

CI UNIVERSITY AUXILIARY SERVICES, INC.

BOARD OF DIRECTORS

Thursday, November 30, 2023

ATTENDEES

Nichols, Laurie, Staff	Dave Armstrong, Board Chair
David Press, Board	Jeff Kim, Staff
Barbara Rex, Treasurer and Secretary	Stephanie Bracamontes, Staff
Minna Chang, Staff	John Lazarus, Staff
Peter Maher, Staff	Christina Salas, Staff

Minutes recorded by Christina Salas

I. CALL TO ORDER

- a. Meeting was called to order at 3:04PM by Dave Armstrong
- b. Noted no members of the public present.

II. MEETING MINUTES

Dave Armstrong noted no quorum present to vote meeting minutes from September 21, 2023.

III. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

- a. Laurie Nichols:
 - i. Assure board campus is aware of Auxiliary financial state.
 - ii. Refer to historical financials (7 years).
 - Overall food revenue up 3.3% mostly in Catering. Deficit in retail sales.
 - Sales in meal plans are reduced. Increases in expenses, labor, and COGS.
 - Increase costs with new ADP platform.
 - iii. Optimistic on future to rectify the deficit.
 - Reallocated Jeff Kim, Executive Director of Budget, Finance & Operational Services time to review Auxiliary finances.
 - Currently implemented a month end financial process and closely monitor all KPIs.
 - Review staffing shell and continually monitor overtime.
 - Discuss possible food rate increase.
 - Develop marketing plan for students and residents propose a larger presence in the community.
 - Working with parking to possibly reduce costs for visiting clients. Offer late night dining and review open hours.
 - Revisit ADP services and costs.
 - Reengage a third-party provider.
 - Explore to repurpose 3.14 location.
 - Modernize Auxiliary business.

- Develop UAS admin and finance staff.
- b. Barbara Rex
 - Enrollment projections do not expect to meet pre-covid levels.
 - Pricing needs to be increased. Non-sustainable position without changes.
 - Raise pricing at a rate to not burden parents/student.
- c. Minna Chang-GASB87
 - Loan is at fixed rate between 4%-5% controlled by CSU system.
 - Agreement is Island is responsible for repayment although debt is owned by Housing.
 - Balance as of 11/2022 is 9.1M

IV. INFORMATION ITEM: FY 23/24 Q1 Board Report Presented (John Lazarus)

- a. Statement of Net
 - Primary cash increase due to additional HEERF funds.
 - Lease asset reflects implementation of GASB87. Inc. Islands Café, Pizza, Bookstore, and Student Union.
 - Liability for construction debt committed until July 2024.
- b. Statement of Revenues
 - i. Corporate
 - 155k leasehold improvement capital and lease are absorbed by Corporate.
 - ii. Islands Café
 - Improving staff efficiency.
 - More attention to allocating expenses among departments.
 - iii. Bookstore
 - Outsourced to Follet.
 - Follet projected 5% reduction in sales.
 - iv. Vending
 - Canteen confirmed sales flat.
 - v. Catering
 - Going Strong. Receiving more inquiries on services.
 - Acquiring more new contracts.
 - Searching for clients that require minimal space.

V. DIRECTOR'S REPORT: Update on current state of UAS Operations (John Lazarus)

- a. Audit

Currently in ICQ phase. Expect little to no findings as compared to last audit (34).
- b. Improvements
 - Now accepting food stamps
 - Introduce late night dining.
 - Working with ASI offering food during entertainment.
 - Introduce promotional deal days.
 - Dolphin day was a success. New procedure for food delivery, require visitors to pick up food in dining hall and expose Islands Café.
 - Swipe out Hunger. Residents donated 364 meal swipes.
 - Looking to activate vacant Pizza 3.14 space.
- c. Comments/Questions

David Press suggested that Kennedy Wilson market the space for a new tenant with UAS subsidizing the rent to encourage a new use and off-set UAS obligation.

John Lazarus advised a meeting is scheduled between the President and Kennedy Wilson.

Noted: SB 1383 becomes effective January 1, 2024. John Lazarus advised preparation is in works to distribute prepared food to Dolphin pantry and/or other entities in a costly manner.

VI. INFORMATION ITEM: Response to ask for clarity on underlying justification for Delegation of Authority from campus to UAS Needs (John Lazarus)

- a. John Lazarus offered ICSUM (Internal California State Administration Manual) available for review. No requests noted.
 - Delegation of authority begins with the President followed by the board then staff.
 - Delegation defines both financial approval permissions and contract commitments.

VII. BOARD COMMENTS

- David Press proposes annual tour of university grounds
- Dave Armstrong suggested that the board carve out time to work with the University to establish priorities that will set a framework for the difficult decision-making necessary to address the organization's fiscal challenges.

VIII. AGENDA ITEMS FOR FUTURE MEETINGS

- a. Dave Armstrong move to vote on Meeting minutes from 09/21/2023 at next board meeting.
- b. Dave Armstrong, review loan terms in future meeting and discuss the possibly of renegotiation.

IX. NEXT BOARD MEETING: February 15, 2024

X. ADJOURN MEETING

David Armstrong adjourned the meeting at 4:18PM