

# SJSU | SPARTAN SHOPS

## Board of Directors Meeting Minutes of September 24, 2021 Via Zoom Conference (Due to COVID-19)

MEMBERS PRESENT: Bill Campsey  
Patrick Day  
Marco Echeandia  
Charlie Faas  
Anoop Kaur  
Tanvi Kothari  
Julie Stone

GUESTS : Ann Bui  
Paul Cingolani  
Raymond Luu  
Chris Shay

### I. CALL TO ORDER

Interim Board Chair Charlie Faas called meeting to order at 1:01PM

### II. PUBLIC COMMENTS

No Public Comments.

### III. APPROVAL OF AGENDA

**MOTION:** Bill Campsey moved to approve the Board of Directors meeting agenda for September 24, 2021 as presented. Patrick Day seconded the motion.

**VOTE:** Motion carried unanimously.

### IV. APPROVAL OF MINUTES

- a. Board Meeting Minutes of October 26, 2020
- b. Board Meeting Minutes of May 7, 2021

**MOTION:** Bill Campsey moved to approve the Board of Directors meeting minutes for October 26, 2020 and May 7, 2021 as presented. Marco Echeandia seconded the motion.

**VOTE:** Motion carried unanimously.

**V. INTERIM BOARD CHAIR'S REPORT – CHARLIE FAAS**

VP Faas provided an overview of Spartan Shops, Inc. for new student representatives, Anoop Kaur and Marco Echeandia. Spartan Shops, Inc. is an auxiliary responsible for mainly food service on campus and the bookstore, however the auxiliary is also responsible for 13 off campus apartments and various other activities that are more commercial in nature. It is a small informal Board. Bill Campsey has served on the Board for a while as has Dr. Tanvi Kothari, VP Faas for 6 years and VP Day for 3.

Food service operations are mostly Chartwells based.

Charlie introduced Chris Shay, who is new to the University as Senior Director of Real Estate. Chris serves as property manager for our off campus apartments.

**VI. OPERATIONAL REPORT**

Mr. Shay reported that he is spearheading new activity around campus. There is a new Pop-up Café, *The Shop by Chef Baca* located at MLK Library as well as EveryFriday a live music, great food event downtown through October.

Paul Cingolani reported that Chartwells has struggled for a few months with supply chain issues in the food industry including technology and software issues. Spartan Eats is part of Chartwells who is under the Compass Group which is the largest food service provider in the world. They benefit because they can leverage business to get what is needed. They currently meet weekly on both the local and national level. Mr. Cingolani also reported that they are having hiring and staffing issues. They have hired over 230 students in the past 6 weeks, basically going from 0-60 overnight. Everyone is brand new – cooks, chefs, catering executives... The goal is to employ 320 by the end of the fall semester (currently 40 shy of that number).

Currently, they have 2900 meal plans sold, which is good. During the past year the Dining Commons went through a refresh, adding a Starbucks in Village Market – a go to for students. Communication has been improved and working well with Raymond's team. Management is spending time reimagining business, moving towards cost effective needs to meet student needs, such as providing inexpensive box lunches.

There are exciting things to come. In November we will break ground on a state of the art Starbucks in the old used bookstore section of MLK Library looking out toward Tower Lawn. Spartan Eats is bringing back Foodie Fridays in the Dining Commons for faculty and staff for \$7.50. Chartwells is bringing Halal Shack to campus. Founded by Jamal Rasouly in NYC, it is now on 50 campuses across the US. From order to pay, one can have a meal in 45 seconds. It will replace Steak 'n Shake which had too long of a lag time in 10 minutes from order to

SPARTAN SHOPS BOARD OF DIRECTORS  
Meeting Minutes of September 24, 2021

Page 3 of 7

receive. In early December, Ginger Market will be getting a face lift. Chartwells is going to roll out a frictionless payment system, like the Amazon Go store. Sensors will learn all of the items. All you need to do is tap your phone, pick up your items and go. Your card will automatically be charged. Chartwells will be collecting data and do an in depth look into all businesses on campus.

Chef Baca has opened *The Shop by Chef Baca* at the MLK Library on the corner of Fourth and San Fernando. Mr. Cingolani stated their goal is to reach out to other local chefs to get more local cuisine. There is a Ghost Kitchen at a bar downtown. Spartan Eats would like to have a rotation in the Student Union of local chefs.

VP Faas stated good job. VP Day thanked Mr. Cingolani for great work and partnership. He added that it would be very important and rewarding for food services to sit down with the student groups and talk through more diverse options. Need to build a strong partnership with the students to create more awareness. We need to tackle multifaceted issues and move into those spaces.

VP Day also noticed a small breakfast sign – patience – people in training. Make the sign bigger. Let customers know that the employees helping them are student workers.

Charlie Faas stated that he attended the open house for the A.S. House that Spartan Eats catered and there were 2 nice young men serving. “It was nice to see students serving at the A.S. House”.

Paul Cingolani stated that owner Jamal from the Halal Shack will be coming to campus and will be sure everyone has a seat at the table. Love the idea of Afrocentric. Need to have more conversations about it. Excited students and employees equal pride.

Dr. Tanvi Kothari suggested reaching out to Mosaic Center and have a food tasting. It would be a great way to showcase and recruit. The Hospitality program requires students to do internships. Mr. Cingolani stated this is great feedback and agrees they could do a better job communicating with students. Chartwells currently has 4 interns from the Hospitality program, 2 in hospitality and 2 in marketing with Compass Groups. Dr. Kothari expressed that is fantastic and added perhaps they could start a project based internship as well – many instructors give their students projects.

SPARTAN SHOPS BOARD OF DIRECTORS  
Meeting Minutes of September 24, 2021

Page 4 of 7

Mr. Echeandia added that there are multiple departments in the Student Union. A good avenue for Chartwells would be to have some interactive cooking classes of ethnic food.

Mr. Campsey asked for clarification on the frictionless regarding payment. What card are you talking about? Not all have money on their Tower Card. Explain how this works – does technology collect information on what you purchase and if so how is it used? Paul Cingolani stated that all you need to do is download the Boost app on your phone. You can add whatever method of payment whether it be a meal plan, credit or debit card. Once open, there will be Boost ambassadors as well as management to help out and answer questions. As for the data collection it is only for internal use.

Raymond Luu reported that Spartan Shops, Inc. owns 13 real estate units and facilities is doing a great job maintaining and refurbishing the units. Our latest focus is to use the units as recruiting tools due to the fact that often faculty and staff cannot afford to move to the area. Transitional stage for them adjusting from economic downturn. Currently there are 2 units available, 566 and 568 on Eighth Street. If you know of anyone, please reach out. Former Property Manager Josh Lanoie has left SJSU and moved out of the area. Units 392 and 394 located on Fourth Street are currently being remodeled. The goal is to get all of the units on the market. Tanvi Kothari asked how the information is disseminated. Raymond answered that in the past word of mouth as well as VP Faas communicating via email and newsletter. Currently, the information is listed on the website under finance connect and the plan is to also connect with University Personnel for faculty housing. Dr. Kothari suggested to work with the faculty development office as well as list in hiring packets. Charlie Faas stated that he and Provost Vin Del Casino discuss this on a regular basis and VP Millora is asking the availability of units when doing recruitments. Faas also added that conversations continue to go well with government officials from the state on the Alquist Building to develop a 1000+ unit facility for tomorrow's faculty, staff and graduate students.

Raymond informed that Ryan Chiangi, General Manager at the bookstore has left and there will be an interim until a new GM can be hired. The bookstore has a new partnership with Fanatics to scale up merchandising.

**VII. COMMITTEE REPORTS**  
**a. Audit Committee**

Bill Campsey reported that the Audit Committee met on September 10, 2021 and reviewed the year-end financial reports and handed over to Ann Bui for a summary. Ms. Bui summarized that Spartan Shops, Inc. 20/21 Audited Financials total assets increased due to an increase in capital assets and OPEB.

SPARTAN SHOPS BOARD OF DIRECTORS  
Meeting Minutes of September 24, 2021

Page 5 of 7

Our total assets were \$18.9M and total liabilities were \$15.6M leaving a total net position of \$3.2M. We were able to get the \$700K PPP loan forgiven. Our total assets were up by \$2.6M due to an increase in capital assets.

VP Faas stated we have more current assets than current liabilities so we continue to be in a good place.

In 20/21, the University paid Spartan Shops, Inc. \$2.7M from monies received from the Federal CARES Act, for service to the University during the pandemic in order to keep services open. SSI ended the year with a net loss per P&L of (\$2.5M). Negative numbers are not a friend but the pandemic brought on tough times and we will continue to see lower numbers in the coming years as we recover. Currently there are only 50-60% of students back on campus. The bookstore revenues were down and the budget reflects that although we anticipate it to come back, we will continue to operate at a loss, but will use funds balance as necessary. Hopefully the year after next we are back to a steady state. RSM audits all auxiliaries on campus – Spartan Shops, Tower Foundation, Research Foundation and the Student Union.

Do we agree that all numbers look in order?

Anoop Kaur asked where SSI reports its reserves. Charlie stated that is the net position, ending with \$3.2M. It dropped from \$5.7M in 2020 to \$3.2M in 2021 because of losses last year, and the losses will continue next year. Ms. Kaur questioned what the \$15K is for Diversity and Inclusion. VP Faas stated that money goes to Kathy Wong Lau for the Office of Diversity and \$5K goes to the Office of Sustainability, and the SJSU Cares Office in Clark Hall receives some as well. We get about \$50K from Pepsi and the distribution of monies come in most contractual agreements. Anoop then asked if there were any GASB. She stated that the Student Union reports non-compliance, does this audit have the same limitations? Faas explained that would not apply with Spartan Shops, Inc., Tower Foundation or Research Foundation auxiliaries because they do not have groups so it would not impact this BOD.

Julie Stone asked what happens when SSI runs out of cash. VP Faas stated in order to turn the corner, we need to get people back on campus. All campuses are in the same situation and need to ride it out. Hopefully January 2022 will turn the corner. Santa Clara County is weathering it better than most counties with only a 1% positivity rate, not bad here but need to continue to be safe.

**MOTION: Bill Campsey moved to approve the Year-end Financials and FY21-22 Budget. Marco Echeandia seconded the motion.**

**VOTE: Motion carried unanimously**

**VIII. NEW BUSINESS**

- a. **Nominate Dr. Tanvi Kothari for another 3 year term on the Board.**

**MOTION:** Bill Campsey nominated Dr. Kothari to another term on the Board. Marco Echeandia seconded the motion.

**VOTE:** Motion carried unanimously.

**IX. OLD BUSINESS**

None

**X. GENERAL DISCUSSION**

Anoop Kaur introduced herself as Associated Students President, her first year on the Board and stated that she is open to meet and learn about the process and procedures. She asked how Chartwells obtains feedback. VP Faas stated Chartwells conducts 2 food service surveys each year and that there is a direct line with the VP Student Affairs concerning changes. He stated that a couple of years ago students voted for authentic Mexican food on campus so Chartwells traded out Taco Bell and sales plummeted. The next year they brought Taco Bell back because students spoke loudly. The surveys say health, local, sustainable, but bottom line is students want cheap options. Students spoke loudly for a burger option so Chartwells brought in Steak 'n Shake, a cook to order burger option, but it took too long to get food.

Raymond Luu and Paul Cingolani meet regularly. Connect with them and be the voice of Associated Students. Sit at the table and reach out to Ray and have a conversation. Ms. Kaur thanked VP Faas and stated she would reach out. Faas concluded that we want to make sure we have the right offerings and right price. Typical price point is \$6. We want healthy value options in that range.

**XI. ADJOURNMENT**

**MOTION:** Charlie Faas motioned to adjourn the Board meeting at 1:58PM. Patrick Day seconded the motion.

**VOTE:** Motion carried unanimously.

SPARTAN SHOPS BOARD OF DIRECTORS  
Meeting Minutes of September 24, 2021

Page 7 of 7

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**We hereby certify that the foregoing meeting minutes were duly presented and approved by the Board of Directors of Spartan Shops, Inc. at a regular meeting held on June 24, 2022 via Zoom at San Jose, California.**



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**Charlie Faas,  
Interim Board of Directors Chair  
Spartan Shops, Inc. Board of Directors**

**Date: June 24, 2022**