

**THE UNIVERSITY CORPORATION**  
**Executive Committee**  
**December 3, 2019**

A meeting of The University Corporation Executive Committee was called to order by Chair, Dianne Harrison at 2:05 p.m. on Tuesday, December 3, 2019 in University Hall Room 250, California State University, Northridge. A quorum was present.

**Members Present:** Colin Donahue, Dianne Harrison, Michael Phillips, Ben Yaspelkis

**Member Not Present:** Rose Merida

**Staff Present:** Heather Cairns, Elizabeth Corrigan, Rick Evans, Tim Killops, Michael Lennon, Dan Martin, Linda Turner, Karina Ward, Lih Wu

**Others Present:** Jerald Schutte

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**ITEM 1 FINANCIAL UPDATE**

Executive Director, Rick Evans reviewed the 'Net Cash Generated' schedule. As of October 31, 2019, Net Cash Generated to Replenish Reserves are below budget. Mr. Evans explained that specifically, Foodservices is unfavorable to budget by almost \$200,000.

Mike Lennon, Associated Director of Campus Dining, reported that the Foodservices Division is below budget largely due to an underperforming summer conference season at Geronimo's in Student Housing. The reduction in summer conference business negatively impacted sales at Geronimo's as well as lunch sales in July and August at other CSUN Dining locations on campus. Additionally, there has been a decrease in foot traffic on campus and an increase in competition of dining locations in the surrounding area. Mr. Lennon stated that the Corporation is managing expenses by ensuring cost of goods is in line with budget, reduced spending on key categories, managing labor costs, and maintaining prices meeting the challenge of minimum wage increases. Mr. Lennon reported that the Corporation's ability to increase top line revenue will be challenging. Mr. Evans stated that this item was brought in full transparency, and that for the foreseeable future the horizon for foodservices' increasing revenue is not optimistic. Dr. Harrison stated that marketing for housing and meal plan should also include a strategy for transfer students.

**ITEM 2 MEAL PLAN AND FOOD SERVICES UPDATE**

Tim Killops, Associate Director of Facilities and Operations, provide an overview on summer conference dining participation. Factors that negatively impacted meal plan sales included: less participants, modified meal packages, and differing expectations as well as miscommunication with Student Housing. Moving forward the Meal Plan team will meet regularly with Conference Service to endure proper budget planning and expectations for the upcoming year.

Mr. Killops continued with an overview on meal plan sales, revenue, and the correlation between housing occupancy and meal plan participation. Mr. Killops also presented on the marketing plan to help increase meal plan sales. The new marketing manager, who will report to Mr. Killops, will oversee the meal plan department with a primary focus of promoting the meal plan. The marketing strategy will concentrate on on-campus and off-campus students, housing residents, and walk-in business. Mr. Killops stated that a

report from the National Center for Biotechnology Information concluded that diet may be associated with academic performance with the majority of the studies associating more favorable dietary intake with higher academic achievement. Mr. Killops noted that 65% of CSU campuses have recognized the value in a mandatory meal plan on their campus.

### **ITEM 3 CSUN RESTAURANT & CONFERENCE CENTER**

Mr. Evans thanked Dr. Schutte for his involvement on the selection committee. Mr. Evans stated that the selection committee recommends Chartwells as the preferred supplier for CSUN Restaurant and Conference Center. Elizabeth Corrigan, Director of Foodservices, provided an overview on criteria that placed Chartwells as the stronger candidate to operate the new facility. Key Performance Indicators (KPIs) will be used to ensure quality of food and service are upheld.

Mr. Evans presented on the financial analysis and budget of the project. The current project budget is \$8,500,000. However, the cost estimate has increased to \$9,300,000. Mr. Evans provided a review on the Net Cash Generated to Replenish Reserves and Contribution to CSUN Special Project Reserve noting that over the years, there has been a decline in contribution to each reserve.

Mr. Evans presented several options to protect the financial viability of TUC. The recommended option would be to build a larger conference center in place of the restaurant. This would allow for smaller subdivided meeting space and private lunch meetings. This option would require a one time \$400,000 start up cost but will save possibly up to \$500,000 in kitchen expenses.

Mr. Evans stated that the upcoming on campus hotel will have a restaurant and bar which will operate seven days a week. The hotel will also have a lounge and conference space available. Dr. Phillips asked if the restaurant will cook food onsite. Ms. Corrigan stated that the operator will be preparing the food at the restaurant. Dr. Phillips asked if there will be faculty and staff parking near the hotel. Mr. Evans stated that the GI parking lot, the current designated parking for the Orange Grove Bistro, will remain as is. Ms. Corrigan explained that a private, catered lunch will be available at the University Conference Center. Dr. Phillips asked if this option is selected, what is the timeline. Mr. Donahue stated that construction on the University Conference Center is scheduled to start in January 2020.

Ms. Corrigan reviewed the layout of the University Conference Center showing the extra meeting space available if the restaurant was removed from the program. Mr. Evans stated that changing the program will allow for additional smaller, private meeting space. Dr. Phillips stated that the suggestion is a positive option. Mr. Donahue stated that a high-quality dining facility is currently not available; this project would fulfill that need. Dr. Harrison stated that messaging to the campus and external community will be important.

Mr. Evans stated that the selection committee will continue to negotiate the terms of the deal with Chartwells and will present it at the next Executive Committee meeting for approval. Mr. Evans stated that a Board of Directors update conference call will be scheduled in advance of the March 25, 2020 Board of Directors meeting.

**ITEM 4. ANNOUNCEMENTS**

There being no further business, the meeting adjourned at 3:05 p.m.

Respectfully submitted,

  
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Colin Donahue, Recording Secretary