

University Auxiliary Services, Inc.

Meeting Minutes

Thursday, May 15, 2025

11:00am Chair Armstrong called the annual meeting to order.

Chair Armstrong asked for public comments and there are none.

Action Item 3 and 4 were tabled. The board agreed that this item can be added back later. It was noted that if an annual meeting and elections are held, the action does not need to conform to the current agenda. The group decided to hold off on this item until a quorum is present.

Chair Armstrong asked if there were any board member comments. Andrew Fox stated that this would be his last UAS board meeting. He shared his appreciation for working closely with the board. He introduced the incoming Student Government President, Emily Conde, who has served as Chief of Staff for the past two years. Andrew noted that Emily is deeply familiar with student government operations, highly qualified, passionate, and hardworking. He expressed confidence that the board will enjoy working with her moving forward.

Chair Armstrong asked if there were any agenda items for future meetings.

Chair Armstrong reviewed the proposed board meeting schedule. No objections were raised.

11:05 am Chair Armstrong adjourned the annual meeting.

11:05 am Chair Armstrong called the regular meeting to order.

Chair Armstrong asked for public comments. President Richard Yao provided an update on enrollment, budget, and workforce planning. He shared background information on enrollment trends. Since 2019, enrollment has declined by about one-third due to both external and internal factors. He emphasized that the CSU remains committed to Channel Islands as an independent university, but the campus must stabilize enrollment and align expenses with current levels. CI is shifting to a budget based on enrollment, with workforce adjustments as the primary focus. Benchmarking shows enrollment comparable to 2013, though service needs have grown, and CI's cost per student remains higher than the CSU average. The 2025–26 budget planning cut target reiterates that the campus is budgeting for enrollment rather than the general fund allocation. Workforce adjustments will be the primary focus, as personnel costs make up much of the budget. President Yao outlined fall goals focused on enrollment management and strategic planning. He reported positive early enrollment data, noting that while applications and admissions are down, first-year student intent-to-enroll is up 19% compared to the prior year. In response to a question about worst-case planning, President Yao stated that current enrollment projections have not been adjusted, as the data does not yet support reliable updates. He noted that day-to-day trends suggest the possibility of stabilization but emphasized the need to remain conservative in planning. Dave Press noted that lower enrollment has driven up fixed costs per student. He emphasized the importance of building enrollment to offset these costs and asked about community

college programs offering four-year degrees. President Yao highlighted the need to strengthen the transfer pipeline, as only one in five community college students who intend to transfer do so. He also noted that many admitted transfer students ultimately return to their community colleges, reflecting structural challenges in the K-12 and community college systems. Members discussed opportunities to strengthen local recruitment, expand housing partnerships, and support affordability for students.

With a quorum established, the board approved the February 20th meeting minutes.

The Board chose to table the Officer Elections Action Item until the next board meeting.

Jeff Kim presented the UAS Financial Update PowerPoint. He reported that last year's operations showed a \$1 million loss, which was an improvement over prior years and over projections. For the current year, the updated forecast reflects an increased loss of about \$400,000. Campus dining revenue has declined, labor costs have risen, and product costs have been managed within margins. Other operating costs have been reduced, though the overall client return has decreased from the original projection. He clarified that the forecast variance reflects both Chartwells and UAS factors. Declining sales and higher labor costs offset savings in other areas, while unbudgeted summer conference facility costs and higher campus allocations also contributed. He explained that summer conferences bring international student groups to campus, generating housing and dining revenue. Noted challenges in producing comparable year-over-year data since the transition to Chartwells due to differences in accounting, though reporting access has improved. He reviewed performance for the first nine months of the year, noting that sales declined, the cost of goods were managed to margins, salaries and benefits remained flat, and other costs, including the management fee, were slightly higher. Jeff Kim reviewed sales trends by location and payment type. He noted increases at some venues but declines at others, including catering and meal plans, which have been the main drivers of reduced revenue. Some declines were attributed to shifts in service offerings, fewer large events, and reduced budgets for catering and summer conferences.

John Fisher explained that staffing challenges during the transition to Chartwells led to higher labor costs, including reliance on a temporary staffing agency and overstaffing to cover skill gaps. Since then, temporary staff have been phased out, operations streamlined, and the team stabilized. He noted that the campus is now better positioned going into the next semester with improved staffing and reduced reliance on outside agencies.

Dave Press asked when the lease for American Pie in the Town Center terminates. Mr. Lazarus confirmed the lease ends in summer 2027 and noted that while a replacement tenant is paying rent, it is not the full amount.

John Lazarus reported that dining rates at Islands Café will increase this summer, and Echo's Café and the C-Store have introduced new products and improvements. The JSB location has seen significant sales declines, while a new Gateway location is planned to open in the fall to serve prospective students and families. Catering operations are improving with stronger customer feedback processes. The ABC liquor license application is nearing completion, and online commuter meal plan sales are being finalized. Recent campus events, including Admitted Dolphin Day and Late Night Breakfast, saw strong

participation. Commencement preparations are underway. Bookstore sales are down compared to last year, though payment timing affected financial reporting.

Dave Press asked about the allocation for in-house campus catering versus outside providers. It was noted that the large majority are in-house, with outside catering estimated to be a small portion.

John Lazarus asked for additional time to finalize the 2025–26 budget, given current variances and uncertainties. A draft will be shared in the coming weeks, with an opportunity for feedback. The budget will then be presented for approval by electronic vote in mid-to-late June, ahead of the July 1 deadline.

Jeff Kim elaborated on the budget timeline and outstanding variables, noting that the Chartwells draft revision, particularly regarding labor assumptions and multi-year projections. Enrollment and housing remain key variables that must be factored into the final plan. The board discussed the importance of "right-sizing" and noted that difficult decisions may be required, including potential adjustments to dining operations. A revised budget will be shared with the board for review before electronic approval in June.

Chair Armstrong asked if any Board Members would like to add items to the next meeting, and there were none.

Next Meeting is September 18, 2025

Meeting is adjourned at 12:15 pm