

Thursday, May 25, 2017
3:00 PM to 5:00 PM
1910 Café & Lounge

EXECUTIVE COMMITTEE MINUTES

Members Present: Naomi Goodwin, Phil D'Amato, Roger von Ting, David Donnell, and Dana Ward.

Members Absent: None

Guests: Dr. Russel Statham (Chief Operating Officer and Chief Financial Officer), Richard Chester (Associate Executive Director/Director of Commercial Operations), Amanda Dodd (Director of Human Resources and Payroll) and Jinna Matzen (Interim Executive Assistant to the COO/CFO)

I. Call to Order

Meeting called to order by D'Amato at 3:10 P.M.

II. Approval of Minutes of Previous Meeting(s)

Von Ting moved and Goodwin seconded. Motion carried.

III. Approval of Meeting Agenda

von Ting moved and Goodwin seconded. Motion carried.

IV. Public Comment

No one was present to represent public.

V. Officer's Reports

a. Chair of the Board

D'Amato stated campus enterprises needed adjustments. He would like a workable Excel spreadsheet to add visibility to the report. Statham to send D'Amato requested Excel.

b. Executive Director

Goodwin stated that utilities are higher due to smart meters being installed which generate a more accurate reading. Regarding allocations, Goodwin

stated that the Athletic Scholarship allocation should be based on strategy rather than priority.

c. Chief Financial Officer's Report

Satham presented to the Committee the Consolidated Statement of Operations and the Investment Report as of April 30, 2017. The committee discussed the report.

VI. Consent Items

a. Statement of Operations as of April 30, 2017

The committee accepted the statement of operations as submitted with discussion. Satham explained investors' S & P returns are with risk. Investment policy alternatives are up to 25%, currently at approximately 20%. CSUDH investments are lower than planned in benchmark comparison to other CSU's common fund studies. Alternatives are not a traditional hedge fund and are designed for an opposite effect. Stock market increases and decreases are used to match alternate effects, diversifying the risk. Private equity is considered alternative funds. Satham to send description of alternative funds to board members.

VII. Informational Items

a. Presentation on Dining Services Strategy

Goodwin stated that this is just the initial summary and not the end of the discussion. Chester presented a Status Report on Strategic Direction for CSUDH Foundation Dining Services May 2017. Goodwin stated pages 1-5 present an overview analyzing dining & housing since fall 2014. Included in the presentation were: a contract management plan, a housing need, and an Aramark analysis. Chester explained that extensive surveys were performed of outside services. Chester stated retail is a risky business, volatile in returns, and that Aramark needed a guaranteed return. Chester furthermore presented a 2013 Housing Study. He discussed options for dining in regards to student housing, including mandatory meal plans, the possibility of creating housing without kitchens and he discussed opportunities to keep students on campus. One option presented was to create a freshman mandatory meal plan.

Discussion of Loker Student Union started by Chester. Chester explained that Loker Student Union is governed under non-taxable bonds, and therefore cannot contain a controlling for-profit entity in a building with non-taxable status. Chester further explained that Aramark discouraged moving in that direction. Von ting started a discussion on bonds; Satham explained bonds are revenue bonds and that the system is strict on regulations. Satham stated that the current bonds have twelve years left before they are paid in full. Satham further stated once the bonds have

been completely paid off, Loker Student Union could be open to for-profit organizations.

Chester presented dining information by Susan Wilke, VP Strategic Planning. Susan Wilke interviewed approximately 1,000 students to determine preferred price points and food options; Freshens and Starbucks were chosen based on consultant's recommendations. Chester stated that Starbucks has an eight month process to work with them from start to finish and that they require a MLA (Master Lease Agreement). Chester further stated that Freshens does not have a licensing agreement; no royalty fees and would self-operate as a franchisee. The conversation turned to challenges with Chester explaining: purchasing, product understanding, flexibility in results, maintaining training standards, the need for supervision and standardized reporting could create challenges. Chester specified Starbucks has been approved for licensing. Goodwin assessed that 80% of students are in favor of Starbucks. Chester and Goodwin both agree that building 1910 is currently operating at a loss. Options for alternative catering spaces available on campus were discussed. Donnell questioned subdividing building 1910 with half going to Starbucks and the other half being used for catering. Chester replied that with the suggested design element from Starbucks a subdivision will not be possible. It was further discussed that if 1910 is taken over by Starbucks, no alcohol will be sold. Chester began discussion on a business called Freshens. He stated that Freshens meets current demands for a healthy alternative: vegan, vegetarian, healthy, and will complement the current food court. Chester further discussed the possibility that Toro Take-Out would be replaced by Freshens. D'Amato raised concerns, he does not want to get rid of breakfast, and feels Starbucks will promote breakfast. Board members and staff acknowledged difficulties in attracting businesses due to the small size of the campus. D'Amato contends Starbucks will attract other businesses. Chester closed the discussion and stated that for three years this project has been worked on diligently and it will continue to be worked on. Donnell asked about the impact of a wind-down in regards to employment for kitchen staff at 1910. Chester responded stating there would be minimal impact, and in actuality could create more jobs for students.

b. StubHub/Chargers Agreements & Negotiations

Naomi Goodwin stated moving forward the campus is looking to bring in the Board of Trustees for EIR approval. Board members and staff discussed the movement to increase the stadium with three thousand additional seats for the Chargers. Goodwin stated that traffic consultant and noise consultant studies are being performed. Goodwin further detailed that the same amount of cars will be on the campus, 27,000 vs. 30,000. Chester started a discussion regarding Fan Experience which is usually sponsored by the hometown and explained that StubHub limits sponsored events. Committee held vibrant discussions.

c. Update on Executive Director Search

Naomi Goodwin stated that three candidates have been chosen, and that they are very pleased with the quality of all the applicants. Out of the three they have been able to identify one finalist. This finalist will meet with the President next week. The projected hire date is July 1, 2017.

d. Structure of Board of Directors Agendas and Board Committee Agendas

D'Amato started discussion on different committees: Executive, Finance/HR, and Real Estate. D'Amato states structure of agenda should be focused on the committee and that the board members and staff should prepare the agenda together. Donnell suggested appointing liaisons and deliberated the difficulty in getting people to pledge to committee meetings. Von Ting seconded the notion, adding that giving committee members' paperwork to fulfill prior to the meeting would make it more difficult to fill positions. Board members and staff discussed possibly changing by-laws to populate the committees and debated challenges to engage community advocacy. The meeting concluded with talks regarding removing the Community Advocacy Committee.

VIII. Action Items – None

IX. Other Items – None

X. Adjournment

a. Meeting adjourned at 05:17 P.M.