

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

Monday, September 25, 2017

2 p.m.

BMU 205

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

Members Absent: None

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

- I. **CALL TO ORDER** – The Chair, Rogers, called the meeting to order at 2 p.m.
- II. **AGENDA** – **Motion to approve the 9/25/17 meeting agenda (Corona/Thurman) 7-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the 5/1/17 regular meeting. **Motion to approve the minutes of the 5/1/17 regular meeting, as presented (Corona/Herbert) 6-0-1 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. Action Item: Approval of Resolution for Establishing Time and Location for Associated Students Businesses Committee Meetings for the academic year 2017-18. **Motion to approve Resolution for Establishing Time and Location for Associated Students Businesses Committee Meetings for the academic year 2017-18, as presented (Herbert/Thurman) 7-0-0 MSC.**
 - B. Information Item: Revisions to Associated Students Corporate Codes – Duties for Associated Students Vice President of Business and Finance – Rogers explained that Jon Slaughter, Shar Krater and Karen Bang began reviewing all Duties and Codes over the summer to update and provide consistency. Buckley said this item would come back to ASBC as an Action item at their next meeting.
 - C. Information Item: June, July and August 2017 Dining Services Financials – Clyde explained the process of reporting the financials to ASBC. She also reviewed the structure changes done last semester within Dining Services, which included promoting Kramer and Knapp to Associate Dining Director positions. She said Knapp oversees the Sutter side, and other areas and Kramer oversees the retail portion. Knapp reviewed the June 30 Residential Dining financials and noted that Cost of Sales was (3.56%) lower than budget. She said 610,359 meals were served at Sutter last year. Total expenses billed to University Housing was (4.05%) less than original budget. Regarding Cash Operations, net income fiscal year end was a loss of \$244,377, compared to budgeted loss of \$311,025, which was a 21.4% positive variance. Buckley explained that Dining Services normally loses money yearly, which is very common. He noted that the Marketplace loses money because employees are paid benefits, and it's very expensive to operate on campus due to having to pay the University a very high rent. He said Residence Halls normally make money yearly. Buckley said minimum wage increases has had an effect on the budget, and will continue to do so. Detail of revenue by each retail location was presented and Butte Station losses were discussed (Odom joined the meeting at 2:22 p.m.). Knapp next reviewed August financials and said Cost of Sales was (39.2%) more than budget. Total expenses were (9.5%) less than budget. Net income for Cash Operations was 20.8% positive variance from 2017/18 YTD budget. Buckley said the agreement with University Housing for Residential Dining has not been signed yet. Clyde said the big change to the new contract is that the AS is paid a flat rate of \$500,000 by University Housing. She said if expenses come under budget the AS gains, if expenses exceed budget, the AS has the burden of the loss. Buckley said this is not a typical model, and explained typical models. Buckley said the \$500,000 flat rate was agreed upon after the budget was approved, which was approved at \$425,000
 - D. Information Item: June, July and August 2017 Wildcat Store Financials – Jennings reviewed June and July with the committee, noting that August finalized reports were unavailable so will be presented at the next meeting. Total income for June was \$35,611 and \$49,076 for July. She noted the majority of commission

revenue is made during fall and spring rush. Jennings explained that the one time bonus from Follett of \$700,000 is amortized out over life of the contract with Follett.

- E. Information Item: June, July and August 2017 Follett Financials – Foisy first reviewed the month of June, noting they were down 13% overall compared to 2016. Regarding July, she said the store finished up 17% compared to last year. August was next reviewed and the store was -9% compared to last year. The Apple DEP process and fall rush text decline in sales were discussed. She said open source materials from one of the classes caused a \$20,000 reduction in sales (Odom left the meeting at 3:15 p.m.).
- F. Information Item: 6/30/17 Auxiliary Activities Fund Capital Expenditures Report – Jennings reviewed with the committee.
- G. Information Item: Local Agency Investment Fund and Certificates of Deposit for quarter ending 6/30/17 – Jennings reviewed with the committee, noting this is corporate wide for the Associated Students.

- VI. **DINING SERVICES DIRECTOR'S REPORT** – Clyde reported that last year they started a staff restructure at Sutter. She said they have eliminated some positions as well as added some different positions. She said they are reassessing resources and have streamlined prep foods. Clyde said last year they looked into concept of working with Sushi with Gusto; however, were not able to come to a contractual agreement. Clyde said we're in the middle of the beverage distributor RFP, and the biggest competitors are Coke and Pepsi. She noted two RFPs were done, one with bottled water, and one without bottled water, due to the bottled water ban passed by students in 2016. Clyde said the Real Food Challenge will be followed up on at next meeting and said we are currently at 16% as of 2015-16. She said the goal is 20% by 2020. Knapp explained the Real Food Challenge.
- VII. **CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Foisy regarding further information on text. She presented the average retail per item sold analysis. She said text units were down 6% last year, down 3.9% to 2015. Sales were down 16.5% last year and 21% in 2015. She said the overall average retail per item for text has fallen 11.1% to last year and 17.8% to 2015. She said this means the things they're selling the same amount of, are cheaper, which stems from different pushes on campus for affordable materials. Foisy said a course materials payment plan program has been set up.
- VIII. **EXECUTIVE DIRECTOR'S REPORT** – Buckley said interviews for the new Vice President for Student Affairs are being done. (Corona left the meeting at 3:31 p.m.)
- IX. **VP APPOINTEE'S REPORT** – Aguirre had no report.
- X. **CHAIR'S REPORT** – Rogers had no report.
- 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 3:32 p.m.