I. CALL TO ORDER – The Chair, Rogers, called the meeting to order at 2 p.m.

II. AGENDA – No changes. Motion to approve the agenda as presented (Herbert/Dilley) 5-0-0 MSC.

III. APPROVAL OF MINUTES – Corona requested that the minutes of 10/23/17 be corrected to show the correct RFP proposals under Item V. C. Motion to approve the minutes of the 10/23/17 regular meeting, as revised (Corona/Herbert) 5-0-1 MSC.

IV. ANNOUNCEMENTS – None

V. BUSINESS

A. Information Item: 9/30/17 Dining Services Financials – Clyde and Kramer provided a presentation of the Dining Services financials. Clyde said the revenue generated was $97,717 (4.96%). Cost of Sales was 4.9% less than budget, total operating expenditures were 9.92% less than budget, with net income at $221,996 (34.69%) more than budget. Kramer presented the Cash Operating Expenditures Summary. Corona asked about the net income being a net loss and Kramer clarified that it was. Buckley asked why a negative value was shown and Clyde said that for a few of the categories that they didn’t have the budget for were not shown on the cash operations detail (Revenue). She said if Catering is taken out of the equation, they would be up by $20,000 in addition to Urban Roots. Corona asked if something else was missing from the top line income of the financials, but Clyde said that they just were looking into prep foods but it does not fall under cash operations. Jennings added that it depends on the selection of the range. Clyde said that it was pulled out because they couldn’t pull out all costs involved categorically. Clyde reviewed the Residential Dining Summary noting cost of sales was 3.8% more than the budget. She said a total of 70,656 meals were served. Average plate cost was $2.43, compared to budget of $2.28. She said they have been looking into this and found a few possible inventory errors and procurement changes. Corona stated that the data on the financial sheets in the agenda packet are hard to follow and requested the format be improved. Jennings added that some of the expenses on the sheets were not accurate and the information needs to be verified. Korte asked about cost of sales increasing for Sutter – whether it’s for September as opposed to YTD. Clyde clarified that it was for YTD compared to both budget and prior YTD. Korte suggested that percentage of revenue is a better indicator for comparison and Clyde said they use plate cost vs. cost of sales since it is not tied to revenue as in the case of retail.

B. Information Item: 9/30/17 Wildcat Store Financials – Jennings stated that the financials were consistent with prior months. Income was at $93,155, expenses and transfers were $87,111 and there was a net increase of $6,043 for the month, with a YTD net increase of $118,837. Commission income was at $360,863 YTD.

C. Information Item: 9/30/17 Follett Financials – Foisy reviewed the Follett financials with the committee, noting that September was a tough month and there was a similar decline in textbooks as in August. For general books, she said they saw a lift for the month in book and calendar sales, although unimprinted gift items were soft. Clothing sales were strong, with a 4% increase compared to last year. Foisy said they are still looking into improving the gifts in order to improve holiday season sales. Jennings requested that the formula for percent variance of 16 be verified.

D. Information Item: 9/30/17 Auxiliary Activities Fund Capital Expenditure Report – Jennings stated that there have been no purchases yet for the year that would be on this report.
E. Information Item: Pouring Rights RFP – Clyde presented regarding the Pouring Rights RFP, and noted the new contract will be for five years. She said the RFP included a request for four different proposals due to an advisory measure that was passed by the students to halt the sales of bottled water. The four types of proposals were: with vending and water sales, vending but no water sales, no vending but with water sales, and no vending and no water sales. Next, Clyde showed the schedule of the steps of the proposal. She said the three vendors were PepsiCo, Coca-Cola and Dr. Pepper-Snapple. The RFP committee met after each of those presentations and the recommendation was to have an 80-20, which means that the AS would be using the selected vendor’s products 80% and other products would be at 20%, allowing them to serve products from other vendors. Clyde said the committee looked at sponsorship money, pricing and non-financial factors (product selection, customer service, technology, equipment, etc.). She added that all three companies were well established and good and that they were all relatively close in terms of their non-financial offerings, and that they were all comparable. She said Pepsi and Coca-Cola came out stronger simply because of their selections, which was the largest factor. Clyde then gave a summary comparison of the four different kinds of proposals for each of these vendors based on multiple factors. She said that in terms of marketing money that Pepsi was the obvious winner and that the other huge monetary factor comes down to product pricing. They compared all three companies for the like products, during which they had a hard time getting an equivalent from Dr. Pepper-Snapple. She also added that Coca-Cola was the most aggressive in terms of all their pricing. She said the paper products offered with Coca-Cola was a compostable product. Pepsi does offer one but it is only one cup, and that the AS has to buy theirs from Sysco as they support compostable products, which causes an additional cost involved with Pepsi. She said when the total was calculated; however, they found that Pepsi was the most viable financially in all four proposals, which makes it easier to recommend Pepsi to the AS Board. It was asked whether the dollar amount would change whether or not they chose to sell with or without bottled water. Clyde clarified that it was true in the case of Dr. Pepper-Snapple but both Pepsi and Coca-Cola had a significant difference in their dollar amount as per the type of proposal. Rogers asked when bottled water is sold the most during the year. Clyde said they looked at this and the highest water bottle sales are actually June and July, with the other big month being January. Clyde was asked if environmental consequences were considered as per the zero waste goal on the Chico State website. The student expressed concern that by continuing to sell bottled water they wouldn’t be able to achieve that goal. Clyde said that the Zero Waste Initiative has more to do with conversion in terms of recycling. Rogers concluded by thanking everyone for their input.

VI. DINING SERVICES DIRECTOR’S REPORT – Clyde reported that she and others have been working on the Pouring Rights proposals, and that they were looking into possible solutions for the water bottles such as portable hydration systems, water bottle tax, reusable bottle donations, recycling education and a rentable cup program.

VII. CHICO STATE WILDCAT STORE DIRECTOR’S REPORT – Foisy provided an update about the upcoming two day sales event.

VIII. EXECUTIVE DIRECTOR’S REPORT – Buckley said he reported to the Board last week that one of the bargaining units on campus came to a tentative agreement that minimum wages for their employees would be $15/hour starting 7/1/17. He said this was brought up since the AS tries to be comparable to the University when it comes to salary and benefits. He said the AS has about 31 career employees that make less than $15/hour and a lot of them work in Dining. Buckley added that they did see this coming but an increase to $15/hour wasn’t expected so soon and that this might cause a ripple effect on salaries for all the other employees that are earning $16, $17 or more. He said every three years or so a professional is hired to do a compensation study and that one of the factors used is substantially similar positions.

IX. VP APPOINTEE’S REPORT – Absent

X. CHAIR’S REPORT – Rogers said that he is excited about the Pouring Rights and thanked the committee for their efforts.

XI. ANNOUNCEMENTS – None

XII. PUBLIC OPINION – None

XIII. ADJOURNMENT – The Chair, Rogers, adjourned the meeting at 3:22 p.m.