



**Board of Directors
Meeting Minutes of September 25, 2020
Via Zoom Conference (Due to COVID-19)**

MEMBERS PRESENT: Bill Campsey
Patrick Day
Charlie Faas
Tanvi Kothari
Julie Stone
Zoebeida Delgadillo

GUESTS: Kathleen Prunty, AVP Business Services
Raymond Luu, Associate Director of Commercial Services
Ann Bui,

I. CALL TO ORDER

Interim Board Chair Charlie Faas called the meeting to order at 2:02 PM

II. PUBLIC COMMENTS

No Public Comments.

III. APPROVAL OF AGENDA

Charlie Faas stated that he would like to add an agenda item – Golf Operations

MOTION: Tanvi Kothari moved to approve the Board of Directors meeting agenda for September 25, 2020 as presented. Julie Stone seconded the motion.

VOTE: Motion carried unanimously.

IV. APPROVAL OF MINUTES

a. Board Meeting Minutes of June 24, 2020

- i. Julie Stone pointed out a possible typo in Section V of the minutes. In one place it shows “1100 down to 150” however later in the document it states 1500, which was a typo. The number will be corrected to read 150.

MOTION: Patrick Day moved to approve the June 24 2020 Board of Directors meeting minutes. Julie Stone seconded the motion.

VOTE: Motion carried unanimously.

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V. INTERIM BOARD CHAIR'S REPORT – CHARLIE FAAS

An update on the Pandemic and how it relates to Spartan Shops, Inc. – the numbers are low. We have 900 students living in housing today and a couple thousand students who come to campus during the week. The operation of dining areas - the Student Union, Bookstore and the Dining Commons - is challenging from a profit/loss aspect. Raymond will update on behalf of Paul Cingolani, who is out of town. Charlie Faas reported that Chartwells approached him and Patrick Day to close dining in the Student Union which is something that VP Faas and VP Day did not want to do. It is important that staff and students have some places to eat on campus. This was an internal call that will cause some financial challenges. The numbers at Panda and Starbucks are low but the hope is to get more traffic in there. Housing has 900 students currently living on campus with half of them having meal plans on campus. There is talk of adjusting the hours down. All food is currently to go. VP Faas stated that he had a very nice lunch from the Dining Commons that was a great steak meal. He proceeded to ask the students their perception and they all raved about the meal. There are new tacos (Quesabirria Tacos) that have been on social media that the students asked about and they will now be served on Friday's.

VP Faas then reported that the decision was made to take the remaining employees out of Spartan Shops and distribute them on campus. Josh who previously was responsible for RE Maintenance will be with FD&O and the Golf Operations employees will report to VP Faas. There will be no more employees left in the auxiliary. Golf Complex Operation runs a break even business. This change will leave Spartan Shops, Inc. in food (Chartwells), bookstore (Barnes & Noble) and property (rental units).

VI. OPERATIONAL REPORT – RAYMOND LUU

Raymond Luu reported that dining services is consolidating services. They are more targeted based on traffic from the beginning of Fall Semester to now. They are working on how to match demand. Students pick up meals once per day and can reheat the meals in their room. They are still able to get their food (3 meals per day) just pick them up all at once during a certain time period. VP Day questioned if this has been communicated to students and how have we communicated. Mr Luu stated it has not been communicated yet and will start taking place on October 1. He stated that they have worked with housing to make the decision. They also will need to communicate all changes in facility operations with FD&O, the students and everyone on campus. VP Day specifically asked "how will it be communicated? Via email? Signage? We need to be upfront and give notice. If there are only 10 students showing up for

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breakfast and now they will need to get their food the night before...” – make it clear for those are the parents that will call and complain.

VP Faas stated that this decision was based on two facts: 1) a survey asking students what, when and how – they received a couple hundred responses which is good and 2) Swipe based – who, and when they are coming in to get meals.

VP Day stressed to *communicate properly*. Have back up – here is what we did and how we came up with the plan.

Mr Luu stated that since Ginger Market is popular with the students, they will open a Ginger Market Express in the Dining Commons. They are also opening a Starbucks in Village Market to move the popular retail outlets closer to the students.

VII. COMMITTEE REPORTS

a. Audit Committee

i. Year-end Financials

Tanvi Kothari reported that the Audit was a much better experience this year and ran smoothly. She turned to Ann Bui to summarize:

Assets increased by \$559,000 due to a \$3 million increase in unused meal plan revenue. The University refunded the meal plans with CARES money so Spartan Shops was able to keep the revenue to use for other pandemic related expenses thus leaving the net at only ½ a million. Total liabilities increased by \$1.7 million due to contributed capital assets from Chartwells, the Paycheck Protection Program Loan, and an increase in A/P due to Chartwells subsidy payment for April-June 2020. Leaving a net position decreased by \$1.1 million.

Total operating revenue increased by \$2.1 million due to the \$2.7 million increase in unused meal plan revenue and a \$600,000 decrease in other revenue due to the pandemic.

Total operating expenses decreased by \$113,000 while total non-operating income decreased by \$194,000

Note if you back out non-cash items there would be about an \$800,000 gain.

Ms Kothari added a big thank you to Ann for all of her hard work with the auditors.

MOTION: Charlie Faas motioned to accept the recommendation from the Audit Committee to accept the Spartan Shops, Inc Fiscal Year Ending June 30, 2020 Financial Statements and Management Letter as presented by RSM. Patrick Day seconded the motion.

VOTE: Motion carried unanimously.

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VIII. NEW BUSINESS

- a. VP Faas stated that the current Bylaws and Articles of Incorporation (AOI) need to be revised to fit the current climate of the Auxiliary. We will vote on this at our next meeting. The only change to the AOI is to the wording from “operating” to providing since the auxiliary is no longer operating but providing services. As for the Bylaws the main change is to Article III. Officers to reflect only a President and Secretary/Treasurer.

The Bylaws were updated a while ago to allow Teleconferencing/Zoom. Due to less operations, there is no need to continue to have a Board with 11 members. The proposal is to go from 11 to 6 Board of Directors who would include – the Chief Financial Officer and the VP Student Affairs based on their University roles; 2 faculty; 1 community member; and one student as President-elect of Associated Students or their designee. VP Faas proposes that the term limits begin now and go with a 3 year window going forward.

Quorum is 1 Administrator, 1 Faculty and 1 Student

Comments? VP Day questioned that he and Charlie participate because of their roles with the University and wanted confirmation that the AS President-elect could designate a student in her place. VP Faas confirmed these facts were correct. He continued that to move the student number down to 1 is due to the past hardship of getting students interested in serving on a board that isn't too overly dynamic of an auxiliary compared to the other boards on campus. Zobeida thanked VP Faas for the clarification and stated this change would be fine.

VP Faas reiterated that Tanvi Kothari should be Secretary/Treasurer as Audit Committee Chair. VP Day agreed. Ms Kothari asked the rationale between having 2 Faculty vs 1. VP Faas explained that the rationale is a balance – 2 Administrators and 2 Faculty. Ms Kothari was in agreement that made sense.

- b. Board Resolution - Authorizing Investment of Monies in the Local Agency Investments Fund (LAIF) (Last Revision: August 16, 2018)**

VP Faas stated the resolution needed to be updated due to a signer who retired. VP Day asked if there was a reason for 4 signers rather than just 2. VP Faas stated that this gives us flexibility. Typically Marna Genes, Sr AVP Finance will sign but having different levels of signing ability (usually based on dollar amount) works for the shared service model.

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MOTION: Tanvi Kothari moved to approve the Board Resolution for LAIF. Patrick Day seconded the motion.

VOTE: Motion carried unanimously

c. Board Resolution Authorization on Bank Accounts (Last Revision: August 16, 2018)

VP Faas stated the resolution needed to be updated due to a signer who retired.

MOTION: Tanvi Kothari moved to approve the Board Resolution Authorization on Bank Accounts. Patrick Day seconded the motion.

VOTE: Motion carried unanimously

IX. GENERAL DISCUSSION

We will vote on the Bylaws Amendment at our next meeting. Are there any questions? Does it make sense to change the community member to a 3 year term same as faculty and remove the "not to exceed" phrase? All in agreement.

Bill Campsey asked if the Mountain West is considering reviving football and if so will it have any effect on Spartan Shops, Inc. VP Faas stated that there will be no fans, thus no concession, therefore no effect. The Football team is mainly on campus and all have meal plans. With Football back, the numbers might go up slightly, but not enough to make a difference. Men's and Women's Basketball will begin the end of November, based on the County, but again no fans...no money to be made.

Ms Kothari asked why the Spartan Shops Inc BOD is not listed on Academic Senate Committee list. She stated that Faculty get credit in their review process but can't get credit if not listed. VP Faas will take it up with Ravisha to make sure it is properly listed.

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X. ADJOURNMENT

MOTION: Charlie Faas motioned to adjourn the Board meeting at 2:45PM. Patrick Day seconded the motion.

VOTE: Motion carried unanimously.

We hereby certify that the foregoing meeting minutes were duly presented and approved by the Board of Directors of Spartan Shops, Inc. at a regular meeting held on October 26, 2020 at San Jose, California.

DocuSigned by:

Charlie Faas

Date: October 26, 2020

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Charlie Faas,
Interim Board of Directors Chair
Spartan Shops, Inc. Board of Directors