

**CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS
DONALD P. AND KATHERINE B. LOKER UNIVERISTY STUDENT UNION, INC.
BOARD OF DIRECTORS SPECIAL MEETING
April 24, 2020 10:00 a.m.-11:00 a.m.**

1) Call to Order and Attendance

Chairperson, Anthony Thompson, called the meeting to order at 10:05 am. This meeting was held via video conferencing due to the COVID-19 pandemic.

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Anthony Thompson	Matthew Smith	Melissa Bancroft	Deborah Wallace
Johnathan Thomas	Adam Kasarda	Jamie Leal	Stephen Janes
Patrice Bonds		John Stigar	Mario Ibarra
Rihab Shuaib		Gloria Medina	Richard Chester
Erick Garcia		Ana Maria Celis	Michellena Lakey
Christian Jackson		Damesha McKnight	Rasheedah Shakoor
Cecilia Ortiz		Linda Brown	Jerome Groomes
Makonnen Tendaji		Israel Sandoval	
Zach Ritter		Dean Lelm	
Roshni Thomas		Victor Gonzalez	
Tamala Lewis			
Wayne Nishioka			
John Menary			
Ruttanatip Chonwerawong			
Dr. Thomas A. Parham			

2) Approval of Agenda

Alumni Representative Erick Garcia moved to approve the agenda for April 24, 2020. Community Representative Tamala Lewis seconded the motion.

The motion passed unanimously.

Motion passed 9-0-0.

3) Public Comment

No one from the gallery addressed the Board.

4) New Business

a. 1910 Café & Lounge Project Funding

University President Thomas A. Parham explained why the 1910 Café and Lounge is important. To move this project forward, he encouraged campus entities to collaborate and work as one because the ultimate beneficiaries of this project are the students. President Parham stated that the most important thing campus entities do each day is to support the intellectual, personal growth, and development of students.

The 1910 Café & Lounge project was prompted due to Phase III of the student housing project lacking dining services for residents. The LSU food court is the main dining space for the campus and its seating capacity is expected to fall short of demand when the new residence hall opens. The 1910 Café & Lounge project is expected to expand seating and menu capacities for the CSUDH community.

Secretary, Patrice Bonds arrived at 10:12 am.

President Parham explained that when Phase III was being developed, decisions were made between adding a dining hall or more beds.

Director of Planning, Design and Construction Roshni Thomas arrived at 10:15 am.

Temporary Marketing Assistant, Victor Gonzalez arrived at 10:16 am.

Interim Executive Director of Foundation Jerome Groomes informed that after scouting many locations, the LSU was considered the only feasible option to serve the additional residents. He shared that building a dining hall would have been cost prohibitive to Foundation. Foundation expected to be the sole financial provider of the project. The COVID-19 pandemic created a significant shortfall in commercial enterprise revenues. Foundation generated approximately \$400,000 per month in catering services, bookstore sales, vending machines sales, and other commercial activities. Since the campus closure, the Foundation has incurred a loss of revenue. The Foundation has also incurred a loss of about \$150,000 a month from Dignity Health Sports Park commissions. Losing a total of over half a million dollars per month. The Foundation has attempted to address the loss by reducing staff and other expenditures. In addition, they lost over three million dollars in the last three months from their long-term investment fund which was earmarked to fund the 1910 project. Due to these circumstances, Foundation is now seeking a loan from the Philanthropic Foundation and is requesting financial support from the LSU to fund the project.

University President Parham expressed that the 1910 Café and Lounge project will not be exclusive to new housing residents; it will be for all 17,000 students and everyone on campus. This project will be one way to accommodate the food service need of the new residence hall.

Director Ortiz and Director of Planning, Design and Construction Roshni Thomas presented an overview of the 1910 Café and Lounge project, called Café Toro. Café Toro's patio will double in size, an interior wall will be demolished to open the dining area of 1910 to the food court. Overall, the project will add 140 seats.

University President, Thomas A. Parham left at 10:31 am.

Roshni Thomas explained that the project was opened up for bid and the winning bid was the second lowest cost. The construction cost includes the 1910 Café and Lounge remodel but also a small modification to the kitchen. Foundation is requesting an allocation of \$1,403,000 from the LSU to support the project.

The Board inquired into Foundation's plans to borrow funds from the Philanthropic Foundation and why they are not requesting a loan from the LSU. Jerome Groomes explained that the Foundation might not have the ability to repay such loan. He shared that the Foundation, the LSU, and students as a whole will benefit from this improvement. The Board inquired what additional revenue the LSU would receive. Based on the current sub-lease between the LSU and Foundation, the LSU would not make receive revenue from

Foundation's in-house operations. The Board inquired if a more competitive bid could be obtained from contractors in the future. Roshni Thomas explained that the bid process was a public bid with a variety of submissions from small, medium, and large contractors. The University is pleased with the quality of contractors.

The Board discussed concerns that the amount requested is a significant undertaking for the organization. It poses a high risk due to the uncertainty of when the pandemic will end, causing concerns for student enrollment drops in the coming academic year. Roshni Thomas explained that the project is a priority for the University because it is a need for students. Construction costs are low at present and when the pandemic ends costs are expected to increase. Jerome Groomes shared that the Foundation is financially unhealthy but has major initiatives in development to change its future financial position; ideally the Foundation would not ask the LSU to support this project but COVID-19 drastically impacted the Foundation's financial position. Director Cecilia Ortiz clarified that the LSU is running financial models and plans to budget conservatively expecting a 20% decrease in enrollment. She shared that the LSU has retained earnings in a local account to supplement one-year of operating expenses and maintains reserves to support other significant expenses such as major repairs and replacements.

Assistant Director & Executive Secretary for the Finance Committee Jaime Leal gave an overview of the CU-101 operating fund. He discussed the LSU's unrestricted fund balance \$4,227,000. If approved by the Board, the LSU would allocate \$1,403,000 from CU-101 to support the 1910 Café and Lounge project. At which point, the remaining fund balance would total \$2,800,000. Assistant Director Leal discussed the 2020-2021 financial outlook and informed that after a projected 20% decrease in enrollment and obligations such as expenses, debt service and reserves, the remaining CU-101 fund balance for 2020-2021 is projected to be \$2,300,000. He also reminded the Board that the LSU is in the process of master planning initiatives to entail a union expansion and introduction of a student recreation and wellness center. For such projects, the CSU's Chancellor's Office requires 10% capital for the system wide revenue bond program.

The Board shared concerns that this project places the financial burden on students, and questioned the lack of a financial contribution from the University. It was clarified that it is illegal for the University's funds to be allocated towards this project. Roshni Thomas shared that to fund a separate dining commons/hall would cost the Foundation an additional \$12-\$15 million dollars. Jerome Groomes clarified that if the LSU Board decides to support but the Foundation or Philanthropic Foundation's Board of Directors decide not to support, then the project will not move forward. Director Ortiz shared that if the Board supports the project, construction will move forward and the project would be completed before residential students arrive for the fall semester. She added that the project would expand the seating capacity and enhance the dining experience, as well as provide necessary support to residential students and the campus community at-large. The Board discussed how the project would provide a direct financial benefit to the Foundation yet not for the LSU. They suggested that LSU and Foundation negotiate a change in sublease remuneration terms to include commission from Foundation's in-house dining operations.

The Board requested more time to consider support and a breakdown of project costs.

Alumni Representative Erick Garcia moved to table this item to the next Board meeting.
ASI President Christian Jackson seconded the motion.

The motion passed.

Motion passed. 8-1-0

5) Public Comment

No one from the gallery addressed the Board.

6) Announcements

Chairperson Anthony Thompson adjourned the meeting at 11:56 AM.

Approval of minutes: _____ or _____
Secretary, Patrice Bonds Chairperson, Anthony Thompson

Date of approval: _____