

MINUTES

BEACH SHOPS

FINANCE & INVESTMENT COMMITTEE

Friday, April 18 – Corporate Conference Room

Members Present: Scott Apel, Chair
Milton Ordoñez
Dr. Beth Lesen
Andre Achacon

Staff Present: Dr. Miles Nevin, Executive Director, Beach Shops and ASI, Inc.
Marianne Russo, Board Administrator
Andrew Kerr, CFO, Beach Shops and ASI, Inc.
Tom Collier, Controller, Beach Shops
Idris Aydin, Director of Finance and Administration, ASI, Inc.

A. Call to Order:

The meeting was called to order at 8:33 a.m. by Chair, Scott Apel

B. Approval of the Agenda: April 18, 2025

Motion to accept the Agenda as presented.

M/S Mr. Ordoñez / Dr. Lesen

By acclamation the Agenda for the meeting of April 18, 2025, was hereby approved as presented.

C. Approval of Minutes: January 17, 2025

Motion to accept the Minutes as presented.

M/S Mr. Achacon / Dr. Lesen

By acclamation the minutes of January 17, 2025, were hereby approved as presented.

D. Action Items:

- **3rd Quarter 2024-2025 Financial Review:** Mr. Kerr stated that in the 3rd Quarter, revenue exceeded budget by 8%, and the Shops delivered strong net income for this timeframe.
 - Cost of goods were managed well despite increased sales volumes, resulting in minimally unfavorable budget variance and favorable gross profit with blended gross margin.
 - Operating expenses are favorable to budget, with key variances including unfavorable repairs and maintenance due to campus IT charges and dining division repairs.
 - Investment results were strong in January but declined in March, erasing quarterly gains.
 - Quarterly capital spending included payments for the Bookstore remodel and elevator upgrade.
 - Year-to-date results show that all operating divisions have exceeded the budgeted revenue, with operating expenses on target, resulting in an operating income coming in at more than double the budget.

Motion to accept the 3rd Quarter 2024-2025 Financial Review

M/S Mr. Ordoñez / Mr. Achacon

By acclamation this review was hereby approved to recommend to the Board.

E. General Information

- Budget Planning & Schedule
 - Mr. Kerr discussed that the budget process is going well, and the departmental budget numbers were closed on Thursday, April 17th.
 - From there, he and the Accounting team will be coordinating inter-departmental presentations to review these financials with the management teams in preparation for a review to the Board moving forward.
- The Shops are focused on several technologically based capital improvements as we move towards the year-end and roll into next year's budget:
 - There is a significant need for upgraded security cameras and IT technological upgrades, including cloud-based systems and platforms, to reduce reliance on server-based technologies.
 - We are doing a thorough review of our aging Point-of-Sale and transaction technologies in dining operations, which currently provide limited support with ongoing issues still occurring.

F. Adjournment

- There being no further business, the meeting was adjourned at 9:14 a.m.