



**UAS Board Meeting Minutes
Thursday, September 18, 2025**

11:03 Chair Armstrong calls the meeting to order.

Christina Sotelo states that we have a quorum

Christina Sotelo states that we are recording to assist with Meeting Minutes

Chair Armstrong ask for public comments and there are none.

President Sue Andrzejewski gave an update on the campus. Included information on enrollment, the collaboration project with the Santa Barbara Zoo, Santa Rosa Island Research Station

Chair Armstrong asked for approval of the meeting minutes from the past meeting. Motion made by Dave Press. Seconded by Andrea Grove. Passed unanimously.

David Press gave an update on the Audit Exit Meeting. Cohn Reznich, who have been our Auditors for the past 5 years, conducted the audit and it was clean and there were no anomalies. We accepted the, financials, unanimously. And we will go take that to the, chancellor's office tomorrow. Chair Armstrong thanks David Press for all of his work as Chair of the Audit Committee.

John Lazarus presented o the 4th Quarter Financials. Considering tha the financials were reviewed by the Audit Committee at the Exit Meeting it was agreed that individual Footnotes would not be reviewed.

Jeff Kim provided a Strategic Planning Update. FY 24/25 Budget shows a loss of ~\$1 million. The FY 24/25 Actuals show a \$1.6 million loss. When we back out the non-cash and other GAAP-specific entries it results in a \$1 million loss. Chartwells under performed Budget b about \$600k. Half of that was revenue with Board Sales off by \$111k, Retail Sales off by \$150k and Labor was over budget by about \$260k. Utilities were mistakenly overcharged by about \$115k and that is being corrected. The FY 25/26 Budget shows a loss of \$1.5 million. Last year Chartwells was supposed to return us a good amount of money, but was actually a loss. In the FY 25/26 Budget Chartwells showed a break even model. The correction to Utility billing will improve the FY 15/26 Budget by \$75k, Chartwells Additional Bonus amortization \$88k and Revenue Bond refinancing about \$40k. Jeff reviewed 2025 Metrics. Enrollment is looking slightly better and that improvement appears sustainable. Reviewed Fixed Cost pressures including \$660k in debt service, \$143 in Campus Lease cost, \$123k in Bookstore lease cost, \$41k in Pizza Lease costs and \$232k in Campus Overhead, totaling \$1.162k. As of 6/30/25 UAS has \$4.3 million in cash. Cost mitigation strategies were discussed including closely monitoring labor and that involves higher level management at Chartwells. Bradley cautioned against reducing labor to the point that it hurt the

customer experience which could create a negative feedback loop. UAs needs to keep Chartwells accountable for high quality service and fiscal controls. The Chancellor's Office has agreed to allocate a\$300K/year for FY 26/27 and 27/28. Fundamentally, the question becomes, how do we address these fixed costs that are preventing us from creating the operating model we need to help the university recover enrollment and create a more sustainable operating future? There are three paths, 1) moving fixed costs to other cost centers on campus in an effort to distribute the financial burden, 2) Work on dissolving UAS entirely and moving all of those operational functions and fixed costs stateside or to other entities 3) explore loan strategies. We need to make some decisions pretty timely, because cash running out. There was a discussion of the Site Authority providing taking on some of UAS's fixed costs. Staff can provide all the context and help the board make that decision and those will be presented to the board at the next meeting or a Special Meeting called prior to that. Chartwells has offered some options to work in partnership with UAs to help with cashflow needs and those are also being explored. Bill Robe asked if the University Glen Homeowners would be impacted if the Site Authority took on any of UAS' cost and John Lazarus replied no. The Site Authority does not fund homeowners costs. Bradley made clear that any proposals made to the Board will be in compliance with CSU policies and Campus Legal counsel is being consulted as well. There was a discussion about controlling the funds provided by Chartwells to ensure that the possible need to repay those is controlled. Chair Armstrong said that the Board is looking forward to what Staff come back with. We might structure it in a two-part format, where we have a study session, and then go into the formal meeting.

John Lazarus gave a Directors Report. We closed JSB and opened Coastal Cup and sales at Coastal Cup are currently looking to be double. At Ekho's Ace Sushi is selling and operating well. Ekho's has added healthy options in response to customer requests and ABC sales have begun. Islands has a new head chef who is great and has begun making some noticeable changes to the menu and customer experience. Community Meal Plan sales are up significantly and customers can now buy those online. On the Residential Meal Plan side, the Unlimited Plans that we introduced are selling well. Opportunities to sell Community Plans to the adjacent residential communities are being explored. Paak House is coming to campus Saturday, October 11 and bringing 10k-15k people. Bookstore sales are early in the FY, but looking up a bit. Chartwells has been improving marketing and that is impacting sales and student life.

Bill Robe asked if switching to Chartwells was a good decision and John Lazarus said that it was and if we had not switched, it's likely that UAS would be further in the red. Bradley Olin added that a contract is only as good as the people who are managing to the contract. So, when we turn up the heat on Chartwells, they perform.

Staff agreed to schedule a Special Meeting to discuss ways to put UAS on a firmer financial footing. Bradley Olin agreed that was mission critical.

David Armstron stated that the next board meeting will be Thursday, December 4th.

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Meeting is adjourned at 11:55am