

**CI University Auxiliary Services, Inc.
Board of Directors
Meeting Minutes**

Thursday, November 18, 2021

Meeting was open to the public at the following location:

<https://csuci.zoom.us/j/86834888421>

University Auxiliary Services Board of Directors members present:

David Press, Bill Robe, Jacquelyn Hoffman, Andrea Grove, Stephanie Bracamontes, Leo Cervantes, Barbara Rex.

Members not present: Marianne McGrath

CI and UAS staff present: John Lazarus, Jeff Kim, Bridget (Partida) Donlon

1. **Welcome and call to order** (Bill Robe) – Meeting called to order at 11:04am.
2. **Public comments on matters not on the agenda** (Bill Robe) – no public comments
3. **ACTION ITEM:** Bill Robe requested approval of minutes from September 16, 2021
 - a. Andrea Grove motioned to approve. David Press seconded. Unanimously approved.
4. **ACTION ITEM:** Bill Robe requested approval of Delegation of Authority
 - a. Bill Robe and Stephanie Bracamontes discussed “flow of authority”
 - i. Stephanie Bracamontes explained in detail that checks over \$50,000 require a Second signor, usually Barbara Rex.
 - ii. Up to \$100,000 if a Vice President is not available to sign.
 - iii. General “flow of authority” is Board of Trustees → Chancellor → President → Vice President.
 1. S. Bracamontes is authorized to sign only in the event of an emergency.
 - a. Laurie Nichols is also an authorized “emergency signor”, although the maximum amount she is able to authorize is unclear and needs to be clarified (VPs are usually up to \$250,000)
 - b. Contracts over \$100,000 go to the President for approval.
 - c. John Lazarus noted that he now reports to Laurie Nichols
 - d. David Press recommended that expenditures over \$100,000 can be circumvented too easily. Therefore, he suggests that the approved rate be guided by the total amount to each Vendor, rather than just by the total amount of each invoice.
 - b. Bill Robe requested motion to approve Delegation of Authority.
 - i. David Press motioned to approve
 - ii. Andrea Grove seconded motion
 - iii. Motion was approved.
5. **ACTION ITEM:** Request approval of May 20, 2021 Audit Entrance Meeting Minutes (David Press)
 - a. Bill Robe noted that it’s not proper form to approve the meeting minutes of a meeting no one attended. Therefore, he suggests the Board acknowledge receipt of minutes of Entry/ Exit Audit Meetings.
 - i. B. Robe, J. Lazarus and D. Press all agreed minutes were received and read.

- ii. David Press noted that regarding the audit, he credits S. Bracamontes and J. Lazarus for their efforts with changing the auditor to Cohn Resnick and noted that it takes particular courage to change.
 - 1. Motion to approve by S. Bracamontes
 - a. Suggested that next time this be listed as an “Information Item” instead of an “action item”.
 - 2. Seconded by Andrea Grove

6. John Lazarus reviewed 1st Quarter Financials

- a. HERF funds stabilized UAS to a comfortable point for now.
- b. Estimates that with \$1million spent, we are at \$918k (good news)
- c. Forecast is good, even if enrollment is down and inflation is up.
- d. J. Lazarus notes that we appear to be entering a “stable phase” until approximately 2025 – 2026 (at least)
- e. Discussed assets, liabilities and debt service payments at length.
- f. PPP loan in '20 – '21 will be converted to a grant at \$699k.
- g. Discussed Income Statement at length.
 - i. There was a clerical error on the Payroll statement and it's been fixed.
 - ii. \$4.5 million is HERF in Corporate
 - iii. Note that there is an \$1,800 bill for TCM (Town Center Market, which was closed permanently). It was a carryover and will not be detrimental to overall financials.
 - iv. SUB & Lighthouse – revised budget is proving to be accurate.
 - v. Good news: retail sales have been better than anticipated by approximately 8%.
 - vi. Lighthouse: service has been increased, despite labor shortage.
 - vii. Sea Store: labor is down only because of the extreme labor shortage.
 - 1. J. Lazarus, Executive Director/ Chef Peter Maher and Executive Chef Nic Manocchio have all done dishes because of the extreme labor shortage.
 - viii. Pizza 3.14: normal deliveries will resume in January.
 - 1. J. Lazarus reports that he's received feedback and complaints that Pizza 3.14 isn't open enough hours to service the community, but Peter Maher just increased operating hours this week.
 - ix. Freudian Sip(s): cash registers had to be replaced for \$6,000 to comply with security standards.
 - x. Islands Café: expanded service and opened more stations (still not up to pre-COVID par). Will lose money, but not quite as much as planned and well worth it for customer satisfaction.
 - xi. Bookstore: as expected.
 - xii. Vending: looks good.
 - xiii. Copier: as expected, except for a \$6,638 unexpected repair for two machines.
 - 1. We have 32 copier machines. Would like to change to Lexmark from HP because of the much less expensive toner. Unfortunately, Lexmark won't work (compatibility issues).
 - 2. Printing volume post-COVID is way down.
 - 3. Considering phasing out old printers and not replacing them, especially given the “new normal” of “contactless” and “paper-less” trends.
- h. Dolphin One-Card: as expected

- i. Catering: looks good. Summer Conferences look promising, but Clients are still being very COVID-cautious. Will have a more realistic outlook by next Board meeting.
7. **J. Lazarus offered to review the Income Statement for all, but noted that the numbers are skewed by the HERF funds.**
 - a. There is a \$918k delta because HERF funds allowed for additional services.
 - b. \$283k subsidy will allow operations to run at a robust rate.
 - c. Anticipating at least a 10% drop in revenue for Spring and \$1million less by end of fiscal year (assuming/ factoring in current inflation and CPI rates)
 - d. Discussion about outstanding balances due to Kennedy Wilson (none to note).
 - e. UAS has a lease with KW for the Pizza 3.14 location until 2027.
 - f. Pending legal issues: possible HR/disability issue. Nothing to report yet.
8. **Operations Update by J. Lazarus:**
 - a. Summer Conferences: lots of interest. Waiting on Facility Rates and fees to confirm clients.
 - b. COVID protocols are going well.
 - c. Food Insecurity: JL teaching cooking class today to assist with this program.
 - d. Admitted Dolphin Days – will market to new students
 - e. Casa Pacifica went great, despite COVID challenges. They will be back in '22 in their preferred location on their preferred dates.
 - f. Discussion about the Gateway Hall building.
 - g. Barbara Rex reported on assessing campus growth and enrollment potential.
9. **BOARD COMMENTS:** Bill Robe invited Board comments. Then complimented J. Lazarus on his exceptional leadership and performance. All concurred.
10. **AGENDA ITEMS FOR FUTURE MEETINGS:** Bill Robe asked Board members for specific agenda items for the next meeting.
 - a. John Lazarus suggested adding the '21/'22 Budget for review (and also thanked the Board for their support throughout this past difficult year).
 - b. Next UAS Board Meeting is scheduled for February 17, 2022
11. **Adjourn Meeting:** Bill Robe adjourned meeting at 12:05pm.