

**AZTEC SHOPS, Ltd.**  
**Minutes of the Meeting of the Board of Directors - June 7, 2024**

Members present: Carl Winston, Agnes Wong Nickerson, Rachel Gregg, Vincent Lin, Leilani Anderson, Elliot Scott, Sabrina Simon, Nikhil Varaiya, Tyler Morgan (virtual), Chris Manning (virtual)

Members absent: Kellen Brown, Leanne Locano

Others present: Todd Summer, Heather Hawkins, Jennifer Lakin, Kathy Brown, Jahan Jamshidi, Colin Miller, Janelle Temnick, Julie Goggins, Dawn Stoebe

**I. Call to Order**

Carl Winston, Chair, welcomed everyone and called the meeting to order at 12:17 p.m.

**II. Approval of the April 26, 2024 Board Meeting Minutes**

Leilani Anderson moved to approve the April 26, 2024 Board Meeting minutes, Sabrina Simon seconded, and the motion passed (6-0-2; Rachel Gregg and Vincent Lin abstained; Nikhil Varaiya and Chris Manning not present for vote).

**III. Public Comment**

Carl Winston opened the meeting for public comment. There was no public comment.

**IV. Welcomes**

Carl Winston welcomed Christopher Manning, who was not yet present; Katarina Hernandez, the 2024-2025 Associated Student President, who was unable to attend; Vincent Lin, Associated Student Vice President for Financial Affairs serving as Katarina's designee for the meeting; and Rachel Gregg, SDSU Senior Director of Government Relations, serving as President de la Torre's designee for the meeting.

**V. Annual Meeting Election of Officers**

Carl Winston mentioned the officers under consideration. Elliot Scott moved to elect the officers mentioned below, Leilani Anderson seconded, and the motion passed (7-0-1; Carl Winston abstained; Nikhil Varaiya and Chris Manning not present for vote).

**A. Chair: Carl Winston - July 1, 2024 - June 30, 2025**

**B. Vice- Chair: Katarina Hernandez - through end of A.S Presidential term**

**C. Secretary/Treasurer: Agnes Wong Nickerson (*per by-laws*)**

**VI. Management Discussion**

**A. Balance Sheet** - Heather Hawkins discussed the April balance sheet and discussed the cash position.

**B. Operating Statement** - Heather Hawkins reviewed the overall company operating statement highlighting that there were no significant changes from the prior Board of Directors meeting.

**VII. What's Happening in I.T.**

Jahan Jamshidi provided an update from the Information Technology department. Faced with challenges over past years with Aztec Shops' credit card processing software vendor on the main campus, which services food facilities, food venues, and bookstore operations, the I.T. department initiated a Request for Proposal (RFP) to find a new provider. The new provider, Shift4, allowed for cost savings and aligned with Shift4's successful integration at Snapdragon Stadium on the Mission Valley campus when the stadium opened in 2022. The I.T. department worked diligently over the holiday season, with Senior Associate Director of I.T., Dawn Stoebe, leading the project implementation. The entire migration was successfully completed with most work being done over a 24-hour period from December 31st to January 1st. The Board expressed their gratitude to Jahan, Dawn, and the I.T. team for their dedicated efforts to ensure a smooth transition, benefiting students, faculty, staff, guests, and customers.

Jahan and Dawn also reported on the progress of mobile ordering at Snapdragon Stadium, noting that Aztec Shops is collaborating closely with SDSU Athletics on the operations and logistics.

**VIII. Allocation of Earnings for 2024/2025**

Todd Summer presented Aztec Shops' annual allocation to the University's Resource Allocation Committee, which assigns funds for various needs across the campus. Carl Winston emphasized the importance of these unrestricted funds to campus operations, underscoring their role in supporting essential university activities and initiatives. For the fiscal year 2024/2025, an allocation of \$310,000 was recommended for general university needs. Additionally, \$60,000 was recommended for Associated Students' Campus Community Relations for the same period. Leilani Anderson moved to approve the allocations for 2024/2025, Tyler Morgan seconded, and the motion passed (9-0-0; Chris Manning not present for vote).

**IX. Approval of the 2024/2025 Operating Budget**

Todd Summer thanked the Board members who attended the budget workshop, where the budget was examined in detail. Heather Hawkins elaborated on the budget assumptions, noting increases in benefits, utilities, insurance, and wages, among other items. Todd

highlighted potential risks, including a projected decrease for freshman in university housing for the 2024/2025 academic year. Todd also addressed the issue of full-time wage increases, stating that Aztec Shops would seek Board approval on the budget while deferring decision on full-time wages to Agnes Wong Nickerson and Carl Winston, pending consideration of other decisions on campus.

Todd Summer presented the overall budget, noting an increase in sales alongside a reiteration in the rise in operating expenses, including mandated state and city minimum wages for hourly employees. Todd pointed out that the projections for 2023-24 with net contribution a little over \$7 million is closely aligned with the budget for 2024-25 showing net contribution of \$5.6 million on a cash basis due to changes in accounting for certain allocations and an increase in depreciation.

Kathy Brown reported that the proposed budget for Campus Stores remains flat compared to projections. The most notable change is the potential merchandise partnership with MLS' San Diego Football Club. She highlighted that the Day1Ready program (formerly known as Equitable Access), one of the nation's pioneering early textbook access initiatives, has saved students over \$14 million compared to the price of physical books and over \$7 million compared to the regular price of digital books. The program achieved an 86% participation rate for the early summer terms.

Todd Summer presented the Dining and Hospitality budget, noting expectations for Snapdragon Stadium have increased due to the commencement of Major League Soccer (MLS) in the latter half of the fiscal year. Catering expectations were lowered due to an expected decrease in entertainment expenses on campus. Todd stated the budget will be a challenge due to uncertainty with the number of freshmen on meal plans. Todd also highlighted Aztec Shops is working closely with a recruiter to fill the Dining Director position.

Colin Miller reported on the Real Estate & Business Development division, highlighting that operational expenses are budgeted to be \$4.5 million higher, primarily due to increases in utilities and depreciation and operations for Sunset Plaza entering its first full year compared to six or so months in 2023-2024. Colin mentioned ongoing efforts to collaborate with third-party management companies to reduce expenses where possible. Notably, there is a tentative agreement with one company to lower their management fee by 40%.

Heather Hawkins reported that operational expenses for Administrative Services have increased, primarily due to payroll and benefits. Heather also summarized projected

2024-25 contributions Aztec Shops will make to the University in the form of cost recovery payments, rents, and donations.

Elliot Scott moved to approve the 2024/2025 operating budget with a 5% pool wage increase for full time employees pending determination on state-side increases and deferring decision on affirming the 5% pool or changing it to Agnes and Carl, Nikhil Varaiya seconded, and the motion passed unanimously (10-0-0).

**X. Resolution Establishing BOD Schedule of Meetings 2024/2025**

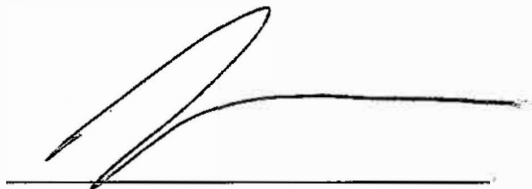
Todd Summer presented the proposed board meeting schedule for next year. Rachel Gregg moved to accept the schedule, Tyler Morgan seconded, and motion passed unanimously (10-0-0). The dates are on everyone's calendar: September 20, 2024; December 6, 2024; April 18, 2025; June 6, 2025; all from 12:00 pm to 2:00 pm at Temple Mayor in the Conrad Prebys Aztec Student Union..

**XI. Closed Session - CEO Review**

Carl Winston announced that while the Education Code requires auxiliary board meetings to be in open session, discussions related to investments, litigation, a specific individual personnel matter, or collective bargaining may be held in closed session. Carl asked for a motion to move into closed session to discuss the CEO's review. Elliot Scott made the motion, Nikhil Varaiya seconded, and the motion passed unanimously (10-0-0). The meeting moved into closed session at 1:09 p.m.

**XII. Adjournment**

Carl Winston adjourned the meeting at 1:47 p.m.

A handwritten signature in black ink, appearing to read 'Todd Summer', written over a horizontal line.

Todd Summer  
Chief Executive Officer