

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

Wednesday, January 23, 2019

2 p.m.

BMU 205

Members Present: Alisha Sharma, Sam Akinwande, Jared Geiser, Zach Scott, Milton Lang, Alex Williams, Teddy Delorenzo, Ann Sherman, Trevor Guthrie

Members Absent: None

Others Present: David Buckley, Karen Bang (recording), Jamie Clyde, Shar Krater, Curtis Sicheneder, Leah Railey, Tom Rider, Jon Slaughter, Colette Young, Katrina Robertson, Elaine Kramer

- I. **CALL TO ORDER** – The Chair, Sharma, called the meeting to order at 2 p.m.
- II. **AGENDA** – Sharma removed VI. A. because the Board meeting schedule needs to be changed due to scheduling conflicts. **Motion to approve the 1/23/19 revised agenda (Scott/Akinwande) 9/0/0 MSC.**
- III. **MINUTES** – Minutes of the regular meetings of 11/7/18, 11/28/18 and 12/12/18 meetings. **Motion to approve the regular meeting minutes of 11/7/18, 11/28/18 and 12/12/18, as presented (Scott/Guthrie) 8-1-0 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 – Geiser reviewed the items with the Board. He said the Officers' Retreat was held last week.
 1. GAC Actions of 1/23/19
 - a. Approved the 1/23/19 agenda.
 - b. Approved Minutes of the 12/11/18 regular meeting.
 - B. Bell Memorial Union Committee – No meetings held. Scott said there are some new members on the committee due to graduation and resignations.
 - C. Associated Students Businesses Committee – No meetings held. Williams said the first meeting of the semester will be Monday at 10 a.m.

VI. BUSINESS

- A. ~~Action Item: Approval of Resolution for Establishing Time and Location for Associated Students Board of Directors meetings for the Spring Semester of Academic Year 2018-19. **Motion to approve Resolution for Establishing Time and Location for Associated Students Board of Directors meetings for the Spring Semester of 2018-19, as presented.**~~ This item was pulled from the agenda.
- B. Action Item: Approval of one year extension of Follett contract from July 1, 2019 to June 30, 2020 – Buckley said information was sent to the Board last week regarding this item. He said the recommendation is to extend the contract for one year because sales and commission have been dropping. He said the Board has other options, such as doing three two-year extensions, not moving forward with an extension, or the AS could get back into the bookstore business. He recommended giving one more year to see if the Follett Discover program helps their sales. Buckley suggested assessing the situation in six to eight months, after fall sales. Jennings reviewed Follett sales trends with the Board, noting their sales have been dropping consistently since our contract was initiated with them. She explained the analysis she prepared which compares last year to this year, July through November. She said the trend in sales is negative in nearly every category. Commission was reviewed and Jennings said it is based on revenue brought in by Follett sales. She said she looked at actual sales of last year and is assuming the same decline for the whole fiscal year. Jennings next reviewed the income and expense statement of the Wildcat Store, which includes commission income they pay the AS. She said when Follett signed the agreement with the AS in 2014, they gave us a one-time bonus guarantee of \$700,000, which has been amortized over the life of the five-year agreement. She said this is the last year of the five years. Jennings explained contributions to the University. Regarding net income, she said the AS made almost \$200,000 for FY 2017/18 and may earn \$70,000 income for FY 18/19. Beginning FY 19/20, income is expected to drop into the negative. Buckley

said when income goes in to the negative there will be less money going out to Activity Fee, Union and Dining, which is a concern because it will have a negative effect on those areas. He noted that Follett said if we extended the agreement for another two years, they would provide another signing bonus of \$200,000 to \$300,000. He said it is best to wait for one year, and then decide what to do. Buckley said Follett would probably do another signing bonus at that time. Discussion was held. (Williams left the meeting at 2:23 p.m.). **Motion to approve one year extension of Follett contract from July 1, 2019 to June 30, 2020, as presented (Guthrie/Scott) 8-0-0 MSC.**

- C. Information Item: Executive Order 2018-02 – Sharma reviewed the Executive Order regarding the joint appointment to ASBC and BMUC.
- D. Information Item: 11/30/18 Activity Fee Fund Budget vs. Actual – Geiser reviewed with the Board, noting benchmark for this time period is 42%. Total revenue at 54.40%, total expenses at 30.64%, net increase (decrease) at -424.80%.
- E. Information Item: 11/30/18 BMU and WREC/AO Combined Budget vs. Actual Summary – Scott provided an overview, noting the Union expensed 34.15% of the approved annual budget and generated 49.23% of the projected income.
- F. Information Item: 11/30/18 Wildcat Store Financials – Jennings reviewed, noting income at \$50,872, expenses and transfers at \$87,503, commission income at \$369,325 YTD. She said they are hoping to receive approximately \$15,000 from the insurance company for business interruption due to the campus closure in November.
- G. Information Item: 11/30/18 and 12/31/18 Follett Wildcat Store Financials – Jennings reviewed the November financials provided by Follett. She noted they had a loss of sales for 11 business days due to the Camp Fire. Overall, the store was down 32% and current YTD sales were at -13% to last year. For December, Jennings said they were up about 21%. Overall, the store now sits at -9.9% YTD.
- H. Information Item: 11/30/18 Dining Services Financials – Jennings said Dining Services was also closed during November due to the Camp Fire. She said they are hoping to get reimbursed by the insurance company for wages lost during this closure. Jennings said overall, Dining income is down by about 18%, with sales down 29%. Net income overall down by approximately 34%. YTD Dining overall doing better than budget by \$120,000. Jennings next reviewed Sutter financials, noting net income of \$77,272. November YTD as compared to budget about \$140,000 better. Cash Ops was reviewed next, sales down 38.59% to budget and cost of sales down 329.94%. November YTD approximately \$20,000 down from original budget. Rider pointed out that cost of sales as percentage of income was up. He said when the fire happened, perishables were offloaded to various areas in need. These perishables had to be resupplied when campus reopened.
- I. Director of University Affairs Report – Akinwande reported that Student Academic Senate will continue with the same meeting schedule as last semester, Fridays at 2 p.m.
- J. Director of Legislative Affairs Report – Guthrie distributed his report and noted that the AB 540 Bill will be discussed at the next CSSA Plenary Meeting. He said this bill would allow DACA students to apply for Cal Grants if they qualify for state aid. Guthrie said they also discussed the CHESS Summit, which will be held in March.
- K. University Vice Presidents' Report – Lang updated regarding student fee progress made over the last few months. He said fees haven't been increased here for over 20 years; however, many of the units within Student Affairs and Academic Affairs were in deficit spending, especially the Health Center. He noted also a potential deficit in Athletics and Learning fees. Lang said dialogue was held regarding raising fees and President Hutchinson raised fees in those three areas. He said students should see an impact in services at the Student Health Center because they have hired six positions there. Funds are also being used for counseling services. Lang explained that the Student Learning Fee of \$400,000 is being used to improve lab equipment as well as activities and field trips that students attend. • Sherman said she is pleased that students are focusing on Sustainability and noted a Sustainability Forum will be held tomorrow at Colusa Hall from 9 to 11 a.m. She said they are relaunching the committee, making it more active and engaged.
- L. Executive Director's Report – Buckley updated the Board regarding the Compensation Study being done by Employer's Group. He said the study is to be completed by March 31 and the Board will be provided with

the results. He said due to AS budgeting already beginning, it will be tricky budgeting regarding the Comp Study results as the results may not be available. He said he and Jennings would figure out how to handle this. • Buckley said the AS Operating & Lease Services Agreement with the University expires on June 30. Sharma and he will be meeting with Lang and Sherman to discuss. He said there is a standard 10-year agreement in addition to this agreement. Buckley said the new agreement will be brought to the Board for approval. • Buckley shared regarding the National Association of Student Personnel Administrators (NASPA). He said Lang pushed for the AS and other areas on campus to apply for NASPA's annual awards. Buckley said AS Adventure Outings (AO) submitted an application and received a gold medal for the Get Outdoors Fund Scholarship. In addition, CAVE was awarded a bronze medal for Civic Engagement Programming. The University's ARC program for counseling services also received an award. He said AO has been invited to go to the NASPA Conference to do a presentation regarding the program as well as accept their award. Lang said Chico State has world-class programs and could compete on a national level. • Buckley said a fire insurance claim has been submitted due to the Camp Fire in November, and he is waiting to hear back regarding offsetting losses of sales and cost of sales. • Buckley said AS staff were very involved, and attended the joint Tipping Point event. He said it was a great start of staff and faculty to focus on what we need to do to change to ensure student success.

- M. President's Report – Sharma said the Board discussed the future of David's position due to his retirement. She said a search committee has been formed, which she will chair. The committee will also include Lang, Jennings and the three executive officers. She explained that Railey would be facilitating the process. Sharma said the committee met this past week regarding the Executive Director position. They hope to begin advertising by January 28 and have a recommendation by the end of April for the Board for the new Executive Director. • Sharma said that last semester they talked about Board Designated Funds and having students submit proposals. She said four proposals were received and that before the next Board meeting she will send the proposals to the Board for their review along with her and Buckley's recommendations. • Sharma said due to scheduling conflicts a new meeting time for the Board needs to be set. She said it currently looks like the only time available is Wednesday mornings at 8:30 a.m. They are looking to move the GAC meetings, which are currently scheduled at this time. Bang will contact everyone regarding the new schedule.

VII. ANNOUNCEMENTS – Sharma wished everyone a happy first week of the spring semester.

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

IX. ADJOURNMENT – the Chair, Sharma, adjourned the meeting at 3:02 p.m.