

AZTEC SHOPS, Ltd.
Minutes of the Meeting of the
Board of Directors
April 24, 2015

Members present: J. Cole, Megan Collins, Mariah Kelly, Tom McCarron, Tyler Morgan, Kyle Murphy and Okaro Shinn

Members absent: Bill Earley, Dr. Seth Mallios, Anthony Meadows, Eric Rivera and Carl Winston

Others present: Lisa Albers, Gayle Fernandez, Jahan Jamshidi, Paul Melchior, Martha Speck, Todd Summer and R.D. Williams

Others absent: Donna Tusack

I. Call to Order

Mariah Kelly, Chair, called the meeting to order at 12:16 p.m.

II. Approval of the February 27, 2015, Board Meeting Minutes

Mariah Kelly asked for approval of the minutes of the February 27, 2015, Board meeting. J. Cole moved to approve the minutes of the February 27, 2015, Board meeting. Kyle Murphy seconded the motion. Motion was approved 7-0-0.

III. Board Changes

A. Mariah Kelly reported that Matt Keipper resigned from his position on Aztec Shops Board of Directors effective, April 7, 2015.

B. R.D. Williams thanked J. Cole, outgoing Associated Students President, for his service and contributions to the Board.

IV. Election of Director

J. Cole, Associated Students President, nominated Tyler Morgan to serve a three-year term on the Aztec Shops Board of Directors. Kyle Murphy moved to elect Tyler Morgan to serve on the Board for a three-year term. J. Cole seconded the motion. Motion was approved 7-0-0.

V. Management Discussion

A. Financial Update

Lisa Albers summarized the financial report through Period 10 (ending April 5, 2015). Overall results are tacking ahead of budget, most significantly in Business Development and Housing. Corporate Administration is tracking 2.4% under budget through Period 10. 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 5, 2015). Markdowns for Course Materials was positive to the budget by \$70,000. A new used book vendor for Course Materials is performing well and store projects an increase of lower priced used books being available to students in fall.

Gradfest was in Montezuma Hall for the first time and the venue proved to be a great fit for the event. Congratulation videos from President Hirshman and Mayor Faulconer played on the video screens as students picked up their graduation tickets, caps and gowns, and other items they may have wanted such as diploma frames, apparel, professional graduation pictures, and more. The store also partnered with the Alumni Association in helping to promote a continued connection to the university.

The Campus Stores March/April 2015 publication featured Sarah Castro, SDSU Bookstore's Senior Visual Merchandising Manager, and Kelly Hazelton, Communications, Marketing and Graphics Creative Manager. Creative merchandising, signage, and social media were the focus of the article. Todd shared a copy of a book published by Montezuma Publishing, "Growing Up with Tony Gwynn, A Lifetime of Swinging for the Fences". The book was written by Joe Plummer, a lifelong friend.

C. Dining Update

Paul Melchior, SDSU Dining Director, summarized the SDSU Dining financial report through Period 10 (ending April 5, 2015). Sales remained strong with a shift from Concessions and Catering to retail operations. Margin percentage of sales and dollars was favorable to the budget. Total expenses were high due to increased costs of startups and carryover from Conference Services. Net from Operations was down due to increased costs and sales mix.

Paul reported that Tony Gwynn Stadium was the last of Dining's operations to receive Green Restaurant Certification. SDSU Dining has been nominated by the California Higher Education Sustainability Conference for a best practice award for density of green restaurants.

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 5, 2015). Net from operations was ahead of budget by \$628,000. Depreciation recorded year-to-date is \$1,927,980. Occupancy in all housing units continued to be strong. Contribution over budget is expected to hold through year-end.

VI. Audit Committee Membership Changes

Mariah Kelly reported that Kyle Murphy will replace Matt Keipper on the Audit Committee. Kyle will Chair the committee.

VII. Defined Benefit Pension Plan Oversight Committee Meeting

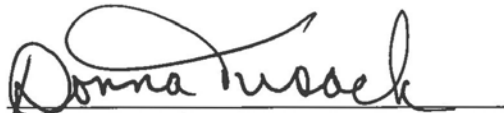
Martha Speck reported that the Aztec Shops Oversight Committee (Donna Tusack, Tom McCarron, Lisa Albers, Martha Speck, Leah Messenger and James Franken, independent consultant) for the Hourly Defined Benefit Pension Plan and Aztec Shops Retirement Savings Plan 403b met with Kevin Palm, Kravitz & Associates, and Don Lord, HighMark® Capital Management, on April 16, 2015. The committee reviewed plan investments, actuarial reports, and financial audits conducted by McGladrey & Pullen on the Hourly Defined Benefit Plan and Weworski & Associates audit on the 403(b) Hourly Retirement Savings Plan and other issues relative to the pension plans for full-time, hourly employees. Two minor findings were discussed and corrected before the audit conducted by McGladrey was finalized. The committee approved and accepted the audits conducted by McGladrey & Pullen and Weworski & Associates. The minutes from the meeting were distributed to the Board.

VIII. College Square Renovation

R.D. Williams presented an update on the College Square renovation and sample boards of materials that will be used for the project.

IX. Adjournment

J. Cole moved to adjourn the meeting at 1:11 p.m. Kyle Murphy seconded the motion. Motion was approved. 7-0-0



Donna Tusack
Chief Executive Office