

MINUTES

FORTY-NINER SHOPS, INC.

BOARD OF DIRECTORS MEETING

Friday, October 21, 2022 – Zoom & In-Person Conference Room Meeting

(Exception Made Due to ongoing Covid-19 Safety Precautions)

Members Present:

Mr. Scott Apel
Dr. Praveen Soni
Ms. Mitali Jain

Dr. Wendy Reiboldt
Mr. Isaac Julian

Mr. Milton Ordoñez
Ms. Diamond Byrd

Absent:

Dr. Beth Lesen Mr. Jeremy Harris

Staff Present:

Dr. Miles Nevin, Executive Director
Mr. Gordon Copley, Chief Financial Officer
Ms. Rosa Hernandez, Associate Executive Director of Administrative Services
Mr. Clint Campbell, Associate Executive Director of Retail Services
Ms. Sylvana Cicero, Associate Executive Director, ASI
Ms. Cyndi Farrington, Director of Bookstore Services
Mr. Alfredo Macias, Director of Residential Dining Services
Mr. Tom Collier, Accounting Manager
Mr. Idris Aydin, Director of Finance, ASI

A. Call to Order:

The meeting was called to order at 10:36 a.m. by Mr. Scott Apel, Chair.

B. Approval of the Agenda: October 21, 2022

Motion to accept the Agenda as presented.

M/S Ms. Jain / Ms. Byrd

By acclamation the Agenda for the meeting of October 21, 2022 was approved as presented.

C. Approval of Minutes: September 23, 2022

Motion to accept the Minutes as presented

M/S Ms. Jain / Mr. Julian

By acclamation the minutes of September 23, 2022 were approved as presented.

D. Public Comment:

- There was no public comment given.

E. Board Chair's Report:

- Mr. Apel reported that during the second week of November, the consultants from Cozen O'Connor will be on campus as part of interim Chancellor Koester's assessment of policies and practices related to Title IX and DHR (discrimination, harassment, and retaliation).
- In terms of campus enrollment, they have recently seen an unprecedented decline of juniors and seniors who have decided not to continue with their studies and programs.
 - This issue seems to be occurring across all CSU campuses so the Provost and her team will be working to help better foster a learning environment where students feel safe and want to continue their education and finish receiving their degree.
- A new dorm facility will be breaking ground soon that will provide an additional opportunity for affordable student housing in the future.

F. F&I Committee Chair's Report

- Mr. Apel reported that the F & I Committee was able to meet earlier that morning and approve the Tax Return 990 & 990T documentation provided by our Auditors, Guzman & Gray.
 - Once submitted to the campus and government agencies, it would be posted to the website accordingly.
- The 1st Quarter 2021-2022 Financial Statement review was presented and reviewed by Mr. Copley:
 - The Shops broke even overall against budget due to strong September financial results.
 - Sales were down only 12.7% below budget with lower Bookstore sales figures mitigated by increased numbers for Residential Dining due to higher than anticipated occupancy rates..
 - Additionally, margin rates were up to 56.9% as opposed to 50.8% for the last fiscal year which is a positive sign.
 - Operating expenses remained on the lower end as the Shops continues to staff up in all of its locations especially Retail and Residential Dining.
 - G&A Allocation is favorable which takes into account overhead activities, however, there remains some open positions that are currently being filled there as well.
 - We continue to see overall investment losses as the market remains very volatile especially with deepening concerns of recession and continued inflation.
- In looking forward, Mr. Copley recommended to the Board that the Shops pursue more cash preservation activities where reasonable knowing that a recession is continuing to loom on the economic horizon.
 - These actions could include delaying some capital projects as we move through year focusing only on those related to safety and maintaining current systems.
 - Additionally, last year's favorable developments from CalPERS were likely to reverse or become increasingly worse in the future.
 - As such, we may want to temporarily suspend the previously planned CalPERS liability payment as part of a program approved by the Board before the pandemic.
- On the Shared Services perspective, Mr. Copley reviewed the following developments:
 - The Shops' Accounting department operates under the Financial Accounting Standards Board (FASB) while ASI follows the Governmental Accounting Standards Board (GASB).
 - Both teams were assessing how best to move ASI to the FASB guidelines as it could help with their future overall financial health.
 - A review was being done to see if the Shops should move away from the retail centered 5-4-4 calendar.

- He and the Accounting teams are developing a more unified Chart of Accounts that would include best practices for both organizations.
- A new RFP was being put together for the Shops' Auditing and Tax Services moving forward.
- Accounting staff relocations to the second floor of the Bookstore building were being designed and planned over the next few months.
- Both organizations were looking into unifying the IT Trouble Ticketing systems to better achieve more efficient service overall.

Motion to accept the 1st Quarter 2022-2023 Financial Review

M/S Ms. Jain / Dr. Soni

By acclamation the 1st Quarter 2022-2023 Financial Review was hereby approved

G. Executive Director's Report

- Dr. Nevin started by providing operational and administrative high-level updates:
 - On the Bookstore side, the Leadership Team was looking at future planning activities that would include sales and student trends along with digital access and increased textbook resource options.
 - A new Customer Feedback System had been launched recently at the Residential Dining Hall and Dr. Nevin reviewed these materials with the group which will allow anyone coming into these facilities an opportunity to share their thoughts and feelings with our management staff more directly in the future.
 - In that division, recruitment and retention of kitchen staff remains a challenge so Human Resources is working with their team on options of how best to bring in more employees within these departments.
 - In an effort to provide more food options on the healthier side, Dr. Nevin highlighted the following items:
 - The Farmer's Market is set to start up again over the next few weeks in front of the Student Wellness and Recreation Center.
 - A new Farmer's Fridge vending unit was just added in the vending machine alcove near Lecture Hall 151 that will provide fresh salads, bowls and snack options.
 - Ms. Cicero provided an update on recent Building and Facility activities:
 - A Bookstore elevator upgrade had been put into the Capital Budget this year and would be happening over the next few months.
 - There had been a Water Heater issue and some roofing issues which are currently being addressed.
 - At some point, they are hoping to have a unified maintenance ticketing request system to help with getting these maintenance and repair requests taken care of in a more organized manner for both organizations.
 - As Mr. Copley had already shared some of the development with IT and Accounting, Ms. Hernandez provided an updated for the Human Resources department.
 - The have closed the posting for the new Human Resources Director position and are currently reviewing these applications before beginning to determine what that interview process would look like.
 - She and her team have been discussing the role of Risk Management with the ASI staff to better align our processes and practices to help coordinate and align between the two organizations moving forward.

- In terms of current and future priorities, Dr. Nevin discussed the following:
 - Various contracts were being reviewed and re-evaluated from a Shared Services standpoint when figuring out how best to move forward with them.
 - The concept of providing options and restoring food service to the level of what it was before the pandemic remains a continued priority and there should be upcoming news on that front soon for the Spring Semester.
 - Financial planning is a significant priority for both organizations as we dig into cost-sharing methodologies and review potential cash management strategies moving forward in the current economic environment.
 - The University Student Union Project is of the utmost importance since it will determine pathways for us to move through in the future as it pertains to Shared Services for ASI and the Shops.
 - A Food Study would be conducted as part of this process in hopes of bringing more feedback from the students and their stakeholders to finalize a campuswide food plan accordingly.
- Challenges and opportunities for the Shops include reviewing how best to address ongoing concerns of lack of food options, prevailing staffing concerns across the organization particularly in Dining Services along with formalizing the Shared Services project.
- Looking ahead, there are plans to potentially re-brand the 49er Shops including a new name to be discussed with the Board regularly over this academic year.
 - Additionally, Dr. Nevin discussed providing a more in-depth Shared Services Budget Report to the Board at a future meeting.

H. Adjournment

There being no further business, the meeting was adjourned at 11:44 a.m.