

**AZTEC SHOPS, Ltd.**  
Minutes of the Meeting of the  
**Board of Directors**  
December 16, 2016

Members present: Megan Collins, Bill Earley, Anthony Lee, Tom McCarron, Jamie Miller, Tyler Morgan, Dustin Pina, Eric Rivera and Okaro Shinn

Members Absent: Dr. Seth Mallios, and Carl Winston

Others present: Donna Tusack, Lisa Albers, Gayle Fernandez, Jahan Jamshidi, Jennifer Lakin, Alyssa Longeuay, Paul Melchior and Todd Summer

**I. Call to Order**

Megan Collins, Chair, called the meeting to order at 12:16 p.m.

**II. Add New Item to the Board of Directors Meeting Agenda**

Megan Collins announced management requested adding an additional item, "Request for approval of an additional \$25,000 board allocation for the SDSU End of Campaign Celebration" to the Board agenda. Tom McCarron moved to add the item to the Board agenda. Tyler Morgan seconded the motion. Motion was approved 10-0-0.

**III. Approval of the September 30, 2016, Board Meeting Minutes**

Megan Collins asked for approval of the minutes of the September 30, 2016, Board meeting. Bill Earley moved to approve the minutes of the September 30, 2016, Board meeting. Anthony Lee seconded the motion. Motion was approved 10-0-0.

**IV. Public Comment**

Megan Collins opened the meeting for public comment. There was no public comment at the meeting.

**V. Public Announcement: CEO Appointment**

Tom McCarron announced the appointment of Todd Summer as Aztec Shops new Chief Executive Officer and Associate Vice President of Business and Financial Affairs effective January 1, 2017. Tom thanked Donna Tusack for her 33 years of service and contributions to Aztec Shops, the University and the campus community. Donna will be retiring December 30, 2016.

## **VI. Management Discussion**

### **A. Conflict of Interest and Implementation of Merit Pool and Minimum Wage Increase**

Donna Tusack explained that in accordance with the Aztec Shops Conflict of Interest Policy, Board members are required to report any conflicts of interest for the calendar year ending December 31, 2016. If there are no incidents of conflict of interest to report to management, each member of the Board of Directors is to sign and return an acknowledgement by January 31, 2017. An annual report memorandum for the calendar year ending December 31, 2016, will be submitted to the Vice President of Business and Financial Affairs by January 31, 2017. The annual report will be discussed at the February 24, 2017, Board meeting.

Donna Tusack reported the implementation of a 2% merit increase for salaried employees and 3% merit pool increase for hourly employees, effective December 26, 2016. Aztec Shops will implement the San Diego City minimum wage increase from \$10.50 to \$11.50 effective on January 1, 2017.

### **B. Conference Services**

Todd Summer introduced Alyssa Longeuay, Aztec Shops new Business Development Account Executive for Conference Services. Alyssa explained this new business opportunity to provide all-inclusive conference services that include overnight accommodations, meeting rooms, technology, food and beverages and onsite staff for groups ranging from 10 to 4,000.

### **C. Financial Report**

Lisa Albers, Director of Financial Services/Controller, reported on the Statement of Financial Position (Balance Sheet) Period 4, as of October 31, 2016 and the Statement of Activities which reported year-to-date activity through Period 4, ending October 31, 2016. A detailed discussion took place and all questions were answered. Moving on to the management discussion, Lisa Albers reported that the overall corporate results are tracking ahead of budget. Corporate Administration is tracking 2.5% favorable to budget through Period 4 and there were no unusual items to report.

### **D. Campus Stores Update**

Todd Summer, Campus Stores Director, summarized the Campus Stores financial report through Period 4 (ending October 31, 2016). Todd reported that the digital course materials sales increase of 200%+ (\$456,000 vs. \$139,000) reduces physical inventory position and risk. It also reduces handling costs and increases cash. The Immediate Access program is expanding in the spring term to eight classes (vs. three in the fall term) and over 2,000 students (vs. 700 in the fall term). Sales of apparel and gifts at Qualcomm for the 2016 SDSU football season were \$154,000 (vs. \$123,000 in 2015).

### **E. Dining Services Update**

Paul Melchior, Dining Director, summarized the Dining financial report through Period 4 (ending October 31, 2016). Paul reported that sales remained strong through November. Margin was favorable due to The Garden rebranding and assertive purchasing from Amazon. Total expenses were up 1.6% due to payroll and repair and maintenance. Credits and revenue were favorable due to strong lease operation sales. The recent Aztec Rock Hunger food drive achieved record collections of 448,000 pounds of food vs. 400,000 pounds in 2015.

### **F. Business Development and Housing Update**

Donna Tusack reported a positive variance to budget due to a combination of higher-than-budgeted occupancy in market-based apartments and lower-than-budgeted expenses for unit turn cost during the summer. Both credits and revenues and expenses are up over last year due to budgeted increases and College Square being back on-line. Depreciation expense recorded year-to-date is \$964,314.

South Campus Plaza leasing is nearing 90% completion. Construction at Trader Joe's officially began this week. The store is scheduled to open in June 2017.

### **VII. Resolution for Certificate of Corporate Authority and Signatories for Banking and Investment Transactions**

Donna Tusack explained that banks require a new resolution to remove the retiring Chief Executive Officer on December 30, 2016, as a corporate authority and signatory and to replace her with Todd Summer, Aztec Shops new Chief Executive Officer.

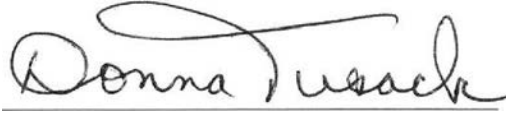
Tyler Morgan moved to approve the resolution to authorize any of the following named persons: Tom McCarron, Secretary/Treasurer, Todd Summer, Assistant Secretary-Treasurer (Chief Executive Officer), Lisa Albers, Director of Financial Services/Controller, and Donna Martens, Senior Accountant, as corporate authorities and signatories to establish accounts and execute banking and investment transactions on behalf of Aztec Shops. Jamie Miller seconded the motion. Motion was approved 10-0-0.

### **VIII. Request for Approval of an Additional 525,000 Board Allocation for the San Diego State University End of Campaign Celebration**

Donna Tusack asked for the approval of an additional \$25,000 board allocation to support the San Diego State University, "End of The Campaign Celebration". Anthony Lee moved to approve the additional \$25,000 board allocation to support the campaign celebration. Bill Earley seconded the motion. Motion was approved 10-0-0.

**IX. Adjournment**

Tyler Morgan moved to adjourn the meeting at 1:15 p.m. Anthony Lee seconded the motion. Motion was approved. 10-0-0

A handwritten signature in black ink that reads "Donna Tusack". The signature is written in a cursive style with a large, looping initial "D".

Donna Tusack  
Chief Executive Officer