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

Monday, April 18, 2016 10 a.m.  BMU 205

Members Present: Matt Zaleski, Megan Odom, Stacie Corona, Pedro Douglas, Daniel Venancio

Members Absent: Michelle Korte, Amanda Labrado, Brent Adams

Others present: David Buckley, Karen Bang (recording), Jamie Clyde, Susan Jennings, Sarah Foisy, Thang Ho

I. CALL TO ORDER – The Chair, Zaleski, called the meeting to order at 10 a.m.

II. AGENDA – Information Item B. was added: Associated Students Advisory Statement.

III. APPROVAL OF MINUTES – Minutes of the Special meeting of 4/11/16. Motion to approve minutes of the Special meeting of 4/11/16, as presented (Corona/Douglas) 5/0/0 MSC.

IV. ANNOUNCEMENTS – None

V. PUBLIC OPINION – Limited to items on the agenda – None

VI. OPINIONS – None

VII. BUSINESS

A. Action Item: Approval of Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2015-16 and proposed budget 2016-17, as presented. Motion to approve Associated Students Auxiliary Businesses Budget – Dining Services (including Capital Expenditures), estimated results 2015-16 and proposed budget 2016-17, as presented (Odom/Corona). There were no questions regarding the budget. 5/0/0 MSC.

B. Information Item: Associated Students Advisory Statement – Buckley said this is related to the recent Advisory Measure that passed last week, “Should the Associated Students halt its sale of single-use bottled water at Chico State as soon as contractually possible?” He said the Advisory Measure passed 70% in favor, 30% against. Buckley said discussion needs to be held by ASBC, and then by the Board of Directors. He noted that he’s not sure if the Board will make a formal decision as to which way to go but this committee needs to weigh in. He said before elections were held that he had reached out to Jeff Carter, the AS attorney, and asked for his opinion related to the language. Buckley said there are three agreements that effect sales of water. The first being the Pepsi contract which expires in December of 2017. Carter said if we told Pepsi at this point that we don’t want them to sell bottled water that this would be considered a breach of the contract. The second contract is with Glyn Pye Vending, the third party provider that does all the vending machines, and expires June 30, 2016. The third contract is with Follett and it implies their ability to sell bottled water. Buckley emailed Carter regarding two issues: contractual obligations and financial impact by eliminating single use water bottles. He believes Carter will say that based on the contracts with Pepsi and Follett it would not be wise to tell either of those parties that they cannot sell bottled water until those contracts are up. Because the Glyn Pye contract is up soon, they could be told to not sell bottled water. Financial impact would be approximately $12,000/year from Glyn Pye Vending as they sell approximately 20,000 bottles a year through their vending machines. There would be a $46,000 to $48,000/year financial impact from Pepsi. There is not as big of an impact from Follett sales of bottled water. Buckley said loss of these sales would cause approximately a $60,000 hit to our bottom line. He noted this is an emotional issue for students as it takes oil to produce plastic water bottles; in addition, there is concern regarding the waste of plastic, especially ending up in landfills. Buckley said he told Carter that by eliminating $60,000 to the bottom line it’s a concern because they’re projecting $113,000 to bottom line for 2016-17 for Dining, and $128,000 for 2017-18. He talked with Deanna Jarquin and thought it would be a good move for this year’s ASBC and Board to weigh in on this issue as they’re familiar with it. In addition, the class will want to know what the AS is planning one way or another. Corona asked what the next step of the Advisory Measure is and Buckley said it means they’re asking us to take action; it doesn’t mean we have to. He said it’s truly advisory. He noted all bottled water sold in Dining Services and our C stores is from Pepsi. Clyde said not only is there a financial impact, but
there’s the less tangible discussion of customer service of providing what people are demanding. She said customers will be mad and will be taking it out on those working in Dining Services. Douglas asked if other institutions have implemented this and Buckley said CSU, Humboldt, University of Delaware and a few others have. He noted it’s a movement that started four or five years ago. It was noted that if the AS no longer sells bottled water, students would have to get water from drinking fountains. Buckley said he looked at University of Delaware regarding the impact to their campus and said when they stopped the sale of bottled water there was actually an increase in the sale of sugared drinks. This also increased the amount of plastic potentially going into the landfill due to this, and unhealthy choices were being made. Douglas said unhealthy choices is also an important part of this discussion. Corona asked if we charge for cups if someone wants to get water or ice and Clyde said they charge 25 cents/cup. Buckley said this issue came up five or six years ago and the Board decided not to go forward with not selling water due to the financial hit; however, we put in hydration stations at that point. Zaleski agreed with Buckley that it will open up more sugary drinks and some students will be upset about it; although students are fairly good about bringing Klean Kanteens to fill with water. He said he’s on the fence regarding this Venancio said there are already water fountains; if there’s still a big sale of water bottles, taking them out won’t decrease bottled water sales.

VIII. **DINING SERVICES DIRECTOR’S REPORT** – Clyde reported they officially hired Corinne Knapp as the Associate Dining Director, starting today. The Retail Manager position has been posted, closes tomorrow and they have internal candidates so if possible, interviews will be done this week. Clyde reviewed the various recent events. • Clyde said they are working on a food security app – Ho is working on the technology piece, Dining Services is working on the operations side. It’s called The After Event Guest, and Clyde said it’s a push notification app that would let students know if food is left over from an event that they can go and eat. She is working with Fresno State regarding this and they do this more for large auditorium events. She explained it would be up to the client as to whether or not they would want something like this as students actually come into the room and have half an hour to eat the food before it’s taken away for composting. There would be some hard costs for plates, forks, and some student staffing. Clyde said this would be free to all students, through the Hungry Wildcat program, no qualifier at this point. She noted that catering students are charged $2.50 each for a meal. She explained clients always question why they can’t take extra food with them and also that when food is not eaten and students don’t pay at $2.50 each, it goes to waste and is composted.

IX. **CHICO STATE WILDCAT STORE DIRECTOR’S REPORT** – Foisy said there will be a two day sale starting tomorrow – 25% off tanks and tees. She said she is also working on pricing out what it would cost to replace the flooring in the convenience store since they weren’t able to get it to look better via strip and wax.

X. **EXECUTIVE DIRECTOR’S REPORT** – Buckley said he will be putting together a presentation to share with ASBC and the Board regarding the impact of the minimum wage increase. He said they will also have to address this from a policy standpoint as we increase wages.

XI. **VP APPOINTEE’S REPORT** – In Labrado’s absence, Zaleski said BMUC is voting this week on whether or not to approve Dining moving forward with retail options for the old Conference Services space.

XII. **CHAIR’S REPORT** – Zaleski said Brett Rahtz will be the new Associated Students Vice President of Business and Finance for 2016-17.

XIII. **ANNOUNCEMENTS** – None

XIV. **PUBLIC OPINION** – None

XV. **OPINION** – None

XVI. **ADJOURNMENT** – The Chair, Zaleski, adjourned the meeting at 10:22 a.m.