

MINUTES

BEACH SHOPS

BOARD OF DIRECTORS MEETING

Friday, March 14, 2025 – Anna Ngai Alumni Center, D'Reams Boardroom

Members Present:

Scott Apel	Dr. Beth Lesen	Milton Ordoñez	Dr. Nancy Dayne
Dr. Virginia Gray	Nikki Majidi	Matt Melendrez	Andre Achacon

Absent: James Ahumada John Barcelona

Staff Present:

Dr. Miles Nevin, Executive Director	Rosa Hernandez, Assoc Exec Dir, Admin Srvcs
Marianne Russo, Board Administrator	Alfredo Macias, Dir of Res Dining Services
Andrew Kerr, Chief Financial Officer	Patrick Joyce, Director of Operation
Cyndi Farrington, Chief Business Officer	Arnecia Bryant, Dir of Facilities & Sustainability
Tom Collier, Accounting Manager	Rico Ovalles, Assoc Dir, Academic Resources
Idris Aydin, Director of Finance, ASI	

Guest(s): Andy Price – 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 10:04 a.m. by Mr. Scott Apel, Chair.

B. Approval of the Agenda: March 14, 2025

Motion to accept the Agenda as presented.

M/S Mr. Ordoñez / Mr. Achacon

By acclamation the Agenda for the meeting of March 14, 2025, was approved as presented.

C. Approval of Minutes: November 8, 2024

Motion to accept the Minutes as presented

M/S Mr. Ordoñez / Ms. Majidi

By acclamation the minutes of November 8, 2024, were approved as presented.

D. Public Comment:

- There was no public comment given.

E. Time Certain Presentations:

- Morgan Stanley Annual Investment review
 - Mr. Andy Price provided an overview of the Shops portfolio as of December 31, 2024, along with providing a Capital Markets commentary.

- The S&P 500 has experienced its best two back-to-back years since 2000, and investors remain optimistic, believing that high stock prices will continue due to expected earnings growth of 14-15%.
 - Even though the incoming administration's extensive policy agenda is currently making the markets volatile and unpredictable, Morgan Stanley is still forecasting an 80% chance of economic soft landing with the potential of GDP growth by 2.2% in 2025.
 - However, concerns exist that proposed tariff and immigration policies could significantly destabilize the service sector.
- Beach Investment Group (BIG) class presentation:
 - The students reviewed their 2024 Annual Report presentation for the Board.
 - They reported that from January 2024 to March 2025, the Beach Shops portfolio outperformed its benchmark, achieving a 19.2% gain.
 - Despite recent market volatility, they remain cautiously optimistic about the market performance for the rest of the year and while there is a concern about a slow downturn and possible recession those could be avoided with priority changes.
 - There was a question before they ended about retitling the portfolio account from 49er Shops to Beach Shops SMIF portfolio.
 - The Board discussed and agreed to confirm that change in the account name moving forward.

F. Board Chair's Report:

- Spring Board Retreat.
 - This event has been scheduled for Friday, April 25th, and will be hosted in the Alumni Center this year.
 - We are currently creating the agenda for this meeting, aiming to take a comprehensive look at our organization's future.
- Dr. Lesen discussed that there are various changes happening on campus currently, including adapting to the new presidential administration and preparing for President Conoley's retirement.

G. F & I Committee Report:

- 2nd Quarter 2024-2025 Financial Review
 - Mr. Kerr reported that although the Shops were slightly under budget for the quarter, we achieved \$1.1 million in sales and are favorable to our budgeted cost of goods for the Year-to-Date financials.
 - Operating expenses are on target with yearly budget, and the only variances include cost of goods affecting gross margin (except Residential Dining) and unfavorable maintenance expenses.
 - We are actively planning our budget for next year as well as updating our Capital Projects list that would include updating our security cameras and modernizing servers to align better with campus.

Motion to accept the 2nd Quarter 2024-2025 Financial Review as recommended by the F&I Committee

M/S: Mr. Achacon / Mr. Ordoñez

By acclamation, the 2nd Quarter 2024-2025 Financial Review was hereby approved.

H. Nominating Committee Report

- Dr. Nevin reported that this committee initially met in January to review three potential positions that were coming up for a new term which included the Staff member, Faculty member and Student At Large positions.
 - Mr. Milton Ordoñez and Dr. Virginia Gray have expressed interest in continuing their roles as Staff and Faculty members, respectively, however Mr. John Barcelona will be graduating this year, necessitating the appointment of a new Student At Large.
- The committee met a few weeks ago to interview a potential candidate for the Student At Large position, Mr. Andre Achacon.
 - The committee agreed that they would like to move forward with recommending Mr. Achacon to the Board for the Student-At-Large position.

Motion to accept Mr. Achacon to the Board's Student-At-Large position

M/S: Mr. Ordoñez / Ms. Majidi

By acclamation, Mr. Achacon was approved as the new Student-At-Large representative

I. Personnel Committee Report

- Ms. Rosa Hernandez discussed that the Personnel Committee recently met on Friday, February 21st, for the annual review of the Human Resources Policies.
 - Key updates included salary grade reviews due to minimum wage increases, rising medical insurance costs, a new vacation payout policy, changes for international student employees, updates to the current IIPP along with new org chart transitions.

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

M/S: Ms. Majidi / Mr. Ordoñez

By acclamation the Human Resources Policy review was hereby approved.

J. Adjournment

There being no further business, the meeting was adjourned at 11:30 AM