

University Auxiliary Services, Inc.
Board of Directors
Meeting Minutes
Thursday, September 26, 2024

11:04 Chair Armstrong calls the meeting to order

No public comments

Approval of the Regular and Annual Meeting minutes from September 26, 2024 as well as the Special Meeting minutes from June 26, 2023. Dave Press makes a motion to approve and Bill Robe seconds. Vote is unanimous and the Minutes are approved.

Jeff Kim provides Campus Update. Projected loss of \$1.4M and that is where we landed.

Enrolment is down about 5% year over year.

The Audited Financial Report was included in the Board packet, it is a clean report and Dave Press presented it. This is the 4th year of Cohn Reznick Auditing and there is a possibility of a new Partner performing the Audit and that will be discussed at the November UAS Board Meeting. Dave Press made a motion to accept the Audited Financial Report and Andrea Grove seconded. The vote to accept it was unanimous .

John Lazarus asked for the Board to Approve the updated Training Policy that arose as a result of the Chancellor's Audit discovering that our training process isn't accurately reflected in the Training Handbook. No questions or discussion. Dave Press made the motion. Bill Robe seconded it and it passed unanimously.

John Lazarus presented the Chancellor's Office Audit. In 2019 the Chancellor's Audit had 26 finds and this one has 9. We are getting our house in much better order. Stephanie highlighted that this is part of compliance monitoring and agreed that UAS is doing much better. Bill Robe made a motion to accept, Dave Press seconded and it was approved unanimously.

President Yao provided an update on enrollment. Enrollment is down just under 5% and he provided some broader context including the new CRM software the campus is using to assist in recruiting as well as tailored financial aid to individual student needs. The numbers are tough, but there are some positive indicators. President Yao thanks the Board for navigating their fiduciary responsibility and the challenges related to enrollment. Dr. Bradley Olin discussed strategic alignment in terms of reality and ambition and how that affects our Enterprise Activities and that we can't rely on old models that count on physical presence on campus. President Yao relayed that the Trustees are 100% behind CI.

John Lazarus presented updated UAS Bylaws that were reviewed by our lawyer to update laws cited and other clerical changes. There are no substantive changes. Motion made by Bill Robe, Andrea Grove seconded and it passed unanimously.

John Lazarus presented the Q4 Board Financials. FY 23/24 ended up at the \$1.4 million loss projected in both Q2 and Q3. Lease for Islands and JSB is now month-to-month which means we do not have to book a cost to the balance sheet for the entire lease term which distorts the financials. There were no questions regarding the financials.

Jason Nusbaum (Southern California Manager) and John Fisher (CI General Manager) with Chartwells provided an operational update. Changed the look of operations with new graphics, new gondolas in the Sea Store, bringing in new ingredients and recipes while keeping the most popular items. Brought on a Marketing Manager to support social media, marketing and customer feedback. Customer satisfaction survey will be sent out soon. Wild Blue will be coming in January. Reported that they have been negotiating with Jeff and John and the Agreement is close. The partnership has been phenomenal. Chartwells left the meeting after they presented.

John asked for the Board's approval of an updated Delegation of Authority. This removed individual names and replaced Barbara's position with Bradley Olin. No change in dollar values. Dave Press asked if there was any discussion of quarterly limits on individuals to increase internal controls. That was not considered, and the matter was not put forth as a change. Stephanie added that the Chancellor's Office Audit looked at this and determined it was sufficient. The Board voted unanimously to approve the updated Delegation of Authority.

John Lazarus delivered the Director's Report including the sublease of the Pizza 3.14 space to American Pie Company. Bradley Olin is now a member of the Board. He is serving as interim Secretary and Treasurer and that will be added to the November Meeting as an action item to make that election permanent, Andrew Fox is officially a member of the UAS Board, Barbara retired, we need to submit paperwork to ABC and this requires a majority of the Board and all Officers. Once we have a replacement for Marianne's position, we will submit the ABC paperwork. We require all CI employees serving on the UAS Board to agree to be on the ABC License. Our Lawyer has advised us on what we need to submit. Food Share is touring Islands Kitchen and UAS is conducting a series of 4 cooking classes.

Jeff presented the status of the Chartwell's Agreement. John sent it out yesterday at the request of Dave Armstrong. It was negotiated with Jeff and John pushing and we think we've pushed as hard as we can and have a good deal. We circulated it across the campus for refinement and our Lawyer reviewed it as well. Bill Robe asked to see what the Master Agreement's insurance requirements were and Jeff agreed to send those to the Board. John asked for the Board to support finalizing the Agreement and no later than Monday and the Board agreed.

Dr. Bradley Olin introduced himself as the Vice President for business and financial affairs starting on July 15. Honored to be a part of the operation.

Bill Robe asked for a proposal from Cohn Reznick on the testing of fraud controls since he had a sophisticated tenant who was defrauded of \$400k.

The next UAS Board Meeting will be from 11-2 on November 21, 2024 and both in person and via Zoom.

Meeting was adjourned at 12:34pm