

**CAL POLY**  
CORPORATION

**BOARD OF DIRECTORS ANNUAL MEETING**  
**Friday, June 2, 2017 8:30 a.m.**  
**Corporation Administration Building #15**  
**Conference Room #124**

**MINUTES**

**Fiscal Year 2016-17**

- Present:** Phil Barlow, Alexandra Bonestroo (*arrived at 8:46 a.m.*), Steve Harding, Nick Pettit, Kim Shollenberger, Justin Rajah (*arrived at 9:13 a.m.*), Cyrus Ramezani (*arrived at 9:02 a.m. and left at 12:19 p.m.*), Andy Thulin, Cynthia Villa
- Absent:** Paul Hoover, Keith Humphrey, Kimi Ikeda, Mary Verdin
- Guest:** Karen Aguilar, Victor Brancart, Brian Dietterick, Jim Dunning, Megan Fukamaki, Steve Lorian, Ken Macro, Cory Mojo, Cortney Newby, David Valadez, Amy Velasquez, Dean Wendt
- Staff:** Preston Allen, Joe Alves, Dan Banfield, Frank Cawley, Kacey Chun, Ellen Curtis, Tammy Farrell, Spyros Gravas, Starr Lee, Lorie Leetham, Fatma Spanton, Eumi Sprague, Mike Thornton, Will Marchese

**I. CALL TO ORDER AND INTRODUCTIONS**

Chair Cindy Villa called the meeting to order at 8:38 a.m. and welcomed everyone in attendance. She announced that Board Members Keith Humphrey, Kimi Ikeda, and Mary Verdin would not be in attendance today. Mary had a death in the family this past week. She sends her apologies and wanted to relay her thanks to Board members and staff.

Cindy announced the guests in attendance that will be presenting budgets.

**II. PUBLIC COMMENT**

There were none.

Chair Cindy Villa announced that there would be a change to the agenda. The Executive Director Report will be first and then proceed with the agenda as presented.

**III. MINUTES**

**A. Board Meeting Minutes – April 28, 2017**

*(M/S/P) (Thulin/Ramezani) that the Board accepts the April 28, 2017 minutes as presented.*

None opposed.

**IV. CHAIR REPORT**

Cindy stated that this is Justin Rajah, Lexie Bonestroo and Mary Verdin's last meeting. She thanked them for their service on the Corporation Board.

Lorie presented Lexie and Justin with a Service Commendation and gift. She also asked them to brief the board as to what their plans are after graduation. Justin stated he will be traveling for 6

weeks in Southeast Asia visiting family before starting a career in sales at Sumo Logic in Redwood City. Lexie stated that she will be starting the accelerated MBA program at Cal Poly in August. Justin thanked Lorlie for the opportunity to work with her and for her mentorship.

## V. UPDATES

### A. Executive Director's Report

Lorlie Leetham reported on university activities and updates, which included: freshman enrollment numbers for fall are expected to net 700 more than targeted; Dean Wendt was named Dean of COSAM; Bill Britton was named Vice President for Information Technology and Chief Information Officer; and the RFQ for Kennedy Library programming and feasibility study is out for bid.

Lorlie reported on the following Corporation activities, facility projects and updates.

The University Store transition is on target for July 1 and the licensing oversight will be transferring to University Marketing as of July 1. The ground breaking of Vista Grande is expected to start next week, renovation of Mustang Station/Mustang Lanes will be starting soon, RFQ for University Union and Building 19 redesign and programming and the refresh of Corporation Administration Building. The Corporation is also waiting on the results of Building 19 code analysis to see if the building can handle a retrofit to renovate the building instead of doing a complete tear down.

The Corporation is also looking at what the best usage is for the warehouse space once the bookstore side is vacated.

In the Fall, Campus Dining is looking to refresh and rebrand of 19 Metro, add new concepts and décor in The Avenue, replace the Sandwich Factory with a new sandwich concept, add 2 to 3 Starbucks self-serve kiosks, a new Shake Smart venue, and launch a food serve master planning process.

Lorlie reported on the Corporation's 2017-18 Fiscal Year budget assumptions.

## VI. BUSINESS

### A. Appointment of Board Members and Election of Officers

**M/S/P (Bonestroo/Shollenberger) that the Board approves the President's nominations of officers for the Corporation Board of Directors.**

Cindy Villa reported that President Armstrong has nominated the following officers to serve a one-year term beginning July 1, 2017: Cynthia Villa, Chair; Nick Pettit, Vice Chair; Andrew Thulin, Secretary/Treasurer.

### B. Vista Grande Financing

**M/S/P (Bonestroo/Pettit) that the Board approve an increase of \$2,380,000 in financing through California State University (CSU) Systemwide Revenue Bonds (SRB) for construction of the Vista Grande replacement project (building 112).**

***That the Board approve the attached Resolution 17-04 providing for the financing of the construction of real property.***

Dan Banfield gave a background and overview of the Vista Grande master plan, design, cost approvals and capital outlay expenditures. He provided the Board with a ten-year projected cash

flow spreadsheet.

Dan stated that the Corporation is asking the Board to approve a new resolution that would supersede the one that was approved in October. He also handed out a revised resolution to replace the version that was included in the board meeting book.

**C. Cal Poly Corporation University Programs FY 2017-18 Operating Budgets and Capital Outlay Proposals.**

**M/S/P (Barlow/Harding) that the Board approves the FY 2017-18 Cal Poly Corporation University Programs operating budgets and capital outlay proposals.**

**1. University Graphic Systems**

Cory Mojo introduced himself and stated that he is next year's manager for University Graphic Systems (UGS), a student-run enterprise.

Cory gave a business overview on the 2016-17 Fiscal Year and highlighted some of the goals and objectives for the 2017-18 Fiscal Year. He reported that for the 2017-18 Fiscal Year budget, sales and cost of goods sold are expected to decrease and payroll expenses are expected to increase due to a minimum wage increase and merit pool increase. Operating expenses are expected to remain consistent with the current year. There are no capital outlay requests for the next Fiscal Year.

There was some discussion regarding utilizing UGS for all of the Corporation's printing needs. It was suggested by Phil Barlow that the Board look into writing a resolution that states the Corporation would give UGS the first pass at doing printing for the Corporation. Other members stated that the Board needs to be mindful that Cal Poly Print & Copy is also part of the Corporation and run by students.

**2. Cal Poly Arts**

Steve Lorian reported on the operations and business overview for Cal Poly Arts. He discussed the challenges Cal Poly Arts faces with new venues opening up in the San Luis Obispo area. Even with those challenges and presenting nine fewer performances, Cal Poly Arts had a successful 2016-17 Fiscal Year.

Steve discussed some of the goals and objectives for 2017-18 Fiscal Year, which include maintaining a balanced budget to add to operating cash reserves, keeping the number of performances and programming at its current level and continuing to strategically expand programming to off campus venues.

Operating budget proposals for the 2017-18 Fiscal Year are revenues of \$1.8 million, expenses of \$1.7 million and net to reserves of \$59,000.

There are no capital outlay requests.

**3. Technology Park**

Jim Dunning gave a brief background and business overview of the Technology Park. He discussed some the accomplishments for the 2016-17 Fiscal Year and the goals and objectives for the 2017-18 Fiscal Year.

Net income for the 2017-18 Fiscal Year operating budget is anticipated to be \$179,000. Total revenue is expected to increase 10% and payroll expenses are budgeted to increase 39%.

Total capital outlay request for 2017-18 Fiscal Year is \$52,500.

#### **4. Swanton Pacific Ranch**

Brian Dietterick reported on the business overview and accomplishments for the 2016-17 Fiscal Year and discussed some of the 2017-18 Fiscal Year goals and objectives.

For 2017-18 Fiscal Year total income from the endowment, net sales, and other income is budgeted at \$898,000. Payroll is budgeted at \$617,000 and operating expense are budgeted at \$449,000, which excludes depreciation. The Fiscal Year 2017-18 adjusted change in net position is projected to be a \$168,000 loss. The ranch has sufficient operating reserves to cover this operating loss through the end the 2017-18 Fiscal Year.

#### **5. Commercial Agriculture Operations**

Andy Thulin reported on the business overview and accomplishments for the 2016-17 Fiscal Year and highlighted some of the 2017-18 goals and objectives. These include maintaining an entrepreneurial environment, while integrating systems approach for operations management, press for operational efficiencies, the integration of cultures old and new and continually pressing for excellent facilities, equipment and professional management.

For the 2017-18 Fiscal Year, total payroll expenses are budgeted to decrease 9%, cost of sales is budgeted to decrease 4% and total operating expenses are expected to increase 8%.

***The Board took a break at 10:54 a.m. and reconvened at 11:11 a.m.***

### **D. Cal Poly Corporation Core Programs FY 2017-18 Operating Budgets and Capital Outlay Proposals.**

**M/S/P (Bonestroo/Thulin) that the Board approves the FY 2017-18 Cal Poly Corporation Core Programs operating budgets and capital outlay proposals.**

#### **1. Sponsored Programs Administration**

Dean Wendt reported on the changes, business overview and accomplishments for the 2016-17 Fiscal Year. He also discussed the goals and objectives for the 2017-18 Fiscal Year, which includes improving responsiveness and efficiency, enhance communication and outreach and updating compliance processes and policies.

The operating budget proposal for 2017-18 Fiscal Year is not budgeted to see an increase in income, payroll expense is expected to increase as a direct result of merit increase and operating expenses are also budgeted to increase.

There are no capital outlay requests for the next Fiscal Year.

#### **2. General Administration**

Dan gave an overview on the 2016-17 accomplishments and highlighted some of the 2017-18 goals and objectives.

Dan reported that the operating budget proposal for 2017-18 Fiscal Year includes a 6% increase

in revenues, overall payroll expenses are expected to increase 3% as a result of minimum and merit increases and operating expenses are expected to increase 9% which is primarily driven by an increase in the AFD cost allocation.

Total capital outlay requests for 2017-18 Fiscal Year are \$47,732.

### **3. Plant Operations**

Dan reported on the Plant Operations accomplishments for 2016-17 Fiscal Year and the goals and objectives for 2017-18.

Dan reported that the occupancy income for 2017-18 Fiscal Year is expected to increase, primarily as the result of increases in rental rates charged for the Corporation Administration Warehouse. Total operating expenses are expected to decrease by 26% due to decreases in maintenance expenses and project equipment for the Corporation Administration Building.

The capital outlay request for 2017-18 Fiscal Year for hardwood floors in the corporate unit at Bella Montaña was approved by the Board of Directors at the May 2016 meeting. This request is repeated for informational purposes only.

### **4. Conference and Event Planning**

Fatma Spanton gave a brief business overview of Conference and Event Planning. She highlighted some of the 2016-17 Fiscal Year accomplishments and discussed the goals and objectives for the 2017-18 Fiscal Year.

Fatma reported that for Fiscal Year 2017-18 Fiscal Year revenues are expected to decrease as a result of the loss of SLO Days, payroll expenses are expected to increase due to merit and minimum wage increases, and operating expenses are expected to decrease.

There are no capital outlay request for the 2017-18 Fiscal Year.

### **5. Campus Dining**

Spyros Gravas reported on the Business overview and accomplishments for the 2016-17 Fiscal Year and the goal and objectives for the 2017-18 Fiscal Year.

Spyros reported that for the 2017-18 Fiscal Year sales are expected to the expected increase due to the increase in freshman enrollment. Cost of goods sold as a percentage of sales, is budgeted to be below Fiscal Year 2016-17. Payroll expenses are budgeted to increase due to merit and hourly wage increases and fringe benefit rate increase. Operating expenses are expected to decrease.

Total capital outlay requests for the 2017-18 Fiscal Year are \$1,981,000.

### **6. University Store**

Dan reported on the 2016-17 Fiscal Year accomplishments and the 2017-18 goals and objectives for the University Store, Cal Poly Downtown and Cal Poly Print & Copy.

The 2017-18 Fiscal Year budget revenues from University Store and Cal Poly Downtown represent commission payments the Corporation will receive from Follett. Cal Poly Print & Copy revenues are expected to remain consistent with the 2016-17 Fiscal Year. Payroll expenses for Cal Poly

Print & Copy are budgeted to increase due to merit pool and minimum wage increases.

Operating expenses for the University Store and Cal Poly Downtown represent continuing direct expenses and support for ongoing Corporation Administration operations. Cal Poly Print & Copy expenses are expected to increase.

There are no capital outlay requests at this time.

Phil Barlow commented that in the future, he would like to see the Corporation's Consolidated budget spreadsheet be part of the budget presentations.

**VII. ANNOUNCEMENTS**

- A. Cindy Villa announced the tentative Board of Directors' meeting schedule for 2017-18 Fiscal Year and asked the Board Members to note these dates on their calendars.
- October 27, 2017
  - January 26, 2018
  - April 27, 2018
  - June 1, 2018

Lorlie thanked Frank Cawley for his expertise and guidance through the University Store RFP and transition.

**VIII. ADJOURNMENT**

No further matters appearing, the meeting was adjourned at 12:32 p.m.

Respectfully submitted,

  
Ann Roy, Recording Secretary