A. **Call to Order:**

The meeting was called to order at 8:38 a.m. by Chair, Scott Apel

B. **Approval of the Agenda:** April 16, 2021

Motion to accept the Agenda as presented.

M/S Dr. Soni / Ms. Andrade Rodriguez

By acclamation the Agenda for the meeting of April 16, 2021 was hereby approved as presented.

C. **Approval of Minutes:** January 22, 2021

Motion to accept the Minutes as presented.

M/S Dr. Soni / Ms. Andrade Rodriguez

By acclamation the minutes of January 22, 2021 were hereby approved as presented.

D. **Time Certain Presentation:**

- Dr. Ammermann was unable to come to the meeting that morning so this presentation will need to be moved to the next F&I Committee meeting scheduled for Friday, May 14th.

E. **Action Items:**

- **3rd Quarter 2020-2021 Financial Review:** 3rd Quarter operating results are running below plan
  - **Financial Overview**
    - Sales came in at $2,822,221 which is 45.9% below budget
      - While Bookstore sales came in at 67% volume, there was a pick-up in computer related sales that totaled $744,000 thanks to special campus orders.
      - The Outpost remains the only retail dining location open at this time.
    - Residential Dining remains at below 20% of planned occupancy
      - The Great Plates program brought in over $183,337 which has been placed into
the Catering section of our balance sheet for any possible UBIT concerns at the end of the fiscal year.

- The Shops are averaging a monthly operating loss of about $354,000, however, that has been mitigated by an investment gain of over $340,785.
- Negative cash flow of around $503,000 when factoring in the net gain of $2 million from the second PPP loan.
- Capital expenditures are at $50,501 for the quarter.

o Key Issues and Activities
  - The Shops received an additional Paycheck Protection Program Loan of $2 million from the SBA on March 3rd which is reflected in cash value and liabilities on the balance sheet.
    - A third round of documentation in support of the initial PPP loan forgiveness documentation has been submitted.
  - The Shops are projecting a $5.8 million operating loss at current levels with a net $3.3 million net contribution that has been mitigated by the year’s investment gain to date.
  - Other financial operational impacts have come from the recent Senate Bill 95 that extended Covid sick time coverage retroactively by the state. Unemployment Insurance Liability (UIP) managed through CSURMA/AORMA is escalating with a potential Shops liability of $750,000.
  - There was a recent CalPERS actuarial reassessment resulting in a liability increase of $1,024,129 that will be booked at year-end.
    - A prior Board approved pay-down program for this liability amounting to $500,000 is being deferred due to cash management concerns.
    - PPP loan forgiveness amounts could be utilized to fund this purpose moving forward.

o Capital Status Full Year 2020-2021
  - Current year expenditures of $204,058
    - Recently spent $32,523 on a storage system upgrade for our IT infrastructure

o Year over Year Financial Statement Overview & Comparison
  - The Shops Cash/Investments are up $1 million from last year which can be misleading since this includes the following:
    - $4 million from the 2 PPP Loans received to date
    - $2.3 million investment gains year-to-date
    - $400,000 as part of the planned VEBA withdrawal for retiree medical benefits
    - There are large vendor payments pending for digital textbooks D1DA program.
    - The Shops net reserve position has moved into negative territory
  - From a balance sheet perspective, inventory and A/R are down $1.2 million and $200,000 respectively due to reduced business volume.
  - March and year-to-date cash flows came in at negative $138,000 and $1.2 million respectively.
  - While operating expenses are down by 56.1%, sales are down 70.5% with the Retail Dining division being limited.
  - Margin rates are down at 37.3% vs. 57%.

Motion to accept the 3rd Quarter 2021-2022 Financial Review

M/S Dr. Reiboldt / Dr. Soni
By acclamation the 3\textsuperscript{rd} Quarter 2021-2022 Financial Review was hereby approved to recommend to the Board.

E. Discussion Items

- Budget Schedule
  - Mr. de Wit reviewed the current 2021-2022 Budget Schedule breakdown and reported that preliminary departmental budget figures would be coming in by the end of this week.
    - The next step will be meeting with the Directors for further analysis and to amend as necessary before providing the finalized budget at the F&I Committee and Board meetings on Friday, May 14\textsuperscript{th}.
  - In regards to budget assumptions, while the campus is planning for 50\% of classes to be online, Housing is optimistic with a 90\% occupancy figure for next fall.
  - Additionally, the Shops will be taking a conservative approach to hiring along with keeping loss business areas closed through the next fiscal year

- UDP Planning and Cost Sharing/Recovery
  - The Shops were recently approached by ASI to use space within the University Dining Plaza for a Basic Needs teaching kitchen that would be funded through a grant they had received along with interest by the Family Consumer Sciences department for space within the Chartroom location for training and labs for their classes.
  - The Shops would like to share the building so at some point there may need to be a discussion about the EO-1000 implications and reception for it to remained closed.

F. Adjournment

- There being no further business, the meeting was adjourned at 9:40 a.m.