

CI University Auxiliary Services, INC.

BOARD OF DIRECTORS

Board Meeting

Thursday, May 16, 2024

ATTENDEES

Dave Armstrong, Board Chair
Jazmin Guajardo, Board
Bill Robe, Board

Barbara Rex, Board Treasurer and Secretary
Marianne McGrath, Board
Andrea Grove, Board

Jeff Kim, Staff
Laurie Nichols, Staff
Stephanie Bracamontes, Staff

John Lazarus, Staff
Peter Maher, Staff
Christina Salas, Staff

1. CALL TO ORDER

Meeting was called to order at 11:08AM by Dave Armstrong

2. PUBLIC COMMENTS

No public comments presented.

3. ACTION ITEM: MEETING MINUTES

Request approval of the meeting minutes for February 1, 2023.

Dave Armstrong Motion to approve meeting minutes.

Marianne McGrath second the motion.

All in favor. None opposed.

4. INFORMATIONAL ITEM: Campus Update

Presented by Lori Nichols

A. Spring resident enrollment down 7.8%.

Sales improvement with Sea Store (24%), Lighthouse (5%), and Islands up 14% compared to last quarter at 3%. JSB continues to struggle. Suggested JSB access limited due to parking per John Lazarus. Shortfalls are being covered by Higher Education Emergency Relief Fund (HEERF) funds.

Campus Planning Assumptions scenarios. First scenario is a more conservative model with the second scenario including 20% increase in summer, 5% increase in new students and 3% increase in continuing student retention.

Escalation. No change in meal plan rates. Increase Islands door rate by 10%. \$200k corporation operating contingency for 5% drop in revenue. Last increase was 2016.

Auditors Meeting. Loss is the main concern. Management is working diligently along with the involvement of President Yao.

B. Planning Consideration Options.

1. Self-Operation

- FY 25/26 meal plan rate increase.
- Other operational and cost mitigation considerations.
- 1 mil in annual fixed costs and debt service.
- Increase student tuition.
- Other operation and cost mitigations considerations.

2. Outsource Chartwells

- FY 25/26 meal plan rate increase.
- 1 mil in annual fixed costs and debt service.
- Management fee model 3% of sales and allocation of corporate costs.
- Year One, 1 mil signing bonus, 1.3 capital investment (update some spaces). \$400k CO bonus
- Review staffing shells and attempt to retain UAS employees.
- 600k unrestricted and 170k innovation funds over 8 years.
- 8-year commitment with option to renew additional 5 years.
- All facility costs remain with UAS.
- Chartwells propose to restructure our meal plan model.

Stephanie Rex advised current debt service for Islands remodeling is about 20-25% of UAS budget. Debt is expected to expire in 2037.

5. INFORMATIONAL ITEM: FY 23/24 Q3 Board Report

Presented by John Lazarus

A. Project loss of 1.4 mil for the year.

6. INFORMATIONAL ITEM: FY 24/25 UAS Budget

Dave Armstrong suggested to defer voting until early June meeting for interim budget.

7. ACTION ITEM: FY 24/25 UAS Budget

Bill Robe motioned to defer vote.

Andrea Grove 2nd the motion.

Vote in Favor.

Barbara Rex abstains.

8. DIRECTORS REPORT

Presented by John Lazarus

Retained legal counsel to review bylaws to ensure current laws and practices are being exercised. Last review was 2020.

Islands dining will have limited hours during the summer and expects additional revenue without additional labor costs. First summer conference is expected June 7, 2024.

Chancellor audit is coming to close with significant improvement compared to our previous one.

Private entity interested in renting vacated Pizza location. Lease expires in 2027.

Change our current 100% employer contribution benefit to a cost sharing model.

Food poisoning claim by customer. After review UAS denied the claim and provided all information to insurance. Insurance to process claim.

Initial audit meeting was conducted 05/15/2024 with Cohn Reznick. Expected to be completed by mid-September.

9. ACTION ITEM: FY 24/25 UAS Board Meeting Calendar

Dates Proposed.

September 19, 2024

November 21, 2024

February 20, 2025

May 15, 2025 – Regular Board Meeting and Annual Board Meeting

Bill Robe motion to approve calendar dates.

Andrea Grove 2nd the motion.

All in favor. None opposed.

10. BOARD COMMENTS

No comments presented.

11. AGENDA ITEMS FOR FUTURE MEETINGS

No items presented.

12. NEXT BOARD MEETING

Laurie proposed June 13, 2024, from 11am to 1pm. John Lazarus will send out a hold for the time suggested.

13. ADJOURN MEETING

Meeting was adjourned at 12:10PM by Dave Armstrong

