

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
BOARD OF DIRECTORS MEETING MINUTES

Wednesday, November 1, 2017

3:30 p.m.

BMU 205

Members Present: Dylan Gray, Alisha Sharma, Taylor Rogers, Danie O'Donnell, Zach Scott, Karla Camacho, Pedro Douglas, Robbi Stivers

Members Absent: Teddy Delorenzo

Others Present: David Buckley, Karen Bang (recording), Jamie Clyde, Thang Ho, Shar Krater, Susan Jennings, Curtis Sicheneder, Jon Slaughter, Nani Teves, Amanda Reinhart, Molly Marcussen, Colette Young, Chelsea Eiling, Maggie Scarpa, Katrina Robertson, Nan Timmons

- I. **CALL TO ORDER** – The meeting was called to order at 3:30 p.m. by the Chair, Gray.
- II. **AGENDA** – **Motion to approve the 11/1/17 agenda (Sharma/Camacho).** Scott removed Item V. B. c. from the agenda, as well as VI. D. **All in favor of approving the agenda as amended 8-0-0 MSC.**
- III. **MINUTES** – Minutes of the 10/18/17 regular meeting. **Motion to approve minutes of the 10/18/17 regular meeting, as presented (Scott/O'Donnell) 8-0-0 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **STANDING COMMITTEE REPORTS** – Action items forwarded to the Board of Directors from the standing committees stand approved unless overturned by a 2/3 + 1 Board action.
 - A. Government Affairs Committee – Sharma reviewed the items with the Board.
 1. GAC Actions of 10/23/17
 - a. Approved the 10/23/17 agenda.
 - b. Approved the 9/25/17 and 10/9/17 regular minutes.
 2. GAC Actions of 10/30/17
 - a. Approved the 10/30/17 agenda.
 - b. Approved the 10/16/17 regular meeting minutes
 - c. Approved DAC allocation in the amount of \$2,950 for the Chico Unity Torah event by the Chabad Student Group to be held on 11/12/17 in BMU 203.
 - d. Approved EFAC allocation in the amount of \$1,936.03 for the Chico State Stock Pitch Competition event by The Investors Club to be held on 12/1/17 in Kendall 207/209, as presented.
 - e. Approved revisions to Associated Students Corporate Codes – Deletion of Student Advisory Panel Code, as presented.
 - B. Bell Memorial Union Committee – Scott reviewed the items approved by BMUC.
 1. BMUC Actions of 10/19/17
 - a. Approved the 10/19/17 agenda.
 - b. Approved the 10/5/17 regular meeting minutes.
 - ~~c. Approved revisions to Associated Students Corporate Codes – Duties for the Associated Students Vice President of Facilities and Services, as presented. Removed from agenda.~~
 - d. Approved revisions to Associated Students Corporate Codes – Bell Memorial Union Committee Code, as presented.
 - C. Associated Students Businesses Committee – Rogers reviewed the items with the Board. (Stivers and Douglas stepped out of the meeting at 3:32 p.m.)
 1. ASBC Actions of 10/23/17
 - a. Approved the 10/23/17 agenda.
 - b. Approved the 10/9/17 revised regular meeting minutes.
 - c. Approved revisions to Associated Students Corporate Codes – Associated Students Businesses Committee Code, as revised.

VI. BUSINESS

- A. Consent Agenda – All items listed under the Consent Agenda are considered routine and are enacted by one motion without discussion. A member of the Board who desires a separate discussion of any item may pull that item from the Consent Agenda.

Revisions to Associated Students Corporate Codes:

- Duties for the Associated Students Vice President of Business and Finance.
- Code Format.
- Investment Committee Code.
- Scholarship Committee Code.

Motion to approve the Consent Agenda, as presented (Camacho/O'Donnell) 6-0-0 MSC.

- B. Information Item: Pouring Rights RFP – Bottled Water – Clyde explained that vendors provided responses to the RFP both with, and also without, bottled water. She provided a background of the Advisory Measure in 2016 which stated, “Should the AS halt its sale of single-use bottled water at Chico State as soon as contractually possible?” She said 28% of students voted, approximately 70% voted yes, 30% voted no. She showed a map from the Bottled Water Ban website of current CA schools that have halted their bottled water sales, noting that although they’re on the map, CSU, Northridge did not ban bottled water. Clyde next reviewed the environmental consequences to using plastic bottles, as well as unintended consequences. She also noted that Common Grounds attempted a ban on bottled water in the past, which only lasted three to four weeks before customers demanded it go back in. Clyde explained that bottled water sales on campus peak during the times students aren’t here, such as Chico Preview Week, when over 2,000 people are on campus. The estimated financial impact was next reviewed. Clyde said annual loss of bottled water sales would be approximately \$48,000 or \$240,000 over five years. Annual loss of financial sponsorship would be approximately \$48,000 or \$240,000 over five years (\$20,000 Athletics and \$220,000 to the AS). She said financial assumptions were based on regular bottled water, not sparkling, flavored, etc. She also explained that other program areas would be effected by Dining Services no longer selling bottled water. She said if we lose \$100,000 per year, in order to stay self-operating, we would need to make job cutbacks, including possible layoffs, reduction in operating hours, and would also need to raise prices. The largest price increase would hit the residence halls by raising Board rates. Information from Jeff Carter was next reviewed. Clyde explained the AS has to be self-supporting to stay in good standing with the University and by not selling bottled water, would be jeopardizing the AS as an auxiliary. She said minimum wage increases and cost of sales are already putting Dining Services in a bind. Jennings reviewed the estimated impact of loss of bottled water sales over five years. Beginning net assets, adjusted net income including the 3% additional wage increase, additional amounts for pouring rights sponsorship funds achieved with water sales, would gain \$48,000/year, total of \$240,000. She also reviewed dollar amounts if no longer sold water. Impact on net assets without additional sponsorship and without water sales would be \$96,000 in 2017-18, for a cumulative total of \$480,000 over five years. She said this does not include losses to Follett who would be losing gross profit sales, which would also impact our income from them, of 16.6%. Buckley said the AS has to stay self-sufficient, and losing \$480,000 in five years is a major issue. Buckley said vendors will be notified by November 30 of who will be awarded the Pouring Rights contract (Douglas returned to the meeting at 3:57 p.m.). Buckley said there was a typo on the second page of Jeff Carter’s letter and that \$100,000 over the life of term on the second page of the letter should be \$480,000. Scarpa asked if any of the bottled water sales go towards AS Recycling. Clyde said two of the vendors addressed monies going to Sustainability. She also explained that the Dining Services program essentially pays for a portion of overhead and without Dining Services, this would cause a larger impact to all programs (Stivers returned to the meeting at 3:59 p.m.). Discussion was held regarding monies to go towards Sustainability/Recycling. Clyde explained that it would be less revenue for the vendor as well, and that the entire package as a whole goes down. She said the loss of income would have to be made up everywhere. Clyde explained how Dining Services on campus works. Question was asked if we could only sell bottled water in the BMU and Clyde said it’s going to come back to a bottom line result and if Dining is not self-operating in all areas, it would still result in price increases. She said Butte Station sells the most bottled water on campus. She said the AS has taken over bottled water sales at graduation, and a large amount of bottled water is sold during this time. Buckley said a challenge they face is that minimum wage is increasing, and to try making it all up in sales will be tough. He said their concern is that down the road if we start losing money and have to contract out Dining Services to a third party, people will lose jobs and benefits, and the campus will also lose money. He said we’re barely hanging on to show a profit in Dining Services. Buckley said in order to make up the \$100,000 loss, the AS would have to go to the campus and request a Board rate increase. He noted the only area Dining Services is making money in is the residential hall area. Camacho suggested increasing the Sustainability Program to encourage people to bring their own bottled water, and not putting our corporation in a position where it could face severe financial losses.

Further discussion was held. It was noted that bottles aren't making it into recycling cans, and there is a need to work on recycling education instead of taking away water. Sharma said some students she spoke to didn't get the full picture from the Advisory Measure in regards to costs effecting them if bottled water is banned.

- C. Information Item: Revisions to Associated Students Corporate Codes – Deletion of Revenue Allocation Committee Code from Associated Students Corporate Codes – Slaughter said the Revenue Allocation Committee (RAC) was established in 1994 to make recommendations to the Board of Directors for the allocation of funds that were then available from the excess revenues of the AS Bookstore. He said when the Bookstore opened in its new location in 2000-01 they took on increased debt. No excess revenues were available to continue the annual funding of RAC. As RAC has been dormant for 13 years and non-operational without any plans to resurrect the operation, it be being recommended to delete this code.
- D. Information Item: Revisions to Associated Students Corporate Codes – Duties for the Associated Students Vice President of Facilities and Services – removed from agenda.
- E. Information Item: Revisions to Associated Students Corporate Codes – Bell Memorial Union Committee Code – Slaughter said this item, as well as Item VI. F. went to the appropriate committees for approval, and are now to the Board for their approval. He said these have been streamlined and formatted for consistency.
- F. Information Item: Revisions to Associated Students Corporate Codes – Associated Students Businesses Committee Code – As noted in Item VI. E.
- G. Information Item: Revisions to Associated Students Corporate Codes – Audit Committee Code – Jennings said this is also a code cleanup. She noted that reference to Research Foundation and University Foundation were removed from VIII. A. as we no longer work with them to select a CPA firm.
- H. Information Item: 9/30/17 Activity Fee Fund Budget to Actual Experience – Slaughter reviewed with the committee, noting the benchmark for September is 25% of budget. He said they had 50.66% in total revenues, total AF Operational expenses at 15.21%. He said overall, under 19% in Total Expenses, and are doing fantastic.
- I. Information Item: 9/30/17 Student Union and WREC/AO Summary Income and Expenses Statements – Clyde said the Student Union expensed 18.85% of their approved annual budget, and generated 47.27% of the projected income.
- J. Information Item: 9/30/17 Wildcat Store Financials – Rogers noted Income at \$93,155, Expenses and Transfers at \$87,111. He said Net increase (decrease) was at \$6,043 for the month, \$118,837 net increase (decrease) YTD.
- K. Information Item: 9/30/17 Follett Financials – Rogers provided an overview, noting a decline in textbook sales, same as in August. Clothing continues to be strong with a 4% increase to last year.
- L. Information Item: 9/30/17 Dining Services Financials – Rogers said revenue was at \$97,717 (4.96%) more than budget. Total Operating Expenses were at \$133,067 (9.92%) less than budget. Net Income \$221,996 (346.98%) more than budget.
- M. Information Item: 9/30/17 Corporate Services Budget to Actual Income and Expenses – Jennings reviewed each area and noted Total expenses generated were at 31.85%.
- N. Director of University Affairs Report – Camacho said that last Thursday she met with Jared Giarrusso of the CSSA and he'd like to see another Cal States Contact Congress take place in November. • Camacho said Student Academic Senate (SAS) postponed the vote on the Resolution regarding legitimate honor societies on our campus, the reason being that it does not seem to address the right parties that should be involved. Also concerned about the Resolved that calls for creation of another body, as there could be another body already in place that honor societies could fall under. Introduced revisions to the SAS Code. • Camacho said Academic Senate resolutions on EO's 1100 and 1110 were passed. They also terminated the minor in Information Technology. • Camacho and Gray met with Jed Wyrick regarding ideas the Shared Governance Committee (SGC) had been coming up with in regards to filling student seats on University committees. She said the SGC had the idea of offering a unit or so of credit for those students that sit on University

committees as long as they meet the basic requirements. They also addressed the concern that there has to be an instructor in order to offer any units. She said they'll try to find an instructor that is focused on leadership to help with this, as well as help with the WLI until a replacement coordinator is hired. • Camacho reported that on Friday Phil Loker will be attending SAS to discuss GI 2025. • Camacho said Chico State's Breanna Holbert is the first African American woman to serve as National FFA President.

- O. Director of Legislative Affairs Report – O'Donnell said Cal States Contact Congress was held and relatively successful; approximately 70 people attended. She said LAC is still looking for members. • O'Donnell said she met with President Hutchinson yesterday to discuss student rights on campus and was invited to go to Sacramento with her to meet with people.
- P. University Vice Presidents' Reports – Stivers said he continues to work on the 2018-19 budget and that it appears to be a flat budget. He said they are hoping the governor will be more for higher education. • Stivers said Halloween weekend was basically non eventful until Halloween night when a student was shot and is now recovering at Enloe. He said they are very concerned about this and need help from the student body to improve communications regarding announcement of parties on social media. He said he's working with the police to look at different options. • Douglas said a couple of University staff went to Enloe to meet with the student and parents, and offered their support. He said CC Carter will be retiring on December 8 and Dr. Stewart, the Director of the Health Center will also be retiring in December.
- Q. Executive Director's Report – Buckley said on Halloween there was a costume contest at Koffee and Kudos in the BMU Auditorium and two of the AS groups won first prizes. He said it was nice to see staff having fun that day and he was glad to see the AS staff participate. • Buckley said regarding the 3% salary increase previously discussed, he said one of the big bargaining units, CSUEU, which represents four of the bargaining units on campus, has tentatively agreed to a 9% increase over three years (3% effective as of 7/1/17, which the AS matched). On top of that, a \$650 one-time bonus would be given to each person. He said for those in that bargaining unit making less than \$15/hour, the minimum wage would increase to \$15/hour as of 7/1/17. He said the AS has 31 employees, including some part-timers, making under \$15/hour. Buckley said although we don't match everything the University does, we do have a classification of employees when we look at salary comparisons, called substantially similar positions, and we've tried to match salaries as much as possible. He said it will have to be decided whether or not to increase our employees to \$15/hour for the substantially similar positions. He said if the Union contract is ratified, this item will be coming back to the Board for discussion. Buckley said as minimum wage goes up to \$15/hour, they'll also need to decide what to do for those that are making \$16/hour. • For clarification purposes, Buckley said he sent a letter to the Board a week ago from Jeff Carter that was written in 2008, which was for the Advisory Measure called Take Back the Tap. He said Carter referred in yesterday's letter to take back the Tap, which was incorrect. Buckley said he asked Carter if his opinion had changed since 2008, and Carter said his opinion is still the same.
- R. President's Report – Gray said this week a lot of the Pouring Rights RFP work was done. • Gray said on Monday he went to the Town & Gown meeting with our Commissioner of Community Affairs, Nadine Salas. He said they gave the committee an update on what the AS has been doing this year. He also brought up the student role on Town & Gown, as well as the Steering Committee. Gray said he was provided more insight on what the Steering Committee is doing and he'll still be fighting for the students' position on the Steering Committee. He said the Chief of Police gave an update as well and talked about providing more cameras at areas such as One Mile and Children's Park to promote safety. He said Salas offered alternative programming ideas which was received very well by the committee. • Gray said he met with Jed Wyrick, Chair of Academic Senate and also met with President Hutchinson. She said that a student group on campus, Students for Quality Education, have been raising concerns about the tuition hike and salary increase of Administration on our campus. Over the past couple of days they have done a couple of demonstrations and have made some harsh comments. He said President Hutchinson expressed concern about this, so he brought this discussion to Jed Wyrick that the President is looking for a remedy of transparency between the students and Administration. He said they are looking at possibly holding an open forum in February 2018 to allow students to ask questions about salary and tuition increases. Gray is on the 11/9 UBC Committee meeting agenda to discuss this issue and open forum.

VII. ANNOUNCEMENTS – None

VIII. PUBLIC OPINION – Limited to three minutes per speaker, five minutes for entire topic – None

IX. ADJOURNMENT – The meeting was adjourned at 4:56 p.m. by the Chair, Gray.