

MT. SAC AUXILIARY SERVICES CORPORATION
SECOND QUARTERLY MEETING OF THE BOARD OF DIRECTORS

Wednesday, January 11, 2023

Building 4, Conference Room 2460 – 2:00 p.m.

AGENDA

Auxiliary Services Board of Directors Members:

Morris Rodrigue, Chairperson

Tom Mauch

Rosa Royce

Jenny Leung

Phyu “Pearl” Pale

Suzanne Luetjen (Staff)

Eddie Correa (Guest)

Caitlin Rodriguez (Notes)

Yadira Santiago (Notes)

1. Call to Order.
2. Public comment.
3. Consideration of Approval of Minutes for September 1, 2022.
4. Appointment of Vice Chairperson – Tom Mauch and Associated Students Representative – Phyu “Pearl” Pale.
5. Consideration of Approval of Sodexo Contract Amendment.
6. Consideration of Approval of Amendment to Barnes & Noble Contract.
7. Auxiliary Statement of Revenues and Expenses (Unaudited) 2021-22 4th QTR.
8. Auxiliary Statement of Revenues and Expenses (Unaudited) 2022-23 1st QTR.
9. Discussion – Update on the Food Services Advisory Committee.
10. Reports:
 - Administrative Services
 - SacBookRac – Instruction Bookstore Committee
 - Sodexo
11. Adjourn

Board approved future meeting dates:

March 2, 2023

June 1, 2023

September 7, 2023

December 7, 2023

MT. SAC AUXILIARY SERVICES CORPORATION BOARD OF DIRECTORS MINUTES

Thursday, September 1, 2022

The first quarterly meeting of the Mt. SAC Auxiliary Services Corporation Board of Directors, was called to order at 2:04 p.m. on Thursday, September 1, 2022, by Morris Rodrigue, Chairperson. Those present were: Morris Rodrigue, Audrey Yamagata-Noji, Jenny Leung, and Rosa Royce. Guest: Eddie Correa. Staff: Suzanne Luetjen and Yadira Santiago.

2 – No public comment.

3 – Consideration of Approval of Minutes for June 2, 2022 – It was moved by Rosa Royce, seconded by Jenny Leung, to approve the minutes of June 2, 2022.

Ayes: Rodrigue, Yamagata-Noji, Royce, Leung

4 – Appointment of Associated Students Representative – No representative provided at the time. This item has been tabled until the next meeting.

5 – Consideration of Approval of Sodexo Contract Amendment – It was moved by Rosa Royce, seconded by Audrey Yamagata-Noji, to approve the Sodexo contract amendment.

Ayes: Rodrigue, Yamagata-Noji, Royce, Leung

6 – Personnel Transactions – It was moved by Jenny Leung, seconded by Rosa Royce, to approve the Personnel Transactions.

Ayes: Rodrigue, Yamagata-Noji, Royce, Leung

7 – Reports:

- Administrative Services – Morris Rodrigue
- SacBookRac – Suzanne Luetjen
- Sodexo – Eddie Correa

8 – Adjournment – The meeting adjourned at 2:35 p.m.

AMENDMENT TO MANAGEMENT AND OPERATIONS AGREEMENT

This Amendment Number Four to Management and Operations Agreement ("Amendment") is effective June 27, 2022 ("Effective Date") and is between Mt. San Antonio College Auxiliary Services Corporation ("Auxiliary") and Sodexo America, LLC, a Delaware limited liability Company ("Sodexo"). Sodexo and Auxiliary shall be known collectively as the "Parties".

WHEREAS, Auxiliary and Sodexo are parties to that certain Agreement dated July 1, 2021, as amended whereby Sodexo provides Auxiliary with food service facilities and operations for the benefit of students and employees of the Mt. San Antonio Community College District;

WHEREAS, the Parties now desire to further amend the Agreement;

NOW, THEREFORE, in consideration of the promises contained herein and for other good and valuable consideration, the Parties agree as follows:

1. For the period commencing June 27, 2022 and continuing through November 30, 2022, unless terminated by either party with thirty (30) days advance written notice, Auxiliary authorizes Sodexo to utilize Auxiliary's kitchen equipment to prepare meals for the Riverside County Office of Aging ("Meal Service"). Meals shall be prepared by Sodexo Monday – Friday, from 4 A.M to 7 A.M. In consideration of the foregoing, Sodexo shall pay Auxiliary a rent payment of Eight Hundred Dollars (\$800.00) per month for the period of June 27, 2022 through November 30, 2022. Commencing December 1, 2022 and continuing thereafter meals shall be prepared by Sodexo Monday – Friday, from 3 A.M to 8 A.M. In consideration of the foregoing, Sodexo shall pay Auxiliary a rent payment of Five Thousand Dollars (\$5,000.00) per month

2. All other terms and conditions of the Agreement shall remain in full force and effect throughout the Term.

IN WITNESS WHEREOF, the Parties hereto have entered into this Amendment as of the Effective Date.

**MT. SAN ANTONIO AUXILIARY
SERVICES CORPORATION**

SODEXO AMERICA, LLC

By: _____

By: _____

Name: Morris Rodrigue
Its: VP, Administrative Services

Name: Jason Adams
Its: Vice President, Operations

Mt. San Antonio College Auxiliary Services
Income Statement Report for the Fourth Quarter 2021-22
(As of 06/30/2022)

The “2021-22 Estimated” includes projected figures for the fiscal year. The Estimates do not include projections for the GASB Adjustments for Pension and OPEB and Bad Debt Expense, which are recorded at year-end. The report also includes year-to-date actuals as of June 30, 2022, compared to June 30, 2021. As of June 30, 2022, the loss increased by \$794,572 (\$-376,755 in 2020-21 to \$-1,171,327 in 2021-22). This decrease is due to:

- The net increase in Commissions of \$267,116 is attributed to the increase in commissions of Barnes & Noble, Sodexo, Pepsi, and Compass Vending.
- The increase in reimbursement of bookstore salaries of \$105,343 when comparing fiscal year 2021-22 and 2020-21. Fiscal year 2020-21 reimbursement includes \$47,157 for July 2020 and \$87,500 for January 2021-June 2021 as agreed in MOU. In fiscal year 2021-22, Barnes & Noble reimbursed Auxiliary \$20,000 per month for a total of \$240,000 per contract amendment dated December 2021.
- Investment Income decreased by \$64,879 mainly due to the fair market value adjustment of the County pooled funds as of June 30, 2022.
- The salaries and employee benefits of Bookstore staff decreased by \$106,848. This decrease is due to the retirement of one employee and a decrease in vacation accrual.
- There was an increase of \$38,580 for a one-time COVID-19 stipend for call back time pay.
- The Retirees Health Premiums decreased by \$288,793 because effective July 1, 2021 these expenditures are being reimbursed by the Auxiliary OPEB Trust.
- The Hospitality expenses increased by \$137,091 because activities in person resumed with the fall 2021 semester.
- The Pension and OPEB expense GASB adjustment increased by \$1,210,365. The OPEB expense increased because the value of the plan assets (trust) decreased as of June 30, 2022. The pension expense increased based on the actuarial valuation as of June 30, 2021. The Auxiliary’s CalPERS proportionate share was higher than the previous year.
- The increase in Bad Debt Expense is attributed to the uncollectible accounts receivable write off.

Mt. San Antonio College Auxiliary Services
Statement of Revenues and Expenses (Unaudited)

(YTD JUNE 30, 2022)

	2021-22 ESTIMATED	2021-22 ACTUALS as of 06/30/22	2020-21 ACTUALS as of 06/30/21
Revenues			
Commissions and Sponsorships:			
Barnes and Noble (July 2021-December 2021)	\$ 100,000	\$ 175,230	\$ 165,243
Barnes and Noble (January 2022-June 2022)	126,433	103,653	-
Sodexo	83,974	80,558	10,711
Pepsi Sponsorship	83,500	92,459	52,000
Compass Group-Canteen Vending	48,670	42,847	-
ATM	440	324	-
Salaries and Employer Benefits - Reimbursed by Barnes & Noble Amendment ratified March 2022, Effective 7/1/2021	240,000	240,000	134,657
Sodexo - Rent	-	3,200	-
B&N Scholarships	5,000	5,000	5,000
Other:			
Unfunded CalPERS Liability-Paid by the District	333,869	333,869	288,004
Miscellaneous Income (One-Time)	1,828	219	1,828
Fair Value Investment Income	-	(69,576)	(13,877)
Interest Income	12,184	10,972	20,152
Total Revenues	\$ 1,035,898	\$ 1,018,754	\$ 663,718
Expenses			
Operating Expenses:			
Salaries and Employer Benefits - Reimbursed by Barnes & Noble	\$ 475,111	\$ 463,039	\$ 569,887
One-Time Stipend COVID-19 Pandemic	38,578	38,580	-
CalPERS Arrears Contribution	-	1,784	-
Retirees Health Premiums	289,807	287,999	288,793
Retirees Health Premiums Reimbursement	(289,807)	(287,999)	-
Unfunded CalPERS Liability	357,768	357,768	311,061
Accounting Services (Includes Reimbursement of 1 FTE)	158,524	156,882	147,531
Hospitality			
Hospitality-President Institutional	75,000	56,950	-
Hospitality-President	75,000	41,519	21,239
Hospitality-Human Resources	13,000	13,658	333
Hospitality-Instruction	20,000	28,289	1,048
Hospitality-Student Services	13,000	8,307	1,319
Hospitality-Administrative Services	21,000	15,247	2,941
Facilities Lease (Paid to the College)	10,000	10,000	10,000
Office Supplies, ATM Fees, Bank Charges	7,270	4,712	5,917
Scholarships and Donations:			
Scholarships-Canteen Vending	9,000	3,531	-
Scholarships-Pepsi	21,500	21,500	22,500
Foundation Golf Tournament Fund-Pepsi	2,000	2,000	2,000
Barnes & Noble Textbook Scholarship	5,000	5,000	5,000
Miscellaneous			
Miscellaneous Expenses	2,000	1,574	2,498
Total Expenses	\$ 1,303,751	\$ 1,230,342	\$ 1,392,068
Income or Loss - Modified Accrual Basis	\$ (267,853)	\$ (211,588)	\$ (728,351)
GASB Transactions:			
GASB Adjustments for Pension and OPEB	\$ -	\$ 825,556	\$ (384,809)
Bad Debt Expense	-	100,699	(438)
Depreciation	33,484	33,484	33,651
	\$ 33,484	\$ 959,739	\$ (351,596)
Income or Loss Per Audit - Full Accrual Basis	\$ (301,338)	\$ (1,171,327)	\$ (376,755)

Mt. San Antonio College Auxiliary Services
Income Statement Report for the First Quarter 2022-23
(As of 09/30/2022)

The “2022-23 Estimated” includes projected figures for the fiscal year. The report also includes year-to-date actuals as of September 30, 2022, compared to September 30, 2021. As of September 30, 2022, income increased by \$47,035 (\$14,262 in 2021-22 to \$61,298 in 2022-23). This increase is due to:

- The net decrease in Pepsi sponsorship of \$62,500 is mainly due to a timing issue between quarters. The total sponsorship payment was received during the first quarter of fiscal year 2021-22.
- Fair Value Investment Income reflects an increase of \$69,576 when compared to the prior fiscal year due to the reversal of the fair market value adjustment of the County pooled funds as of June 30, 2022.
- The salaries and employee benefits of Bookstore staff decreased by \$40,208. The decrease in salaries and employee benefits is mainly due to a reduction of bookstore staff.
- The Hospitality expenses increased by \$19,106.
- There is a decrease in scholarships due to a timing issue between quarters. Pepsi scholarships were paid during the second quarter in FY 2022-23.

Mt. San Antonio College Auxiliary Services
Statement of Revenues and Expenses (Unaudited)
(YTD SEPTEMBER 30, 2022)

	2022-23 ESTIMATED	2022-23 ACTUALS as of 09/30/22	2021-22 ACTUALS as of 09/30/21
<u>Revenues</u>			
Commissions and Sponsorships:			
Barnes and Noble (July 2022-December 2022)	\$ 175,230	\$ 75,076	\$ 93,976
Barnes and Noble (January 2022-June 2023)	103,653	-	-
Sodexo	80,558	23,907	17,922
First Class Vending (<i>Prior year contract with Compass Group-Canteen Vending</i>)	82,919	17,070	4,867
Pepsi Sponsorship	68,282	21,000	83,500
ATM	-	-	110
Salaries and Employer Benefits - Reimbursed by Barnes & Noble Amendment ratified March 2022, Effective 7/1/2021	240,000	60,000	60,000
B&N Scholarships	5,000	-	-
Other:			
Unfunded CalPERS Liability-Paid by the District	380,909	95,227	83,467
Miscellaneous Income (One-Time)	300	-	111
Fair Value Investment Income	-	83,453	13,877
Interest Income	10,972	4,680	3,046
Total Revenues	\$ 1,147,822	\$ 380,413	\$ 360,876
<u>Expenses</u>			
Operating Expenses:			
Salaries and Employer Benefits - Reimbursed by Barnes & Noble	\$ 385,919	\$ 102,908	\$ 143,116
Retirees Health Premiums	276,820	69,766	72,240
Retirees Health Premiums Reimbursement	(276,820)	(69,766)	(72,240)
Unfunded CalPERS Liability	402,627	100,657	89,442
Accounting Services (Includes Reimbursement of 1 FTE)	163,109	43,237	38,849
Hospitality			
Hospitality-President Institutional	75,000	26,931	19,486
Hospitality-President	75,000	11,487	13,275
Hospitality-Human Resources	21,000	7,763	1,639
Hospitality-Instruction	20,000	4,558	3,831
Hospitality-Student Services	13,000	943	518
Hospitality-Administrative Services	21,000	7,061	889
Facilities Lease (Paid to the College)	10,000	2,500	2,500
Office Supplies, ATM Fees, Bank Charges	-	-	1,197
Scholarships and Donations:			
Scholarships-First Class Vending	10,000	-	-
Scholarships-Pepsi	21,500	-	21,500
Foundation Golf Tournament Fund-Pepsi	2,000	2,000	2,000
Barnes & Noble Textbook Scholarship	5,000	-	-
Miscellaneous			
Miscellaneous Expenses	1,000	700	1
Total Expenses	\$ 1,226,155	\$ 310,745	\$ 338,243
Income or Loss - Modified Accrual Basis	\$ (78,333)	\$ 69,669	\$ 22,633
GASB Transactions:			
Depreciation			
	33,484	8,371	8,371
	\$ 33,484	\$ 8,371	\$ 8,371
Income or Loss Per Audit - Full Accrual Basis	\$ (111,818)	\$ 61,298	\$ 14,262