

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

Monday, January 29, 2018

2 p.m.

BMU 205

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

Members Absent: Michelle Korte

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

- I. **CALL TO ORDER** – The Chair, Rogers, called the meeting to order at 2 p.m.
- II. **AGENDA** – **Motion to approve the 1/29/18 agenda (Aguirre/Herbert) 6-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the regular meeting of 11/27/17. **Motion to approve the minutes of the 11/27/17 regular meeting, as presented (Aguirre/Herbert) 5-0-1 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. **Information Item: Resignations and Appointments to ASBC** – Roberts said Isaiah Thurman resigned, and introduced Maldonado, the new Government Affairs Committee appointee. Maldonado provided his background to the committee.
Resignation from ASBC
GAC Appointee: Isaiah Thurman
Appointment to ASBC
GAC Appointee: Miguel Maldonado
 - B. **Information Item: Facility Master Plan Review by Jamie Clyde** – Clyde said all the committees have been discussing a Facility Master Plan that shows what we envision for the facilities in the next one to five years, as well as 10 years. She reviewed the Dining Facility Plan with the committee. She explained that a dollar amount is not attached to these items at this point. She first reviewed the Marketplace, noting the front of the house (not kitchen area) was updated in 2016. She said lighting was not done, which would cost approximately \$75,000 through FMS. In addition, floor replacement would cost approximately \$60,000. She said the kitchen area has only been updated when something breaks. Clyde said they hear from students that they want a franchise piece, such as a Roundtable Pizza. She said this would cost approximately \$500,000 because each franchise requires their own individual space. She said they have looked at possibly walling off the deli area in the Marketplace as a location for Roundtable, which would have a separate kitchen area. She said by having a Roundtable franchise here, that we could deliver pizzas elsewhere on campus. Herbert questioned if Roundtable would help pay for some of the remodeling and Buckley said they might but then they would pay the AS less of their income. Urban Roots, a new concept created in 2016, was next reviewed. Clyde said it's producing less revenue than they expected but is running at break even, which is still good. She said the whole point of it was to lower cost of other areas during our downtime. She said they considered putting in an Amazon locker but decided against doing so after discussing with Foisy. Rogers suggested a Redbox location and Clyde said she is open to suggestions. Clyde said Common Grounds was relocated from the basement level in 2014 and that they are at capacity at both this location as well as at Creekside Coffee. She said expansion of the coffee market via the use of carts has been discussed. She said putting in a third coffee shop is not a viable option. Butte Station was next reviewed and Clyde said it continues to lose volume. She said they were very concerned last year, but then the sales somewhat leveled out. Management has done a good job to make the bottom line better than it had been in the past. She said we have a long depreciation on this building and still owe approximately \$280,000. She said to do a complete overhaul would be approximately \$500,000. Clyde said they're thinking of keeping it what is but modernizing, such as floors and counters for approximately \$75,000. (Corona joined the meeting at 2:18 p.m.). She also noted the possibility of putting in a trailer. Regarding Holt Station, Clyde said little can be done due to its small size. She said the current concept is still working. She noted the roof will need to be repaired eventually at an

approximate FMS cost of \$45,000. Clyde also noted that in the Campus Facility Master Plan, there's a pathway that knocks down this building. Creekside Coffee was next reviewed and Clyde said a mini refresh was done during Thanksgiving break. She said the concept is still popular. She noted the location needs cabinetwork, new counters, flooring and some lighting working, which would cost approximately \$75,000.

- C. Information Item: Housing Contract – Clyde said she and Knapp met with University Housing staff last week regarding what next year's contract will look like. She provided history of styles of previous contracts. She said this last year the contract was changed a bit, as there was no incentive or accountability for Dining. Clyde said it is more of a fixed, flat rate and explained that they looked at all expenses that we've seen in the past few years, which comes to \$6 million. She said if we come in under \$6 million, we keep the money. If over, we pay University Housing. Clyde said a one-year agreement was signed and Abeer Mustafa from Housing is looking to see if they want to keep the same for FY 2018-19. Clyde said University Housing believes that Sutter Café, within Sutter Dining, is underutilized and would like the AS to look at new concepts that may work for that area. She explained that Sutter Café is only open in the evening after the dining hall closes. Clyde said they're looking into this; however, expanding our hours would hurt the dining side, so we'll have to do something in the contract to offset this. Clyde said the concept of anytime dining is starting to become popular, which means students from the dorms could eat whenever they want, and would no longer swipe their cards. She said students really like this idea as they would not run out of swipes on their cards. She said she is hearing from other universities that they love doing this; however, for us, it's a bit scary because of the way our accounting is set up. She said it would be a gamble for the AS as we could see an increase in the cost of sales. Clyde said she continues to look into a sushi concept. Discussion was held.
- D. Information Item: 10/31/17, 11/30/17 and 12/31/17 Dining Services Financials – Clyde reviewed the December financials with the committee. She noted that revenue was at 6.10% less than budget, cost of sales at 7.49% less than budget, total operating expenses at 9.7% less than budget and net income at 123.6% more than budget. She explained that revenue was down mostly because Urban Roots was added in at top of budget. She said all other areas are doing well and overall way above budget. Kramer reviewed cash operations, noting operating income was 14.2% less than budget, total expenses 11% less than budget and net income December YTD (\$92,688), compared to budget of (\$82,603). Knapp reviewed Residential Dining, noting cost of sales at 33.2% less than budget and total operating expenses at 10.5% less than budget.
- E. Information Item: 10/31/17, 11/30/17 and 12/31/17 Wildcat Store Financials – Jennings reviewed October, November and December information with the committee. Income for December at \$79,018, expenses and transfers at \$85,660. Net Increase (Decrease) at \$83,220 YTD. Commission income at \$502,576 YTD.
- F. Information Item: 10/31/17, 11/30/17 and 12/31/17 Follett Financials – Foisy reviewed October, November and December financials with the committee. She said the Book in Common Event was moved from spring to fall and 66% fewer units were sold. She said Text saw a slight decrease to last year in November but slight increase to last year in December. She reviewed results for each area of the bookstore.
- G. Information Item: 12/31/17 Auxiliary Activities Fund Capital Expenditures Report – Jennings said no capital expenditures have been purchased so far this year. They have budgeted \$194,500 for the year.

- VI. **DINING SERVICES DIRECTOR'S REPORT** – Clyde reported that Knapp has started a new program at Sutter based on allergens as more and more students have food sensitivities. She said Knapp will explain at the next meeting. Clyde said Kramer is working on a strawless campaign and further information will be provided at the next meeting. • Clyde said this summer they looked into a sushi contract, but the company couldn't offer us what we needed contractually. She said they have met with two more sushi companies and like FujiSan, explaining their food quality and product is good and their business model is different from what was looked at previously. She said it would be harder for the AS operationally but better for the students. She said this company is more about quantity versus margin and their price point is far cheaper than the company that was previously looked at. She said we would get 25% of sales; however, since they make their money off volume, we would have to supply far more volume than we would have had to do so with other companies. She said we would need to expand our market to also include Sutter and retail areas. She said the downside is that sushi is expensive, with a plate cost of \$2.51 for five rolls, which would add up quickly. She said other

universities are handing out tickets for five sushi rolls and that Housing seems to like the idea so far. • Clyde said she met with Danie O'Donnell, Director of Legislative Affairs, who attended CSSA this weekend. She said a couple of programs discussed at CSSA were about EBT cards and donation of swipes meal programs. She explained to O'Donnell how this works, noting it's quite complex. Clyde said Butte County passed that there should be a meal swipe donation program in Butte County; however, we're not obligated to do so yet. She said if we go to an anytime dining system, swipes would no longer be done and then this whole issue would go away. She explained the difference between EBT and CalFresh. Clyde said there is a huge problem with the EBT application because it is not designed to include non-profits. She said O'Donnell will try to work with the Chancellor's Office to see what kind of pressure the students can push back on to EBT.

- VII. CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – Foisy said Clinique sales started declining after Sephora opened. With Ulta now open as well, this department has been operating at a loss due to the high cost of labor. She said they have concluded that they need to eliminate the Clinique department and will do so during spring break. Foisy said two regular staff and two temps will be absorbed into other departments. She explained plans to replace the department sales wise, and reviewed the floor plan with the committee.
- VIII. EXECUTIVE DIRECTOR'S REPORT** – Buckley reported that Clyde mentioned that they're doing a combined Facility Plan. He said a more comprehensive plan will be prepared and will possibly include a collaboration with FMS to renovate a current warehouse space. Buckley said the budget process has started. He also said he advised the Board that he will be coming back to them regarding a \$1.5 million unfunded CalPERS liability and about how best to approach that. Buckley said they are also looking at adjusting the post-retirement health plan.
- IX. VP APPOINTEE'S REPORT** – Aguirre reported that BMUC met last week and said new lights in the BMU were installed over winter break.
- X. CHAIR'S REPORT** – Rogers said last semester he sent an email out about the Textbook Scholarship Policy. He said the policy is still being written and that he and Clyde met with Marina, Director of the Path Scholar Program. They've receive the textbook scholarships for this semester as well as fall 2017. He explained a portion of the funds will be given to AS student employees as well as to an organization on campus highlighted by his position. He said path scholars will not be eligible and that he will bring the official policy once written. Rogers said he met with Robbi Stivers regarding putting a vending machine at the University Farm. He said the main obstacle is that we have a 32-machine cap, which Stivers said he would be happy to amend. Rogers said he and Clyde met with Kirt from Pepsi regarding a Pepsi party to be held at the Marketplace patio in honor of their new five-year contract. Further details will be provided.
- 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 3:26 p.m.