

MINUTES

FORTY-NINER SHOPS, INC.

BOARD OF DIRECTORS MEETING

Friday, March 15, 2024 – Anna Ngai Alumni Center, D’Reams Boardroom

Members Present:

Scott Apel	Jeremy Harris	Dr. Virginia Gray	Milton Ordoñez
Dr. Praveen Soni	John Barcelona	Mitali Jain	Teresa Falcon
Alvin Tu			

Absent: Dr. Beth Lesen

Staff Present: Dr. Miles Nevin, Executive Director
Rosa Hernandez, Assoc Exec Dir, Admin Srvc
Sylvana Cicero, Associate Exec Dir, ASI
Alfredo Macias, Dir of Res Dining Services
Sandra Ramirez, HR Manager, Beach Shops
Yvonne Bermudez, Sr. HR Generalist

Gordon Copley, Chief Financial Officer
Clint Campbell, Assoc Exec Dir, Retail Srvc
Cyndi Farrington, Dir of Bookstore Services
Tom Collier, Accounting Manager
Stephanie Tashman, HR Manager, ASI

Guest(s): Karin Longhurst – Graystone Consulting/Morgan Stanley
Matt Moses – Graystone Consulting/Morgan Stanley
Beach Investment Group (BIG) Class and Dr. Peter Ammermann

A. Call to Order:

The meeting was called to order at 10:02 a.m. by Scott Apel, Chair.

B. Approval of the Agenda: March 15, 2024

- It was noted that the agenda date and minutes date would need to be switched

Motion to approve Agenda for March 15, 2024, with proposed changes

M/S Ms. Jain / Mr. Harris

By acclamation the Agenda for the meeting of March 15, 2024, was approved with changes.

C. Approval of Minutes: November 3, 2023

Motion to accept the Minutes as presented

M/S Mr. Ordoñez / Dr. Soni

By acclamation the minutes of November 3, 2023, were approved as presented.

D. Public Comment:

- There was no public comment given.

E. Time Certain Presentations:

- Morgan Stanley Annual Investment review
 - Ms. Longhurst provided an overview of the Shops portfolio as of December 31, 2023, along with providing a Capital Markets commentary.
 - While 2023 was another unique and tumultuous year for the market, the portfolio performed favorably to the benchmark.
 - In terms of 2024, Morgan Stanley believes that the Bull case for this year is close to fully priced and are responding to maximize our portfolio results.
- Beach Investment Group (BIG) class presentation:
 - The students reviewed their 2023 Annual Report presentation for the Board.
 - They discussed how their group also performed favorably to benchmark especially towards the end of 2023.
 - The business cycle outlook for 2024 appears to be a year of expansion with a Bull market on the horizon.

F. Board Chair's Report:

- Campus Updates
 - Mr. Apel discussed that there are campus concerns about next year's budget as the state faces a looming deficit and will keep the Board apprised of this situation as it develops.
 - Also, we are looking at one of the largest enrollments of students for the upcoming fall semester.
- Our Spring Board Retreat is scheduled for Friday, April 26th, in the President's Conference Room at Brotman Hall.

G. F & I Committee Report

- 2nd Quarter 2023-2024 Financial Review
 - Mr. Copley reviewed the Shops' revenues and expenses informing gross profit, an overview of the organization's cash position, an analysis of financials by operational segments, a review of planned Capital Expenditures, and an overview of the investment portfolio.
 - While the 2nd Quarter financials overall were favorable to budget, the results of operations were not as positive as anticipated.

Motion to accept the 2nd Quarter 2023-2024 Financial Review as recommended by the F&I Committee

M/S: Mr. Ordoñez / Dr. Soni

By acclamation, the 2nd Quarter 2023-2024 Financial Review was hereby approved.

H. Personnel Committee Report

- Ms. Hernandez presented the report on HR Policy updates to the full Board in lieu of presenting this information to the Personnel Committee due to scheduling issues this year.
 - She reviewed the following action items for approval while providing more information in a presentation given:
 - Wage and Salary Plan Changes that addressed updated salary grades
 - Highlighted the medical benefits with updated open enrollment rates
 - The recently revised Sick Leave Policy which includes the new law this year requiring employers to provide at least 40 hours or five days of paid sick leave per year.

- Updates to our Employee Handbook from recently passed laws and guidelines.
- The Injury and Illness Protection Program that now includes our COVID Response Plan.

Motion to approve the review and updates to the Human Resources Policy

M/S: Ms. Jain / Mr. Ordoñez

By acclamation the Human Resources Policy review was hereby approved.

I. Nominating Committee Report

- Dr. Nevin reported that this committee met on Friday, February 23rd, to interview for the two upcoming open Board positions of Faculty and Community member.
 - After much discussion, they decided that Dr. Nancy Dayne and James Ahumada would be the best candidate to fill these positions respectively and would like to formally recommend them to the Board for their approval.

Motion to recommend Dr. Dayne for the Faculty board member position and Mr. Ahumada for the Community board member position.

M/S: Mr. Tu / Ms. Jain

By acclamation, these Board member positions were approved as presented.

J. General Manager's Report:

- Dr. Nevin discussed our continuing DITA efforts especially in terms of the recent concerns about the financial aid component of the program that is currently being discussed with the Department of Education

K. Adjournment

There being no further business, the meeting was adjourned at 11:59 AM