

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

Monday, October 15, 2018

10 a.m.

BMU 205

Members Present: Alex Williams, Dan Herbert, Stacie Corona, Michelle Korte, Zachary Schmechel, James Ryan, Chris Taverite, Megan Odom

Members Absent: Michelle Korte

Others present: David Buckley, Karen Bang, (recording), Jamie Clyde, Steve Novo, Tom Rider, Elaine Kramer, Katrina Robertson, Colette Young, Jared Geiser

- I. **CALL TO ORDER** – The Chair, Williams, called the meeting to order at 10 a.m.
- II. **AGENDA** – **Motion to approve the 10/15/18 agenda (Taverite/Odom) 7-0-0 MSC.**
- III. **APPROVAL OF MINUTES** – Minutes of the regular meeting of 10/1/18. **Motion to approve the minutes of the regular meeting of 10/1/18, as presented (Herbert/Schmechel) 7-0-0 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **BUSINESS**
 - A. **Action Item: Approval of moving forward with branded concept (Panera).** This item was changed from Action to Information for today's meeting. Clyde explained that this item went to the Board and they had a number of questions. She distributed additional information and the reserves analysis piece was reviewed. She said they budget as if all of our positions are full, all expenses are there, goes off cost of sales, different percentages in each area. If they are not seeing revenue projections that they're hoping for, there is some wiggle room. She said the biggest number that changes is regarding employees as we're rarely at 100% hired. Clyde said they are seeing projected loss in 2019-20 and noted they are keeping Sutter at the original \$500,000 amount. If that amount changes, would also change these numbers. Clyde said this information is from the approved budget. Financial implications to Dining were next reviewed, current vs. proposed. Clyde said reserves are fully funded; however by 2022 would be \$100,000 into these reserves. The Profit and Loss statement was next reviewed and Clyde noted they used Panera's assumption on their commissions. Clyde said we're trying to position ourselves to offer a totally different food concept than Panera would be offering. Clyde said the P&L statement shows true operating cost and provides an idea of how they came up with their assumptions. Corona asked how commission was computed by Panera and Clyde said this information was not provided. She said she contacted three colleges with Panera, through Sodexo, and only one of them called her back. She said that college doesn't do commission, and uses a different structure. Clyde said Panera is currently proposing a 12.5% commission, and she didn't know how they came up with the 12.5%. Buckley said based on the commission model, if their sales go down, our income would go down. He said we might need to go to another model, such as a flat rent with overhead built in. He said we need to get income to a positive light and come back to ASBC with a strategy regarding the overall bottom line. Buckley also explained that construction costs are another issue. He said if ASBC moves forward with the branded concept with Panera, the Board would need to be informed as the process moves along. Clyde said there's a point where it will work, or won't, between the AS and Panera. She noted Panera is trying to get in to the CSU system, and they have many efficiencies because they're already here in Chico. In addition, they want to expand in to delivery options as well. Clyde said we're being specific with the type of companies we're looking at; they have to be able to do breakfast, lunch and a portion of catering. Discussion was held. Delivery service was discussed and Clyde said it could be addressed contractually. Clyde said Panera would also like to extend their hours, and stay open later than the Marketplace is currently open. She said we'd have the ability to isolate their area in the Marketplace so that the AS would not have to staff in the evening. Our concept would only stay open during lunch, approximately 11 a.m. to 2 p.m. The menu on the Panera website was pulled up for review. Clyde said our concept would be other items: no sandwiches, soups, salads or breakfasts. Prices were compared and discussion was held.

- B. Information Item: 6/30/18, 7/31/18 and 8/31/18 Wildcat Store Financials – Clyde reviewed the June financials, noting total income at \$56,307. She said they are seeing less and less on textbook sales income. For August, income was at \$221,746. Net increase (decrease) of \$76,476 YTD.
- C. Information Item: 6/30/18, 7/31/18 and 8/31/18 Follett Wildcat Store Financials – Novo reviewed with the committee the 2017-18 sales, noting a big drop in textbooks. Total of \$6,695,170 compared to \$7,341,594 for 2017. July and August YTD were next reviewed. Units comparison was next reviewed and it was noted that it was 91% down compared to last year in overall sales. Novo noted the six or seven days short in August had an effect on the numbers. He next reviewed recent and upcoming events as well as new products.

- VI. **DINING SERVICES DIRECTOR'S REPORT** – Rider reviewed the equipment that was replaced over the summer. He noted they have increased non-resident meal plans and are looking to update the credit card system for the meal plans. Rider explained the Lean Path waste management system that is being installed to track waste by various categories at both the Marketplace and Sutter Dining. He said they have contracted with FiltaFry regarding fryer oil, which extends oil life, should save us money and also provides an environmental report. Riders said burgers are now 30% mushroom/70% Harris Ranch beef. He said the Real Food Challenge is very active this year and the 2017-18 numbers are being worked on; noting they hope to hit 18%. Rider said due to having to shift from eco based plastic that cannot be recycled, they are going to go back to compostable paper. He said they are also in the discovery phase of the EBT Food application. Rider said they are working with University Housing regarding CSU designation as a hunger free campus. Rider said Cintas was brought in to review all Dining areas and brought us in to OSHA compliance for first aid and emergency items. Rider said he has been asked to be part of a food security panel at AOA.
- VII. **CHICO STATE WILDCAT STORE DIRECTOR'S REPORT** – No report.
- VIII. **EXECUTIVE DIRECTOR'S REPORT** – Buckley reported that at the last Board meeting the Board approved moving forward with a RFP for a compensation study. He noted compensation studies are done approximately every three years. Results of the Comp Study will be received in early spring and reported to the Board. Buckley said the Board approved staying with the Blue Shield medical plan, noting an increase of 13.5%, which will be split 50/50 between the AS and employees.
- IX. **VP APPOINTEE'S REPORT** – None
- X. **CHAIR'S REPORT** – Williams said the Wildcats Vote! event is tonight and explained the setup.
- XI. **ANNOUNCEMENTS** – Corona said Chico State was mentioned as being the first in the CSU system to go strawless in a University Business magazine sustainability article.
- XII. **PUBLIC OPINION** – Limited to three minutes per speaker, five minutes for entire topic – None.
- XIII. **ADJOURNMENT** – The Chair, Williams, adjourned the meeting at 11:20 a.m.