wildcat Store financials. Income was at \$225,397. Expenses and transfers for the month were \$84,101. Net increase of \$120,241 for the month.
 - D. **Information Item: 1/31/18 Follett Wildcat Store Financials** – Foisy reviewed the January financials, noting that they continue to see falling sales in texts; however, general books categories were up. She said clothing sales are up, accessories down.
 - E. **Information Item: Dining Director Search** – Buckley said he has had a couple of conversations with the Board regarding the problem filling the dining director position. He said they have had four unsuccessful searches.

During two separate searches, they had one strong candidate in each pool; however, they both declined the job offer because of our low salary. He said the rest of the applicants were not at a level to move forward with. Buckley also explained that three years ago there was a succession plan to possibly replace him with Clyde when he retires. He said this plan has not been able to happen yet because of the time Clyde has had to spend on Dining Services. Buckley said that by the next meeting there will be a plan on whether or not to move forward with a search for a dining director. He said salary has a lot to do with why a director has not been hired, but also not getting qualified applicants. Buckley said he talked to the Board about increasing the salary position in order to get the talent needed.

- VI. DINING SERVICES DIRECTOR'S REPORT** – Clyde presented to the committee regarding the Marketplace, noting that it's the location where the majority of Dining Services loses their money. She said in December the net loss for the Marketplace was \$222,028, budget of (\$300,196). She said Sutter Dining is easy because there is an exact head count, and coffee shops and convenience stores have less labor. She explained that the Marketplace is the larger area and that no updates have been made in the back of the house (kitchen area) of the Marketplace. She said there is only one kitchen, so it cannot be separated into different units. She said this leaves us with franchising. Clyde reviewed both CSU trends and everywhere trends. She said Susan Wilke is our consultant on doing branded concepts. It was questioned whether or not we would run a franchise and discussion was held. Clyde said she is trying to see what everybody thinks, and does not have any hard numbers at this point. BMU 008 was discussed as a possible franchise location and Clyde said construction costs would be high for remodeling this area. She said by moving forward with a franchise, we would have to change our business model and reviewed the pros and cons of going with contracted services. Buckley agreed with Clyde that we cannot keep trying to reduce our losses. He suggested putting out a survey to the students about franchises to see if that is something they would want. He said we also need to find out from the Chancellor's Office on where we are with debt. Corona asked if they were looking at franchising some or all of dining on campus and Clyde said it would just be the Marketplace and possibly BMU 008. Dilley questioned why the Marketplace closes so early in the day and Clyde responded that they barely break even the last hour it's open so we couldn't afford to keep it open later. Buckley said that the Marketplace used to be open for dinner when students could use their card swipes here, but now they are only allowed to use their card swipes at Sutter. Clyde said they have also considered taco trucks and street food but they have not pursued it yet because they are stretched thin.
- VII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Foisy noted upcoming events: Grad Fest March 7-8, Choose Chico on April 7 and Wildcat Spirit Week April 19. She said they are partnering with Mary Wallmark for Wildcat Spirit Week and the statue unveiling. Course materials emails to faculty have gone out. She said the textbook manager has completed the first round of ASC meetings. She said she discussed a different strategy for summer session with Elaina McReynolds. She advised that online courses continue to increase. She said she is meeting this Thursday with the registrar to further strategize. Foisy introduced new products in the bookstore.
- VIII. EXECUTIVE DIRECTOR'S REPORT** – Buckley reported that he and Jennings talked with the Board about unfunded liability and connected with the auditor regarding a strategy to move forward. He said Jennings is working with the campus and Chancellor's Office regarding this. • Buckley said California is facing pension issues that are costing employers more money. He said it is our goal to pay down our CalPERS liability of \$1.8 million over five years. • Buckley next reviewed the AS reserves, noting all of our reserves have been fully met. He said we do not have to go back for an increased student fee for at least 5-10 years. He also explained how the Master Plan relates to our reserves. Buckley said the campus is going through Alternative Fee Consultation regarding increasing student fees for the Health Center, student learning fee, and Athletics.
- IX. VP APPOINTEE'S REPORT** – Aguirre reported that the BMUC discussed the Facility Master Plan as well as why the cost of maintaining the BMU and the WREC is paid for by the AS, and not the campus.
- X. CHAIR'S REPORT** – Rogers said Government Affairs is tabling to promote forums happening regarding possible student fee increases. Rogers requested spreading the word to students about the Alternative Consultation open forums happening in March.
- XI. ANNOUNCEMENTS** – None
- XII. PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None
- XIII. ADJOURNMENT** – The Chair, Rogers, adjourned the meeting at 3:25 p.m.