

MINUTES

FORTY-NINER SHOPS, INC.

BOARD OF DIRECTORS MEETING

Friday, October 30, 2020 – Zoom Conference Meeting

(Exception Made Due to Covid-19 Issues & Campus Safety Precautions)

Members Present:

Mr. Scott Apel

Mr. Jeremy Harris

Ms. Maythe Alderete Gonzalez

Dr. Beth Lesen

Dr. Praveen Soni

Ms. Adriana Andrade Rodriguez

Dr. Wendy Reiboldt

Mr. Omar Prudencio Gonzalez

Staff Present:

Mr. Robert de Wit, Interim General Manager/Controller

Ms. Marianne Russo, Executive Secretary

Ms. Rosa Hernandez-Henderson, Director of Human Resources

Mr. Clint Campbell, Director of Contracts & Facilities Management

Mr. Alfredo Macias, Director of Residential Dining Services

Ms. Cyndi Farrington, Interim Bookstore Services Director

A. Call to Order:

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

B. Approval of the Agenda: October 30, 2020

Motion to accept the Agenda as presented.

M/S Dr. Soni / Mr. Prudencio Gonzalez

By acclamation the Agenda for the meeting of October 30, 2020 was approved as presented.

C. Approval of Minutes: September 25, 2020

Motion to accept the Minutes as presented

M/S Dr. Soni / Dr. Reiboldt

By acclamation the minutes of September 25, 2020 were approved as presented.

D. Board Chair's Report:

- Mr. Apel introduced the Board to Ms. Kara Perkins who is the campus' new Associate VP of Budget and University Services.
- We recently received word that our down payment at Terranea for the Fall Board Retreat will be able to be transferred to a Spring Board retreat next year at no additional costs to the Shops.
- Our Virtual Fall Board Retreat is scheduled for November 6th, 2020 from 2pm to 5pm.
 - Mr. Apel and Mr. de Wit recently met and discussed the agenda for this upcoming meeting.
- The next Board meeting has been scheduled for Friday, December 4th, however Mr. Apel and Dr. Soni would not be available for that date.

- After further discussion, it was decided that the meeting would move forward as planned and would be overseen by our Vice-Chair, Dr. Lesen.

E. F&I Committee Chair's Report

- Mr. Apel reported that the F & I Committee approved the 2019-2020 Tax Return 990 & 990T. Mr. de Wit will be sending that documentation out to the Board members to review before they are sent out accordingly by the November 15th deadline.
- Mr. de Wit reviewed the 1st Quarter Full Year 2020-2021 Financial Statements:
 - The Shops overall operating results are behind plan. Residential Dining had been budgeted at 50% of planned occupancy, however, that number of 1,025 has been reduced to 330 which has been steadily decreasing as well as the Bookstore volume being down by 50% due to low textbook sales and only minimal in-store traffic.
 - At this point, many of our assumed budget figures are no longer valid so the Shops are implementing a rolling forecast procedure to provide a better assessment of year-end as we anticipate a \$2 million impact moving forward.
 - Costs of goods and margin rates 10 points behind plan
 - Overall impact is a negative cash flow of \$584,000 which was tempered by an investment gain of \$1.1 million.
 - Capital Expenditures came in at \$144,218 with an ADA upgrade to the Bookstore front doors at \$10,500 and Point of Sale PCI Compliance expenditures at \$43,328.
 - Last year before the pandemic crisis hit, we had budgeted \$160,000 for new electronic carts for safety reasons and since we were planning to expand our catering functions at the Japanese Garden. We were able to reduce the order by 3 units and recently paid the remaining \$98,484 for the new vehicles.
 - Anticipating a slow 2nd quarter, Mr. de Wit plans on withdrawing \$3.5 million as cash flow is needed to fund the operations.

F. Nominating Committee Chair's Report:

- Selection of New Board Members:
 - Dr. Lesen reported that the Nominating Committee met on Friday, October 23rd, and interviewed potential candidates for the open positions of staff member and student-at-large member.
 - The committee would like to recommend the following:
 1. Staff Member: Ms. Tracey Richardson
 2. Student-At-Large: Ms. Genesis Jara
 - An anonymous vote was taken and responses were sent directly to Ms. Russo to tally. She reported that the outcome received was unanimous across the board to approve.
 - Dr. Lesen will contact these individuals to let them know they had been approved by the Board and Ms. Russo will send them the Board meeting calendar invites.

F. Personnel Committee Report

- Mr. Harris reported that the Personnel Committee met earlier in the month on Friday, October 16th, to review and approve the incentive plan payout for 2019-2020.
 - He reminded the Board that, earlier this year, the committee had recommended to terminate this plan therefore this program would not carry into the current fiscal year 2020-2021.

G. General Manager's Report

- Mr. de Wit reported that the majority of employee reviews had been completed and currently our Human Resources staff were in the process of finalizing these documents.
- The Shops recently signed an agreement with the Great Plates program in which our Residential Dining team will be providing meal services to seniors who have signed up for this option funded by Los Angeles county.
 - It is a month-to-month program at this time so we will be participating for as long as we can to support the Long Beach community.

I. Adjournment

There being no further business, the meeting was adjourned at 10:50 a.m.