

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the
Board of Directors
April 30, 2021

Members present: Carl Winston (Chair), Christian Holt, Tyree Baker, Chris Thomas, Agnes Wong Nickerson, Tom Donnelly, Brittany Santos-Derieg, Edward Pierzak,

Members absent: Steven Plante, Luke Wood, Tyler Morgan, Bianca Shaw

Others present: Todd Summer, Kathy Brown, Heather Hawkins, Jennifer Lakin, Paul Melchior, R.D. Williams, Alyssa Longuay, Kim Mazyck, Christy Samarkos (Guest)

I. Call to Order

Carl Winston, Chair, called the meeting to order at 12:08 p.m. Carl welcomed everyone.

II. Approval of the February 26, 2021 Board Meeting Minutes

Tom Donnelly moved to approve the minutes of the Board of Directors meeting of February 26, 2021. Christian Holt seconded the motion. Motion was approved 6-0-0 (Tyree Baker and Chris Thomas not present for this vote).

III. Public Comment

Carl Winston opened the meeting for public comment. Todd Summer said he did not receive any emails requesting Internet access. No one from the public appeared in person at the corporate offices. There was no public comment at the meeting.

IV. Farewell to Outgoing Board Member Christian Holt

Carl Winston said we will miss Christian Holt; he brought his conscience to the table. Todd Summer said he appreciated Christian's insight. Christian said he plans to obtain a position in healthcare and then pursue further studies in that area. Christian also said thank you for the farewell and Shops has positively affected his whole time at SDSU.

V. Vice-chair Nomination: Ashley Tejada

Christian Holt said Ashley Tejada is the next A.S. president. She will be a graduate student next year, has been a part of A.S. for four years and has been very involved with campus. Brittany Santos-Derieg commented Ashley will be a great addition to the board and will bring a unique perspective as a graduate student. Christian Holt moved to nominate Ashley Tejada as Vice-Chair, Agnes Wong Nickerson seconded the motion. Motion was approved 6-0-0 (Tyree Baker and Chris Thomas not present for this vote).

VI. Retirement Plans Committee Update

Heather Hawkins stated the committee met with Morgan Stanley on March 11th. They recommended moving 5% from bonds to equity in the defined benefit plan, A question was asked about the total dollars invested and Heather provided that the figure was approximately \$8M.

VII. Management Discussion

a. Balance Sheet - Heather Hawkins said the cash position at the end of March was \$15.3M but it is currently at \$12M. SHOPS projects approximately \$9M projected cash for June 2021. Finances will be tight next year because of stadium commitments. Shops currently has a \$2M loan with the university at 3% interest for a term of five years. Repayment starts January 2023, Shops also has a Payroll Protection Program loan of \$3M at 1% interest for a term of five years. Repayment is deferred until July 2022. Shops might qualify for loan forgiveness and is working with Grant Thornton, company auditors, which has a team dedicated to loan forgiveness.

b. Operating Statement - Todd Summer presented the operating statement. Aztec Shops is hoping to keep the operating statement in line with projections for the remainder of the fiscal year.

c. Preliminary Highlights for Operating Budget Fiscal 2022 - Shops anticipates a positive \$1.3M balance for next year's operating budget. Most operations will be open in fall, Approximately 5,900 beds will be occupied through OHA and Shops is estimating 75% activity on campus compared to a pre-COVID-19 year.

d. Budget Workshop and Next Board Meeting - After the budget workshop, at the June board meeting, Shops will provide an overview of the budget and ask for approval of the budget.

VIII. Capital Expenditure Budget Fiscal 2022

R,D. Williams presented a \$1.25M proposed capital budget for next year. April's board meeting is when Shops brings the capital expenditure budget to the board for the next year so Shops can update the depreciation schedule. Half of the items in the budget relate to changing operations from spring to fall or for contingency purposes. Other projects are related to fire and life safety including Albert's heat pumps, the University Towers exterior ledge reinforcement, and access control funding. Shops' cash position will allow it to make these investments. Management may ask the board for a capital augmentation to cover planned stadium improvements later this year, Agnes Wong Nickerson moved to approve the capital expenditure budget for FY2021-22, Christian Holt seconded, and the motion passed 8-0-0.

IX. Corporate Goals for Fiscal Year 2022

Todd Summer stated Shops normally reviews corporate goals at the April board meeting. Todd presented goals for 2021-2022. Todd answered a question on whether there were metrics on the goals by providing example metrics.

X. Diversity, Equity and Inclusion Plan

A three member board task force provided input which was incorporated into the plan. Jennifer Lakin presented an overview of the proposed diversity, equity, and inclusion (DEI) plan, The full plan was previously sent to board members for review. Agnes Wong Nickerson


encouraged Jennifer to engage with BFA on soliciting small and disadvantaged vendors to do business with Shops. Carl Winston thanked the subcommittee for their input on the plan, along with Todd and Jennifer for creating the plan. Christian Holt moved to approve the DEI Plan, Ed Pierzak seconded, and the motion passed 8-0-4

XL Corporate Mission and Values

Alyssa Longuay and Kim Mazyck are leading an effort to update the Shops Mission Statement and Values. They conducted research on other departments on campus and also looked at different corporations. They interviewed all senior managers for input. They requested a board task force to discuss the new mission statement and values hoping to present them at the June board meeting for adoption. Todd displayed the current mission statement and corporate goals. Carl Winston, Tom Donnelly, and Bianca Shaw volunteered to be on the task force.

XII. Adjournment

Tom Donnelly moved to end the meeting, Ed Pierzak seconded, and the motion passed unanimously 8-0-0. The meeting was adjourned at 1:17pm.



Todd Summer
Chief Executive Officer