

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the
Board of Directors
April 22, 2016

Members present: Anthony Lee, Tom McCarron, Anthony Meadows, Tyler Morgan, Kyle Murphy, Blaire Ward and Carl Winston

Members absent: Megan Collins, Bill Earley, Dr. Seth Mallios, Eric Rivera and Okaro Shinn

Others present: Donna Tusack, Lisa Albers, Gayle Fernandez, Jahan Jamshidi, Jennifer Lakin, Paul Melchior, Todd Summer and R.D. Williams

I. Call to Order

Kyle Murphy, Chair, called the meeting to order at 12:18 p.m.

II. Approval of the February 26, 2016, Board Meeting Minutes

Kyle Murphy asked for approval of the minutes of the February 26, 2016, Board meeting. Carl Winston moved to approve the minutes of the February 26, 2016, Board meeting. Tom McCarron seconded the motion. Motion was approved 7-0-0.

III. Public Comment

Kyle Murphy opened the meeting for public comment. There was no public comment at the meeting.

IV. Farewell to Graduating Board Members

Donna Tusack thanked Blaire Ward (outgoing Associated Students President), Kyle Murphy and Anthony Meadows for their service and contributions to the Board.

V. Management Discussion

A. Financial Update

Lisa Albers, Director of Financial Services/Controller, reported on the Statement of Financial Position (Balance Sheet) as of April 3, 2016 and the Statement of Activities which reported year-to-date activity through Period 10, ending April 3, 2016. A detailed discussion took place and all questions were answered. Moving on to the management discussion, Lisa Albers reported that the overall corporate results are tracking slightly ahead of budget. Corporate Administration is tracking 1.8% favorable to budget through Period 10 and there were no unusual items to report.

B. Campus Stores Update

Todd Summer, Campus Stores Director, summarized the Campus Stores financial report through Period 10 (ending April 3, 2016). Softness in course materials and technology have impacted Sales and Net from Operations. The Immediate Access program is progressing for this semester and is moving forward for the summer and fall. Todd reported over 2,500 students donated to the 2016 Leave Your Legacy campaign at this year's Gradfest. This eclipses last year's numbers by 1,000+. Tom Simpson, SDSU Bookstore's customer service manager, was awarded the Dr. James Kitchen Distinguished Service Award during the Scholar-Athlete Awards Banquet.

C. Dining Update

Paul Melchior, SDSU Dining Director, summarized the SDSU Dining financial report through Period 10 (ending April 3, 2016). Sales are slightly below budget with a 3% growth over last year, primarily due to Concessions and the Farmer's Market sales. Margin is slightly below budget. Credit & Revenue experienced a growth of 5.9% over last year and Net from Operations is significantly up over last year. Dining has doubled the size of its College Area Community Garden plots to 20; the harvest will be used to serve the Faculty-Staff Club and The Dining Room. All Aztec Markets have received the Green Restaurant Association Certification.

D. Business Development and Housing Update

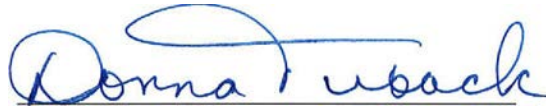
R.D. Williams, Director of Business Development and Contract Housing, summarized the financial report through Period 10 (ending April 3, 2016). Due to high occupancy Net from operations was ahead of budget by \$179,988. Depreciation recorded year-to-date is \$2,096,690. Occupancy in all housing units continued to be strong. Contribution over budget is expected to hold through year-end. R.D. reported that Eureka Restaurant has signed a lease for a space in the north building of South Campus Plaza.

VI. Defined Benefit Pension Plan Oversight Committee Meeting

Donna Tusack reported that the Aztec Shops Oversight Committee (Donna Tusack, Tom McCarron, Lisa Albers, Jennifer Lakin, Leah Messenger and James Franken, independent consultant) for the Hourly Defined Benefit Pension Plan and Aztec Shops Retirement Savings Plan 403b met with Kevin Palm, Kravitz & Associates, and Don Lord, HighMark® Capital Management, on April 14, 2016. The committee reviewed plan investments, actuarial reports and financial audits conducted by Grant Thornton of the Hourly Defined Benefit Plan and a Weworski & Associates audit of the 403(b) Hourly Retirement Savings Plan and other issues relative to the pension plans for full-time, hourly employees. Donna reported that there were no findings or recommendations in the audits by Grant Thornton or Weworski & Associates. The committee approved and accepted the audits. The meeting minutes and audits were distributed to the Board.

VII. Adjournment

Anthony Meadows moved to adjourn the meeting at 12:55 p.m. Blaire Ward seconded the motion. Motion was approved. 7-0-0

A handwritten signature in blue ink that reads "Donna Tusack". The signature is fluid and cursive, with a large loop at the beginning of the word "Donna".

Donna Tusack
Chief Executive Office