

THE UNIVERSITY CORPORATION
Board of Directors
June 29, 2020

A meeting of The University Corporation Board of Directors was called to order by Chair Dianne F. Harrison at 2:01 p.m. on Monday, June 29, 2020 via Zoom Conference Call at California State University, Northridge. A quorum was present.

Members Present via computer video and audio:	Jacob Akopnik, Mechelle Best, Harvey Bookstein, Matthew Contreras, Colin Donahue, Ronald Friedman, Carlos Fuentes, Dianne F. Harrison, Hamid Johari, Rose Merida, Dave Moon, Michael Phillips, Jerald Schutte, Ben Yaspelkis
Members Absent:	Mohammed “Q” Hotaki, Sabrina Maglalang, Diana Vicente
Staff Present via computer video and audio:	Heather Cairns, Elizabeth Corrigan, Rick Evans, Tim Killops, Dan Martin, Karina Ward, Lih Wu
Others Present via computer video and audio:	Claudia Scotty

ITEM I CONTRACTING FOODSERVICES

Mr. Evans provided an overview on Chartwells presentation to the Board of Directors, the financial review and discussion with the Executive Committee, and the recommended action item on the agenda.

Elizabeth Corrigan, Director of Food Services, presented a review of Chartwells program including a summary of Compass Group, reasons why Chartwells was selected as an operator, benefits to students, residential dining program, risk protection and key performance indicators (KPIs), and the financial impact of contracting foodservices.

Dr. Mechelle Best asked if the dining brand names being proposed are at other Chartwells operated campuses? Ms. Corrigan confirmed that the brands are proprietary brands that Chartwells has developed.

Claudia Scotty, Principal of Envision Strategies and TUC Hospitality Consultant, presented an overview on the Chartwells financial proposal. The presentation included information on the length of the deal, financial model, commission structure, meal plan program, KPIs, investments, material change provision, in-kind and cash donations, innovation fund, and estimated financial impact.

Dr. Jerry Schutte asked for clarification on the fixed management fee in year one includes the fixed management fee for the Orchard Conference Center (OCC). Ms. Scotty stated that after the first year the OCC will be operated on a profit and loss basis and the Profit and Loss will be on Chartwells’ books. However, during the first year, OCC will fall under the fixed management fee. Dr. Best asked if the financial information being presented represents Chartwells operating the OCC as well as all of TUC’s foodservices. Ms. Scotty confirmed that the financial information being presented is for the full package of Chartwells operating the OCC and all of TUC’s food services.

Dr. Best asked if the KPIs and internships are separate from the ones already negotiated for the OCC. Mr. Evans stated that there will not be any changes to the KPIs and internships related to the OCC. Rose Merida asked if there will be any conflict with the paid internships and the maximum number of hours a student is allowed to work. Dr. Best stated that internships may be mandatory for some programs but the location of the internship is open. Dr. Best also noted that an internship can be unpaid and that won't affect other paid opportunities. The student could have an internship and a job.

Mr. Evans asked Ms. Scotty for her insight on the negotiated contract and partnership with Chartwells. Ms. Scotty stated that the contract is a very fair financial deal. Envision Strategies has been involved with numerous foodservice contract negotiations and has experienced the interworking of the majority of companies in the contract food service industry in the United States and some internationally. Ms. Scotty stated that a fair deal is important to ensure the success of Chartwells which in turn would be a benefit to the campus and TUC. Ms. Scotty also noted that Chartwells has demonstrated a desire to be a partner and would be a good partner for the campus.

Mr. Evans reviewed the action item on the agenda, timeline to finalize and sign the contract, as well as when Chartwells would be on campus to prepare to operate Residential Dining for Fall 2020.

MSP (Fuentes/Bookstein): That The University Corporation Board of Directors approve, delegate, and authorize The University Corporation Executive Director to enter into a ten-year operating contract with Chartwells to operate TUC's foodservices within scope of the eight deal points outlined above. Final negotiated parameters to include any net benefit to TUC greater than the net present value/net benefit of \$4,837,874, but no less than \$4,354,086 (or 10%).

There being no further business, the meeting adjourned at 2:48 p.m.

Respectfully submitted,

Colin Donahue

Digitally signed by Colin Donahue
DN: C=US, E=colin.donahue@csun.edu, O="California
State University, Northridge", OU="Vice President for
Administration and Finance/CFO, CN=Colin Donahue
Date: 2020.10.09 14:40:36-07'00'

Colin Donahue, Recording Secretary