

CI University Auxiliary Services, Inc.

Board of Directors

Meeting Minutes

Thursday, May 19, 2022

Attendees: Bill Robe, David Press, Jacquelyn Hoffman, Marianne McGrath, Jeff Kim, Barbara Rex, Stephanie Bracamontes, John Lazarus, Peter Maher

- I. 11:05am: Welcome and Call to Order by Bill Robe
- II. Public comments: none
- III. Bill Robe made a motion to approve the Meeting Minutes from February 17, 2022
 - a. Barbara Rex motioned
 - b. David Press seconded
 - c. Motion approved unanimously
- IV. John Lazarus gave a detailed Q3 Financial report
 - a. UAS is currently expecting a \$1.2million loss, mainly because of Printing being down and low residency in the dorms.
 - b. The \$4.3million HERF funds continue to sustain UAS, but there are challenges ahead
 - c. Seeing slight improvement in retail spending
 - d. Catering is down from expected
 - e. ASI payments have been delayed, but it's not worrisome
 - f. Inventory is up, because sales are up
 - g. Accounts Payables as a current liability is off due to a timing issue, but is being resolved.
 - h. Deferred revenue is being corrected more conservatively
 - i. Total Equity Reserves is about \$3.3million
 - i. Would be -\$1.2million without the HERF funds
 - j. Reviewed Income Statement

- i. David Press questioned “Preliminary – Subject to Audit” note
 - 1. John Lazarus explained it’s just an editor’s error and he will fix.
 - ii. David Press asked about PPE balances and there are none.
 - iii. Budget only had Islands and Sea Store operating Corporation will zero out.
 - iv. Reserves are 0
 - v. Town Center Market is zeroed out and will be removed from next report (since it no longer exists).
 - vi. SUB is expected to lose about \$51,557
 - vii. Sea Store losses are not as bad as forecasted
 - viii. Pizza 3.14 is losing money and needs to be addressed
 - ix. Islands Café: still not fully open on North Side due to dormitory counts being low. North Side only has Pizza and Pasta stations open.
 - 1. Expecting \$1.8million in Meal Plan revenue from HRE to UAS by end of fiscal year.
 - x. Book Store: doing better than expected, but still losing money this year and next.
 - 1. There is a \$200k guarantee that Follet will return when enrollment rates return to normal.
 - a. Barbara Rex estimates that will be end of 2024/ beginning 2025.
 - xi. Copier Program: pallet paper sales are down and not expected to return to normal business. Post-pandemic, most people have gone almost paperless.
 - xii. Catering: expected to earn about \$500k in Summer Conferences and \$150k in other Catering sales.
- k. John noted that comparing '22 Financials to '21 isn't helpful because of the radical climate differences.

- f. Islands Café: with only 1,102 students in dorms (not capacity), Islands is expected to lose \$800k next fiscal year.
 - g. OneCard: loses -\$15k, partially because UAS took on Admin Costs that used to be incurred by IT.
 - i. David Press questioned if loss is offset by cash handling costs, and John Lazarus answered no.
 - h. Copier Program is down -\$60k.
 - i. Catering might have an \$87k profit.
 - j. Barbara Rex is working on a variety of scenarios to help next year.
 - k. Bill Robe questioned what would happen if a contract company like Sodexo ran the operation.
 - i. Barbara Rex commented that an outside operator probably couldn't/wouldn't take on a losing operation, especially under the current inflationary headwinds.
 - ii. Jaquelyn Hoffman asked when Meal Plan costs were last increased.
 - 1. John Lazarus confirmed that Meal Plan price has not increased since 2016, despite 22% CPI increase, rising costs and inflation.
 - l. John Lazarus requested a motion to approve the budget
 - i. Bill Robe motioned
 - ii. David Press seconded
 - iii. All in favor; Budget unanimously approved.
- VII. John Lazarus gave the Director's Report.
- a. Labor market continues to be tight, including at the entry levels. Competition for entry-level workers is steep.
 - b. We are preparing for Summer Conference season.
 - c. The Gateway Hall project at the entrance to campus is underway and will include some retail space.
- VIII. Action Item: Board reviewed proposed Board Meeting dates for 22/23:

- a. September 15, November 17, February 16 ('23), May 18 ('23) for Annual Meeting.
 - i. David Press made a motion to approve
 - ii. Stephanie Bracamontes seconded
 - iii. All in favor unanimously
- IX. Board Comments:
 - a. Jaquelyn Hoffman noted that many students pay their own room and board, and we should be mindful of their dollars. All agreed.
 - b. Jaquelyn Hoffman asked if Islands could start using social media to post about closures, specials, etc.
 - i. John Lazarus will look into it.
- X. Agenda items for future meetings: None suggested
- XI. 12:04pm: Bill Robe adjourned meeting

Next Meeting: September 15, 2022