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

Monday, May 2, 2016 10 a.m. BMU 205

Members Present: Matt Zaleski, Megan Odom, Stacie Corona, Michelle Korte, Amanda Labrado, Brent Adams, Pedro Douglas

Members Absent: Daniel Venancio

Others present: David Buckley, Karen Bang (recording), Jamie Clyde, Sarah Foisy, Brett Rahtz

I. CALL TO ORDER – The Chair, Zaleski, called the meeting to order at 10:02 a.m.

II. AGENDA – None

III. APPROVAL OF MINUTES – Minutes of the 4/18/16 and 4/25/16 regular meetings. Motion to approve the minutes of 4/18/16 (Odom/Corona) 4-0-3 MSC. Motion to approve the Minutes of 4/25/16 (Odom/Adams) 6-0-1 MSC.

IV. ANNOUNCEMENTS – None

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

VI. OPINIONS – None

VII. BUSINESS

A. Action Item: Approval of Dining Services retail options in old Conference Services space – BMU 102. Action Requested: Motion to approve Dining Services retail options in old Conference Services space – BMU 102, as presented (Corona/Korte). There were no questions. 6-0-1 MSC.

B. Information Item: 3/31/16 Dining Services Financials – Clyde reviewed the various Dining Services areas with the committee. She explained that Sick time was not budgeted for this year because it’s a new law requiring 24 hours of sick time to be available for each student to use. She said approximately 50% of those that call in sick are replaced for their shift. Clyde said The Marketplace is struggling more with labor, Butte Station more with Cost of Sales. She said the key is to do things, like the approval of the Urban Market, so revenue can be shifted to areas that cost us less to run. She explained that there’s not a particular way for her to track which area in the Marketplace is more labor intensive and the smaller areas are much easier to see because of less variables (Adams left the meeting at 10:25 a.m.). Clyde said regarding Concessions/Vending, that there is not a lot of revenue in this area. She said they will be looking at this area to make sure it’s an area we should stay in. She also noted that Butte Station and Holt Hut both need review of their pricing structure because margins are going down and pricing hasn’t been adjusted for a long time.

C. Information Item: 3/31/16 Chico State Wildcat Store Financials – Buckley reported that Operating Expenses came to $61,968. Other Income was $54,931, Net Income showed a loss of $20,092 for the month. He said Commission Income YTD from Follett was $900,229.

D. Information Item: Local Agency Investment Fund and Certificates of Deposit for quarter ending 3/31/16 – Buckley first reviewed the LAIF Auxiliary Business section with the committee, noting Net Interest earned of $4,553.06. Regarding Certificates of Deposit, the Wildcat Store (Auxiliary Business) earned $3,630.16.

E. Information Item: AS Advisory Measure – Zaleski said he sent out an email to the committee showing the breakdown between all of the areas in the months for water bottle sales. He asked for new comments and/or opinions. Buckley said the Board will be talking further regarding this Wednesday, and at the last meeting they were asking what this committee thought and he said there wasn’t a lot of feedback to provide them from ASBC. He said the Board requested more detail on bottle sales and more explanation on what’s going on with the Pepsi dollars because it was discussed that when we do the next RFP, and if we say they can’t sell bottled water, what will that mean in commission/promotional dollars given to Athletics and the AS. He said we don’t know what they’d do regarding this. Buckley said he reached out to
Humboldt State who did a water bottle ban a few years ago and was told their sugar drinks sales went up, but not on a one to one ratio. However; they had a lot of customer service issues, especially with those coming on campus besides students/faculty/staff. Korte said we want to be sustainable but need to make sure that our guests have adequate water, especially if here during hot times of the year such as move-ins and move-outs, etc. She said they vote with their dollar, and she said we’re in the market for that. As an employee, Korte said she doesn’t know where the hydration stations are, and guests wouldn’t either. She expressed concern that it’s one or the other; and asked if there is an in-between option, such as certain days, certain times when we’re expecting large amounts of guests, that we have an option for them to purchase water. She also noted we have appropriate recycling around campus, and doesn’t want to see them go to a sugared option. It was also noted there are no outside hydration stations outside. It was suggested that in the future, campus maps show the hydration station locations. Korte expressed concern from a business standpoint. She said Adams expressed some concerns at the last ASBC meeting and he had a strong student opinion that we are recycling, and people are voting with their dollars. Corona said she wants to support students and the Advisory Measure but the impact to the financials is too much of a concern to her. In addition, she said there would be ripple effects of the Pepsi contract. She said the idea of using SFAC dollars needs to be explored. Odom suggested putting up signage at Butte Station encouraging students to make a more sustainable decision, without completely eliminating the option of purchasing water. She said if guests are on campus, this is a different situation. Labrado suggested offering free water bottles to students, which would make it easier for students to decide to bring a water bottle. Odom said students get free water bottles at Wildcat Welcome. Korte said most of the time she uses her Klean Kanteen; however, there are times she doesn’t have it. She noted sometimes people are without their refillable bottles. She questioned if information was available regarding bottled water sales over the past five years and wondered how water sales have changed. Korte said she thinks it’s prudent to have water for sale. Buckley pointed out that water sales haven’t changed since Carter’s office provided information 8 years ago. He said this committee and the Board have a fiduciary responsibility not to approve it unless we have another financial option to replace these funds. He said it would be different if Dining was making a lot of money and noted additionally that we don’t know the impact of minimum wage increases. He said we can’t lose all that revenue unless we have a plan to mitigate that income, and he said he’s not sure if the Board wants to take money from SFAC. Korte agreed and said she would hate to commit those dollars to the businesses and take the funds away from other sustainable efforts on an indefinite basis. Buckley said Jennifer Wendell from Carter Law Office a few years ago mentioned $80,000 in bottled water sales. He said this was a net amount and included the bookstore. He’s guessing water hasn’t changed much – the net dollars. Korte noted our enrollment is up; we have essentially decreased per person the purchasing of bottled water. Zaleski said he would relay opinions to the Board on Wednesday. Buckley said this is an Information Item at Wednesday’s Board meeting and it’s possible they could hold off until next year, although Jarquin would like to see this handled by this year’s Board if possible.

VIII. DINING SERVICES DIRECTOR’S REPORT – Clyde reported her area has been very busy.

IX. CHICO STATE WILDCAT STORE DIRECTOR’S REPORT – Foisy said that graduation shipments are arriving on Friday and distribution for preordered starts Monday, non pre-ordered starts Thursday. She said 3,300 students are registered to walk. They also placed an additional order for last minute purchases. • Foisy said Senior Send-off was held last Tuesday and this year they set up demonstrations of different alumni clothing that is available. • Foisy reported on the Clinique gift with purchase promotion, noting sales per gift were up fairly significantly; however, Clinique is looking for more than the $27 minimum purchase. She said sales are declining; Sephora may be affecting sales, and there are also concerns with Ulta opening. Discussion was held. • Foisy reviewed new products available in the bookstore and noted they are preselling Harry Potter and the Cursed Child books. • Foisy said Wildcat Store Summer Orientation pieces will be going into the orientation packets. She has met with Rebecca Berner to discuss Summer O and there will be more traffic flow into the BMU than previous years. They will be tabling each day during check-in, explaining how students can get their books, and different ways for them to save money.

X. EXECUTIVE DIRECTOR’S REPORT – Buckley said regarding the new law we’re assuming will be signed in by May 16 by President Obama, he still hasn’t heard yet whether or not that will happen. He said it’s in regards to changing exempt employees to non-exempt for those making less than $50,440/year. He said at this point he’s assuming it will be going through and noted a number of exempt employees will no longer be exempt, which will create some challenges. • Buckley said he has been reading about assumptions that health premiums are going to go up considerably next year. He said insurance companies are now seeing results of what has happened with Obama Care and they’re finding that they all undervalued their premiums. He said
those that are signed up for Obama Care are very sick people, who are taking advantage of the coverage, which is causing premium increases. He said Wells Fargo, our broker, is out shopping our plan and explained the AS is in a pool with 10 other auxiliaries. He said we may also see about going with a different provider at a better rate and move from Anthem Blue Cross. Premiums are expected to increase by 20% to 30%. Zaleski asked how much they went up this past year and Buckley said around 16%.

XI. **VP APPOINTEE'S REPORT** – Labrador said BMUC didn’t meet the past two weeks.

XII. **CHAIR’S REPORT** – Zaleski said Clyde announced the new Retail Manager, Scott Harrison. • Zaleski said the Government Affairs Office officers, including the incoming officers, met with the new University president and are developing that relationship.

XIII. **ANNOUNCEMENTS** – None

XIV. **PUBLIC OPINION** – None

XV. **OPINION** – None

XVI. **ADJOURNMENT** – The Chair, Zaleski, adjourned the meeting at 11:07 a.m.