

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

Friday, February 28, 2020

12 p.m.

BMU 205

Members Present: Trevor Guthrie, Teddy Delorenzo, Alejandro Alfaro Ramirez, Anthony Ruiz, Sandy Parsons-Ellis, Kaylee Biedermann, Chris Taverrite, Ann Sherman

Members Absent: Bre Holbert (excused)

Others Present: Jamie Clyde, Karen Bang (recording), Jon Slaughter, Susan Jennings, Tom Rider, Leah Railey, Curtis Sicheneder, Katrina Robertson, Katie Peterson, Shar Krater, Robert Bowman, Steve Novo, Lauren Lathrop, Mark Stemen

I. CALL TO ORDER – The Chair, Guthrie, called the meeting to order at 12 p.m.

II. AGENDA – Guthrie added Information Item: Proposed changes to CalPERS Publicly Available Pay Schedule. **Motion to approve the 2/28/20 revised agenda (Taverrite/Biedermann) 7/0/0 MSC.**

III. APPROVAL OF MINUTES – Minutes of the regular meeting of 2/14/20. **Motion to approve the minutes of the regular meeting of 2/14/20, as presented (Taverrite/Alfaro Ramirez) 7/0/0 MSC.**

IV. ANNOUNCEMENTS

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 - Ruiz reviewed the Action items with the Board (Sherman joined the meeting at 12:03 p.m.).

1. GAC Actions of 2/17/20 meeting

- a. Approved the 2/17/20 revised meeting agenda.
- b. Approved Minutes of the 2/10/20 regular meeting.
- c. Approved Student Academic Senate joining the Academic Senate Resolution on Statement of Support in Service for and with Students of Color, as presented.

2. GAC Actions of 2/24/20 meeting

- a. Approved the 2/24/20 meeting agenda.
- b. Approved Minutes of the 2/17/20 regular meeting.
- c. Approved Consent Agenda:
2019-20 Associated Students Committee/Council Appointments
Confirmation of appoint to Diversity Affairs Council (DAC)
- Executive Vice President Appointment: Paul Shafer
- d. Approved Statement in Support of the Coalition and Cost of Living Adjustment (C.O.L.A) Movement at UC Santa Cruz, as revised.
- e. Approved EFAC allocation for \$3,208 for the 'Biz Talks' event by Delta Sigma Pi to be held 4/8/20 from 5:30 p.m. – 7 p.m. in PAC 144, as presented.
- f. Approved Resolution Denouncing Potential War with Iran, as revised. Delorenzo suggested a grammatical correction on the second page, changing the word "Accurately" to "Acutely."

B. Bell Memorial Union Committee – Biedermann reviewed the approved items with the Board.

1. BMUC Actions of 2/19/20

- a. Approved the 2/19/20 agenda.
- b. Approved Minutes of the 2/5/20 regular meeting.
- c. Approved Consent Agenda:
Revisions to Associated Students Corporate Codes
- BMU Third Floor Art Gallery Policy.
- BMU Public Art Space Policy.

C. Associated Students Businesses Committee – Taverrite noted the approved items.

1. ASBC Actions of 2/17/20 Special Meeting

- a. Approved the 2/17/20 agenda.
- b. Approved Minutes of the 1/27/20 regular meeting.

VI. BUSINESS

- A. Action Item: Approval of acknowledgement that the language of the GEOG 440 Advisory Measure as submitted is in compliance with CSUC and trustee policy and local, state, and federal laws and, therefore, is approved to appear on the 2020 AS General Election ballot. **Motion to approve acknowledgment that the language of the GEOG 440 Advisory Measure as submitted is in compliance with CSUC and trustee policy and local, state, and federal laws and, therefore, is approved to appear on the 2020 AS General Election ballot, as presented (Biedermann/Alfaro Ramirez).** Slaughter said this item would be eligible to be on the ballot once the required amount of student signatures are received. **8/0/0 MSC.**
- B. Action Item: Approval of implementation of Phase 2 of the Compensation Study. **Motion to approve implementation of Phase 2 of the Compensation Study, as presented (Taverrite/Biedermann).** Clyde noted as discussed previously with the Board that there are 8 AS employees that are not making \$15/hour. She said in order to stay in line with the campus which has already started paying their employees a minimum of \$15/hour, as well as based upon the recommendation of the Employers Group, this implementation is being requested. Estimated annual cost increase for FY 2019/20 of \$5,452 and \$16,724 for FY 2020/21. **8/0/0 MSC.**
- C. Information Item: CalPERS Unfunded Liability – Jennings explained that all full-time career employees participate in the CalPERS retirement plan. She said the AS has a Classic Plan and PEPPA Plan which are treated the same. A yearly CalPERS actuarial evaluation report is provided for the AS for each plan which provides the current value of the estimated pension liability as well as the current market value of assets in the plans. She said the difference between the pension liability and the market value of plan assets is referred to as the unfunded liability. Jennings noted that CalPERS requires that we pay off the unfunded liability within 15 years. She said in May of 2018 we paid off the full estimated unfunded liability of \$1,800,000 which saved approximately \$750,000 in interest. She said the current unfunded liability amount is \$366,412, noting that funds have been set aside during the fiscal year and are available to pay off this unfunded liability. She said paying off in one payment would save approximately \$178,270; paying in five payments (over five years), would save approximately \$67,931. Jennings said they are recommending to move forward with paying off unfunded liability with one payment. The amortization schedules were reviewed. Discussion was held and consensus of the Board was to pay off the unfunded liability with one payment.
- D. Proposed changes to CalPERS Publicly Available Salary Schedule – Railey distributed the proposed changes, explaining that as a public employer contracted with CalPERS for retirement benefits, the AS is required to make available a Publicly Available Pay Schedule which includes position titles, effectiveness dates, pay frequency and grade. She said that due to some position reorganizations previously reported by Clyde to the Board, it has necessitated some job title changes and pay changes, which need to be added to the schedule. In order to comply with the CalPERS contract, Board approval is needed for these changes.
- E. Information Item: Resolution for acceptance of Treasury Management Services with Tri Counties Bank – Jennings explained that the AS banking services agreement is with Tri Counties Bank and with David Buckley leaving, and Jamie Clyde becoming Executive Director, this is a new form from the bank. She said by the Board approving this document, it recognizes that she and Clyde can make decisions regarding who has access to see bank data, approve wire transfers, use Positive Pay, etc. The Resolution gives Jennings and Clyde the right to submit the Acceptance of Treasury Management Services form and will be on the next Board agenda as an Action item. Delorenzo questioned if there were changes from the previous document and Jennings said it's a new acceptance form and more formalized.
- F. Information Item: Chico State Wildcat Bookstore – Clyde said previously the Board discussed some of the options regarding the Bookstore, but at that time did not have all of the financial data. Jennings said Follett is operating out of the Wildcat Store, they collect revenue from the different sales categories as noted, and that is how they base what the AS commission is. In order to work on our budget bottom line, we have to project what we think Follett sales would be since that drives our commission. To get the estimate for 2019-20, she said she took what they've actually done this year through January, and projected based on prior year, February to June, what a full year might look like. She then compared where we are at YTD through January to the prior year through January to get the estimated sales trend. Jennings noted that by category, each decline is significant. This information goes through January so should capture most of rush/spring numbers. She said she used trends to estimate what their revenue would be for FY 2020-21. She then trended from that number one additional year, using the same declines. Jennings noted that the hope is that the decline will eventually slow down. 2019-20 Total Sales are estimated at \$5,351,853; for 2020-21 estimated at \$4,656,813; for 2021-22, estimated at \$4,113,275. Estimated Commissionable Sales at \$4,409,458 for 2019-20; \$642,247 for 2020/21 and \$581,107 for 2021/22. Jennings said built in to the contract, the AS is to get 90% of the prior year's Commission income, at a minimum. Based on that, minimum guaranteed Commission Income for 2019/20 would be \$746,843, for 2020/21 would be \$658,773 and for 2021/22 would be \$578,022. She reminded the

Board to keep in mind that estimated sales trends could be better or worse, and that it's very difficult to know, especially in an industry where sales have been declining. Jennings next reviewed Income and Expense projections. Regarding Net Income (Loss), they are projecting approximately \$40,775 for 2019/20, (\$40,590) for 2020/21 and (\$111,431) for 2021/22. Taverrite questioned if projections are based on the length of the contract. Jennings said the AS has the option of three two-year extensions, so she projected out for two years in case we decide to renew. Clyde said projections are conservative, and do not include possible base funds that tie to the overall contract. She said when she talked with Follett staff this morning they were looking to do a three to five-year contract and she explained to them that this would not work with how our contract is set up as we're set up for two-year extensions. She said Follett would honor the two-year extension and keep commission as is. Clyde said this is positive, considering Follett is losing money at this store. She said if we extend the contract for two years, Follett would provide a \$50,000 one-time base fund. They would add an additional \$50,000 of base funds if we're able to bring in any of the technology pieces such as Discover, Access, etc. If we can add All Access, they would provide \$200,000 in base funds. Clyde said Follett looked at their numbers, looked at last year, and are saying they are removing the last 12 months, looking at it as an anomaly, and project moving forward, which is a good place for us to be in a partnership. Clyde said she would like to give Follett the ability to have those two additional years. She noted if the Board is interested in moving forward with a two-year extension with Follett, this would eliminate the self-operation and the RFP process choices. Delorenzo recommended moving forward with the two-year contract extension. Clyde noted that there is a convenience clause in the contract, and if something drastically changes, we have this ability as well. Consensus of the Board was to extend the contract for two years. Clyde said she would come back to the Board with a recommendation of a two-year contract extension with Follett.

- G. Information Item: Revisions to Associated Students Corporate Codes – Board of Directors Code – Guthrie said an addition to the code is being added so that an established meeting time is set for Wednesdays from 2:30 to 4 p.m., with an exception due to an academic related conflict related to an officer's graduation. Clyde said this day and time were chosen because there are the lowest number of classes at that particular day and time. Discussion was held regarding the possible campus class schedule impact due to the Butte Hall remodel. Clyde said the suggested set schedule is not set in stone; however, it gives people something to start to rely on a little more. Peterson said this is similar to how Academic Senate has a set time, so everyone can rely on it. It was noted that on off weeks, the Government Affairs Committee meetings would also be held Wednesdays from 2:30 to 4 p.m. Clyde said since the election process has been moved up, students will now have a preference of their class schedule earlier.
- H. Information Item: 12/31/19 Dining Services Financials – Taverrite reviewed the December financials with the Board. Dining Overall Net Income of (\$31,880), Sutter Dining Net Income of \$44,843 and Cash Ops Net Income of (\$76,723).
- I. Information Item: 12/31/19 AS Wildcat Store Financials – Taverrite provided an overview of the financials, noting Income at \$63,611 and Commission Income YTD at \$353,408.
- J. Director of University Affairs Report – Alfaro-Ramirez reported that on Monday GAC would be voting on increasing Senator compensation from 15% of cost of attendance to 20% of cost of attendance.
- K. Director of Legislative Affairs Report – Absent
- L. University Vice Presidents' Reports – Parsons-Ellis said the AVP for Enrollment Management recruitment has been wrapped up and recommendations will be provided to Cabinet. Recruitment for the VP of Student Affairs continues with neutral interviews in late March, followed by candidates being brought to campus. She said Choose Chico is April 4 and noted enrollment slump issues will affect our budget. She also noted that coronavirus information will be shared with campus. Sherman said another bookstore meeting was held and they talked about ways to increase and effect adoptions so that students will know what materials will be required when they register for class; they also talked about long-term affordability of book options. They noted that a lot of faculty don't realize that for materials sold outside of our bookstore, those students that get social service benefits or veterans' benefits, can't use their aid to purchase materials. Sherman said they are working closely with Student Affairs regarding the coronavirus issue. She announced that Police Chief Reid will be retiring after graduation so they will be doing a job search for that position.
- M. Executive Director's Report – Clyde said enrollment figures are looking to be down 7% to 11%, and noted that as an area that runs off student fees, this will have a huge impact on the AS. She explained the potential drop in enrollment would be reflected in the budgets as they are presented. Clyde said Sherman presented to the University Budget Committee yesterday regarding declining enrollment, which is expected to last for three

years. Clyde said a reception was held this morning in honor of the 100th Anniversary of Women being allowed to vote.

N. President's Report – Guthrie said he finished up serving on the Enrollment Management search committee and continues to sit on the VP of Student Affairs search committee. Guthrie said he would be attending Advocacy Day in Sacramento on March 11. He said last Friday he was involved with Student Trustee interviews and four students have been sent forward to the Governor's Appointment Office to be considered for the next Student Trustee.

VII. ANNOUNCEMENTS – Biedermann said she went to the Board of Governor's Dinner last week and a big topic of conversation was enrollment, and ways to attract students to campus.

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

IX. ADJOURNMENT – The Chair, Guthrie, adjourned the meeting at 12:51 p.m.