

AZTEC SHOPS, Ltd.
Minutes of the Board of Directors
September 18, 2020
Board Meeting

Members present: Tom Donnelly, Christian Holt, Tyler Morgan, Agnes Wong Nickerson, Edward Pierzak, Brittany Santos-Derieg, Bianca Shaw, Chris Thomas, and Carl Winston

Members absent: Tyree Baker, Steven Plante, Luke Wood

Others present: Todd Summer, Kathy Brown, Heather Hawkins, Jahan Jamshidi, Jennifer Lakin, Paul Melchior, Rose Olvera, and R.D. Williams

I. Call to Order

Carl Winston, Chair, called the meeting to order at 12:05 p.m.

II. Approval of the minutes of the Board of Directors Meeting of June 5, 2020

Brittany Santos-Derieg motioned to approve the minutes of the Board of Directors Meeting of June 5, 2020. Christian Holt seconded the motion. Motion was approved 7-0-0. (Tyler Morgan was not present for the vote; Bianca Shaw not voting).

III. Public Comment

Carl Winston opened the meeting for public comment. There were no requests to access the meeting online, no public participants appeared at Aztec Shops corporate offices, and there was no public comment at the meeting.

IV. Welcome to Tom Donnelly

Carl Winston welcomed Tom Donnelly to the Board of Directors.

V. Nomination

Christian Holt, AS President, nominated Bianca Shaw to serve on the Aztec Shops Board of Directors. Chris Thomas motioned to approve Bianca Shaw for a board term beginning September 18, 2020 and ending June 30, 2023. Agnes Wong Nickerson seconded the motion. Motion approved 8-0-0 (Bianca Shaw not voting).

VI. Audit Committee Meeting Report, September 16, 2020

Heather Hawkins, Controller/Director, reported that the Audit Committee comprised of Tyler Morgan (Chair, Board Member), Valerie Peterson, John Penrose and Hass Ibrahim (with Chris Thomas absent), along with management representatives Todd Summer, Heather Hawkins and Donna Martens, and university representatives Michael Welch and Beth Warren met on September 16th with Marla Hummel and Tony Baraghimian (Grant Thornton audit firm representatives) to review the audited financial statements for the year ending June 30, 2020. Tyler

Morgan reported that Grant Thornton issued an unqualified opinion finding no material weaknesses or significant deficiencies. The committee accepted the audit for fiscal year 2019-2020. The audited financials were distributed to the Board of Directors.

**VII. Management Discussion
Statement of Financial Position**

Heather Hawkins, Controller/Director, reported on the Statement of Financial Position for Period 2, ending August 31, 2020. Heather discussed the current cash position and impact of the virtual learning environment on the company's liquidity. Todd Summer projected cash position and needs over the rest of the fiscal year.

VIII. Property Performance Update

R.D. Williams, Director of Business Development and Contract Housing, provided the annual update on financial performance of the System-wide Revenue Bond-financed apartments compared to initial projections. For the year ended June 30, 2020, the properties posted actual earnings before interest, depreciation and overhead of \$6,231,347 vs a projection of \$4,747,327.

IX. DEI Update

Jennifer Lakin, Director of Management Services, relayed that Aztec Shops Ltd. is working with Icarus Consulting (Atlanta, GA), rated top 10 in Forbes in the DEI space, to aid in the development of the Aztec Shops Diversity, Equity and Inclusion plan. The deadline is October 29, 2020 to submit the plan to the campus, but Aztec Shops will work beyond that date to develop a plan and present it to the board.

**X. Resolution to Consider Approval of the CalPERS Health Benefit Employer
Contribution – 1/1/21**

Jennifer Lakin, Director of Management Services, reported that health insurance premiums for plans administered by CalPERS through PEMCHA will slightly increase by 3.8% from 2020 to 2021 rates, effective January 1, 2021. Chris Thomas moved to approve the resolution fixing the employer's contribution under the Public Employees' Medical and Hospital Care Act at a maximum of \$468.88 per month for employees or annuitants enrolled for self alone, \$937.78 per month for an employee or annuitant enrolled for self and one family member, and \$1,219.11 per month for an employee or annuitant enrolled for self and two or more family members. Brittany Santos-Derieg seconded the motion. Motion approved 9-0-0.

**XI. Benefits
1. Executive Order N-51-20**

Jennifer Lakin, Director of Management Services, relayed that the governor signed executive order EO N-51-20 regarding Supplemental Sick leave for food service workers. Aztec Shops included all employees to receive supplemental sick leave if any of the three outlined criteria are met. Criteria are:

- The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19
- The employee is advised by a health care provider to self-quarantine or self-isolate due to concerns related to COVID-19
- The employee is prohibited from working by the employee's hiring entity due to health concerns related to the potential transmission of COVID-19.

Christian Holt motioned to ratify management's decision to comply with California EO N-51-20 providing supplemental sick leave to food service employees and extending this to all Aztec Shops employees. Agnes Wong Nickerson seconded the motion. Motion approved 9-0-0.

2. Telework

Jennifer Lakin, Director of Management Services, reported, based on advice from Aztec Shops' labor attorney and guidance from the Chancellor's office specific for auxiliaries, Aztec Shops is proposing a reimbursement for telework for internet services. Aztec Shops already has a reimbursement for telephone use and the proposed policy addresses concerns about internet use for those who worked or continue to work from home. Tyler Morgan motioned to approve the Telework Policy. Christian Holt seconded the motion. Motion approved 9-0-0.

XII. Capital Augmentation

R.D. Williams, Director of Business Development and Contract Housing, requested an augmentation to the approved 2020-2021 Aztec Shops Capital Expenditure Budget of \$350K. Ed Pierzak motioned to approve capital augmentation of 350K for use, if needed, to upgrade property at 5191 College Avenue. Christian Holt seconded the motion. Motion approved 9-0-0.

XIII. Closed Session

As you know, the Education code requires auxiliary board meetings to be in open session. Discussions related to real estate, legal matters, or in individual's performance or compensation may be held in closed session. We have a matter related to an individual's benefits. At this time, I would entertain a motion to move into closed session. Tyler Morgan motioned to move into closed session. Agnes Wong Nickerson seconded the motion. Motion approved 9-0-0.

XIV. Open Session: Incentive Plan

1.2019-2020 Incentive Recommendation (note: plan has restrictions based on financial performance)

Todd Summer requested a motion for no incentive payout for fiscal year 2019-2020, per plan document, but to give CEO a \$25K fund to distribute to employees based on work above and beyond related to the current emergency situation. Up to \$25K in stipends to be distributed to employees at CEO's discretion but will not include himself or Director Level positions. These stipends would not be reportable as PERS compensation for PERS employees. Chris Thomas made the motion and Bianca Shaw seconded the motion. Motion passed 8-0-0 (Brittany Santos-Derieg absent for vote).

2. Incentive Plan Revision

Chris Thomas motioned to approve the revised plan as presented. Christian Holt seconded the motion. Motion passed 8-0-0 (Brittany Santos-Derieg absent for vote).

XV. Adjournment

Christian Holt motioned to adjourn the meeting at 1:43 p.m. Chris Thomas seconded the motion. Motion carried 8-0-0 (Brittany Santos-Derieg absent for vote).



[Todd Summer \(Sep 25, 2020 13:22 PDT\)](#)

Todd Summer
Chief Executive Officer