

**AZTEC SHOPS, Ltd.**  
**Minutes of the Meeting of the**  
**Board of Directors**  
**April 25, 2014**

Members present: Bill Earley, Jordan Harrison, Matt Keipper, Mariah Kelly, Seth Mallios, Tom McCarron, Josh Morse, Kyle Murphy, Eric Rivera, Dr. Andrea Rollins, and Carl Winston

Members absent: Erika Tischofer

Others present: Donna Tusack, Paul Melchior, Lisa Albers, Martha Speck, R.D. Williams, Todd Summer, Gayle Fernandez and J. Cole (Associated Students president-elect)

**I. Call to Order**

Andrea Rollins, Chair, called the meeting to order at 12:16 p.m.

**II. Approval of the February 21, 2014, Board Meeting Minutes**

Andrea Rollins asked for approval of the minutes of the February 21, 2014, Board meeting. Kyle Murphy moved to approve the minutes of the February 21, 2014, Board meeting. Tom McCarron seconded the motion. Motion was approved 11-0-0.

Andrea announced and congratulated Todd Summer on his recent induction as the 86<sup>th</sup> President of the National Association of College Stores.

**III. Management Discussion**

**A. Farewell to Josh Morse**

Donna Tusack thanked Josh Morse, outgoing Associated Students President, for his service and contributions to the Board. Andrea Rollins introduced Jonathan, "J. Cole", the incoming Associated Students President, to the Board.

**B. Business**

Donna Tusack summarized the financial report through period 10 (ending April 6, 2014). Overall results are tracking ahead of an aggressive budget, corporate administration expenses are down by over \$100,000 and the net from operations is \$279,123 ahead of budget. The 2014-2015 budget process is well underway. A date for the Board of Directors Budget Workshop will be scheduled prior to the June 13, 2014, Board meeting.

**Administration / Human Resources**

Martha Speck reported Aztec Shops 96 graduating employees will receive a free cap and gown. Aztec Shops Annual Employee Appreciate Celebration, honoring employees and retirees will be held at Aztec Student Union on Friday, May 2, 2014.

### **C. Campus Stores**

Todd Summer summarized the Campus Stores financial report was stronger through period 10 (ending April 6, 2014) due to the NCAA tournament and Gradfest. The deficit from earlier in the year was more than halved. Todd summarized a course fee model for two potential classes. The earliest this model could be implemented, which would first need approval from college deans and the course fee advisory committee, would be Spring, 2015. A mobile application is being developed for shopaztecs.com that is scheduled to launch this fall.

### **D. Dining**

Paul Melchior announced that Chef Ed Glebus won a gold medal at the Pacific region's Culinary Challenge at the National Association of College and University Food Services (NACUFS) in April. This is the 2nd gold medal for an Aztec Shops Chef in four years.

Paul summarized the SDSU Dining Services financial report through period 10 (ending April 6, 2014). Dining experienced strong sales mostly due to the NCAA tournament, Concessions and Catering. Concessions and Catering sales drove favorable margin dollars. The Farmers Market sales are strong. The Aztec Market, Starbucks and The Habit in the Aztec Student Union have all surpassed their projected sales. Credits and revenues are strong due to favorable lease operations sales.

### **E. Business Development and Housing**

R.D. Williams summarized the financial report through period 10 (ending April 6, 2014). Real estate continues to perform at to slightly above budget. New interest costs result in unfavorable results to last year. Fraternity Row continues to improve. University Towers is closing out the construction project with great feedback from the residents. Oggie's Pizza Express is scheduled to open in the new Aztec Student Union after the end of the semester.

## **IV. Defined Benefit Pension Oversight Committee Meeting Minutes, April 15, 2014**

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 and Aztec Shops Retirement Savings Plan met with Kevin Palm, Kravitz & Associates, Martin Lomeli, Kravitz Investment Services, and Don Lord, HighMark Capital Management, on April 15, 2014. The committee reviewed plan investments, actuarial reports, the financial audits conducted by McGladrey & Pullen on the Hourly Defined Benefit Plan and AKT on the 403(b) Hourly Retirement Savings Plan and other issues relative to the pension plans for full-time, hourly employees. The minutes from this meeting were distributed to the Board. The committee approved and accepted the audits conducted by McGladrey & Pullen and AKT. There was one minor management finding from the McGladrey & Pullen audit and four management findings during the AKT audit of the Retirement Savings (403b) plan. Martha reported that the findings have been corrected.

The Committee discussed amending the existing plan and reviewing the lump-sum threshold to allow earlier distributions. The committee voted to amend the plan and increase the lump-sum threshold from \$5,000 to \$15,000. The Secretary/Treasurer, Tom McCarron, is authorized by the Board to sign the amendment documents when they are revised.

**V. Volt to hold Executive Session - Legal**

Josh Morse moved at 1:12 p.m. to hold a closed session to discuss a legal matter. Kyle Murphy seconded the motion. Motion carried 11-0-0.

**VI. Adjournment**

Tom McCarron moved to adjourn the meeting at 1:30 p.m. Josh Morse seconded the motion. Motion was approved. 11-0-0

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

Donna Tusack  
Chief Executive Officer