

## **Minutes of the December 15, 2016 Board of Directors Meeting**

PRESENT: Ellen Junn, Ralph Bucheli, Gary Wahl, Morgan Roots, Xinmei Xie,  
Chad Cummings, Richard Ronten

STAFF: Douglas Dawes, Regan Linderman, Wendy Olmstead

ABSENT: Suzanne Espinoza

TELECONFERENCE: Andrew Price

### **I. WELCOME AND CALL TO ORDER**

The meeting was called to order by E. Junn at 9:06 a.m.

### **II. APPROVAL OF MINUTES**

#### **A. Auxiliary and Business Services Board Meeting September 15, 2016 (*Attachment II-A*)**

Motion to approve the minutes of the September 15, 2016 Auxiliary and Business Services Board Meeting (M/S/P, Wahl/Bucheli).

### **III. ACTION ITEMS**

#### **A. Resolution to Approve Election of Director (*Attachment III-A*)**

D. Dawes presented the resolution for the election of Richard Ronten as a Board Director. Motion to approve the election of R. Ronten (M/S/P, Cummings/Bucheli).

### **IV. DISCUSSION & REPORTS**

#### **A. Morgan Stanley Smith Barney Investment Report as of September 30, 2016 (*Attachment IV-A*)**

A. Price discussed the economy and capital markets and summarized the asset allocation and performance of the ABS investment portfolio. A discussion was held regarding the investment objectives of Auxiliary & Business Services under the organization's current investment policy. E. Junn requested that, given the volatility of the current market, a representative from Morgan Stanley Smith Barney should reach out to the Vice-President, Business & Finance if it is necessary to discuss changes to the portfolio outside the ABS Board meeting cycle.

#### **B. Audit Committee Report**

G. Wahl reported that the Audit Committee reviewed and approved the Financial Report for the Three Months Ended September 30, 2016. Wahl stated that the organization's financial status is healthy overall, but there is still a high debt to equity ratio due to the debt associated with the ABS-owned portions of the Residential Life Village and the Bookstore.

### C. Residential Life Village Real Estate Appraisal

D. Dawes presented the formal real estate appraisal of the ABS-owned portions of the Residential Life Village (RLV), stating that the value of those portions was appraised at \$11.7 million. A comparison of system-wide values for replacement costs was reported at \$11.8 million. Based on the fourteen year lease agreement between RLV and ABS, in which \$8.3 million has been paid by RLV to-date, Dawes recommended the sale of the ABS-owned portions to RLV for a price of \$3.5 million. A discussion was held regarding the mission of ABS to support the university's mission to serve students, and the need to protect the organization's assets by clearing the debt associated with the Residential Life Village.

As an additional means to clearing ABS's debt, D. Dawes recommended the sale of the University Bookstore to the University Student Union. E. Junn led a discussion regarding Barnes & Noble's logo wear prices and marketing efforts as well as the use of Open Education Resources by faculty on the Stanislaus State campus.

### D. Campus Management Models for External Housing

D. Dawes described CSU Monterey Bay's purchase of student housing, constructed by an external developer; however, CSU Stanislaus' University Housing struggles to fill the Residential Life Village, which indicates that there may be insufficient demand for an additional housing structure.

### E. Side-by-side Comparison of University Housing and "The Vista" Pricing Structure, Amenities, and Residential Life Programming Model

D. Dawes provided a comparison of Stanislaus State University Housing versus Vista's pricing structure, amenities, and programming, which was followed by a discussion regarding the benefits of RLV's extensive programming in increasing graduation and retention rates and creating good study habits.

## V. INFORMATIONAL ITEMS

A. Financial Report for the Three Months Ended September 30, 2016 (*Attachment V-A*)

B. Amendment Five to the Amended and Restated Food Service Agreement with Trustees of the State of California (*Attachment V-B*)

C. Amendment Five to the Amended and Restated Food Service Agreement With Chartwells (*Attachment V-C*)

D. Dawes and W. Olmstead explained the rationale for changes to Amendment Four to the Amended and Restated Food Service Agreements with Chartwells and RLV including the use of the RLV Café for board meal dinners and extended hours in Warrior Grill and Pop's C-Store. A discussion was held regarding the following ideas for the expansion of dining services: food trucks in the quad, a Friday taco bar, farm to table events, and a speaker series in South Dining.

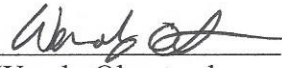


VI. **NEXT MEETING DATE:** Thursday, March 9, 2017 – 9:00 a.m. to 10:30 a.m.

VII. **ADJOURNMENT**

The meeting was adjourned at 10:35 a.m.

Respectfully Submitted,

  
Wendy Olmstead