



**CAL POLY
Partners**

BOARD OF DIRECTORS MEETING #5

Friday, June 6, 2025, 12:00 p.m.
Vista Grande Dining Complex 3rd Floor

Via Zoom for the public (View Only)

<https://calpoly.zoom.us/j/84530107315>

Minutes

Fiscal Year 2024-25

Present: Allison Baird-James, Joe Cleary, Damon Fleming, Terrance Harris, Sean Hurley, Jeremy James, Geri LaChance, Al Liddicoat, Patrick Mullen, Cyrus Ramezani, Ashleigh Spragins, Dean Wendt, Toby Walpole, Cara Wright

Guest: President Armstrong

Staff: Joe Alves, Dan Banfield, Holly Clark, Molly Clark, Jill Connelly, Ellen Curtis, Jess Dozier, Russell Monteath, Matt Ryan, Erin Scherer, Olga Siebrass-Pauls, Cody VanDorn

CALL TO ORDER AND INTRODUCTIONS

Chair Allison Baird -James called the meeting to order at 12:14 p.m. and welcomed everyone in attendance.

PUBLIC COMMENT

No public comment written or in person.

APPROVAL OF MINUTES

A. Board Meeting Minutes - April 25, 2025

That the Board accepts the April 25, 2025, minutes as presented.

M/S (HURLEY/CLEARY)

None opposed.

CONSENT AGENDA

A. Recommendation from the Budget & Finance Advisory Committee to approve Cal Poly Partners FY 2025-26 Operating Budgets and Capital Outlay Proposals for all Business Service and Real Estate Service Programs and Commercial Service Programs with Revenues Under \$1M

That the board approves the Consent Agenda items A 1-4 as presented.

M/S (MULLEN/LACHANCE)

None opposed.

1. University Graphic Systems
2. Real Estate Services
 - Technology Park
 - Harvest Lofts
 - Cal Poly Mustang Business Park
 - Bella Montana
 - Grand Avenue Properties
 - 1144 Chorro Street

3. Cal Poly Print & Copy
4. Business Services

Chair, Allison Baird-James, commented on the overall budget for Cal Poly Partners which represents an over budget scenario. She would like to have a goal next meeting to try to mitigate the overage and bring the budget positive to best support the campus.

RECOGNITION OF OUTGOING BOARD MEMBERS

President Armstrong thanked Cal Poly Partners for contributions to campus and recognized outgoing members. He described the difficult political landscape currently facing universities, which has a significant impact on grants for students. Regardless, there is still a large demand for admission to Cal Poly and the university is able to grow, especially with the addition of Cal Maritime. President Armstrong is looking to campus for help determining the best route of growing including year-round operation decisions. This campus is in a much better position than other California State Universities. A third of CSUs are facing a 15% decline in enrollment. The Chancellor will be reducing revenue for universities without sufficient enrollment.

The President answered questions about continuing to grow with the current infrastructure. He reminded the board that with the acquisition of the Mustang Business Park, more space is available on campus to help with growth. Year-round operations will also allow for growth. Lastly the college-based fee and donors will help create the infrastructure.

Comments were made about concerns with the change from quarter to semester and year-round operations. It is part of the plan to determine what is feasible for the coming years with the newly announced 3% reduction of funds from the State.

CHAIR REPORT

Baird-James reported that there has been a revision in the projected 8% budget decrease originally announced and will change to a 3% budget decrease from the State. She feels that upcoming years will have additional larger decreases in budgets. The Cal Poly Partners' role in mitigating the impact was emphasized. The Governor and legislature will need to finalize the budget by the end of June 2025.

A. Proposed FY 2025-26 Cal Poly Partners Board of Directors Meeting Schedule

- *October 31, 2025*
- *February 6, 2026*
- *April 24, 2026*
- *June 5, 2026*

COMMITTEE REPORTS

A. Audit Committee Report

Matt Ryan presented that the Audit Committee met on May 8, 2025, with Glenn Burdette for the annual audit entrance conference to outline the upcoming audit plan. The inventory of operations begins next week.

B. Budget and Finance Advisory Committee Report

Dan Banfield, CFO, presented that the Budget and Finance Advisory Committee met on May 29, 2025. The FY 2025-26 operating budgets for all Business Service and Real Estate Service Programs and Commercial Service Programs with Revenues Under \$1M were presented to the committee for review. Banfield made a few comments about each budget including University Graphic Systems who receives an annual IRA grant from the State of California and generates revenue from print sales.

The Real Estate Division has seen a significant amount of growth and includes Harvest Lofts, Bella Montana, Mustang Business Park, Vista Meadow, 1144 Chorro, and Tech Park. Cal Poly Print and Copy has been displaced over the past few years with the renovation of the library but will be moving

back in the fall. The Business Services Division was formerly known as General Administration and was updated to align budgets with Cal Poly Partners' strategic divisions.

Banfield discussed a few assumptions in the overall budget. Fall of 2025 is expecting a residential population of 5,150 freshmen students and 4,700 voluntary meal plan participation. General price increases are included in revenues. Interest expense is growing each year in the real estate division with the addition of new properties.

Payroll assumptions include a zero percent GSI for the year, a two percent performance compensation pool, and slightly higher fringe benefit rates included in the budgets. Operating expenses are increasing related to Harvest Lofts, ITS costs, insurance, utilities, and depreciation.

The consolidated budget was reviewed, and he highlighted revenue and expense increases. Additionally, investment income represents fixed income from the investment portfolio which supplements the Business Services Division operations. The line item for university services is what is given back to the university on an annual basis. Other expense transfers largely represent IDC that is used to fund administration of sponsored programs.

BUSINESS

A. Appointment of Board Members and Election of Officers for FY 2025-26

That the board accept the nominations of the Officers for FY 2025-26

M/S (WENDT/CLEARY)

Non opposed.

Ashleigh Spragins has been appointed as a student member for another one-year term.

Trey Bernard has been appointed as a student member for a one-year term.

Terrance Harris has been appointed a member as the new Vice President of Student Affairs.

Jerusha Greenwood has been appointed as a faculty member for a three-year term replacing Sean Hurley.

Officers nominated by the President:

Allison Baird-James, as Chair

Al Liddicoat has been appointed as a member and nominated Vice Chair as the new Provost.

Damon Fleming will continue to serve on the board filling the President's designee and has been nominated to continue to serve as the Secretary / Treasurer.

B. Approval of Cal Poly Partners FY 2025-26 Operating Budgets and Capital Outlay Proposals for all Commercial Service Programs with Revenues over \$1M

That the board accepts the budgets as proposed.

M/S (WENDT/LACHANCE)

None opposed

1. CAFES Programs

Jeremy James, Interim Dean for CAFES, gave an overview of the college. It is the 5th largest agriculture, food and renewable resources college in the U.S., with nearly 4,200 students. Operations encompass more than 9,500 acres of working lands and 18 Agricultural Enterprises, covering a full spectrum of agriculture, food and environmental science disciplines. CAFES does not receive Federal funding and is supported by sales, donors and Cal Poly Partners.

Bartleson Ranch is a 448-acre working ranch located in Arroyo Grande. In fiscal year 2022–23, the College officially assumed operational responsibility of ranch operations. Ranch operations began generating profits in fiscal year 2024–25. Swanton Pacific Ranch (SPR) is a 3,200-acre property along the coast in northern Santa Cruz County and is a working ranch for students, faculty and staff.

Fiscal Year 2024-25 Accomplishments

The Oppenheimer Family Equine Center sold performance horses for a total of \$348,250. The Dairy produced 541,000 gallons of fluid milk. The beef program had a successful

livestock sale in June. Plant sciences completed its second commercial olive harvest and distributed Arbequina extra virgin olive oil. The annual poinsettia sale sold 7,000 plants. Food science and nutrition launched calpolymade.com website for online sales of student-made products. At Bartleson Ranch profits are increasing and leases have been renegotiated to increase revenues \$50,000 per year. As Swanton Pacific Ranch recovers it is serving visitors and collaborating with research projects. Ranch designs and permits are in process. The rebuilding process has a timeline for the approximate \$20M from the State to build an education center by 2029.

Goals for FY 2025-26

Reduce the dairy and swine herds to better manage costs. Consolidate feed operations for efficiency. Maximize efficiencies by reducing waste. Expanding the utilization of animals. The Dairy received some State funding to modernize the facility and reduce risks. Because of environmental compliance, manure management system and workflow must be addressed. The plant sciences are making improvements in efficiency with technology mostly around organic production. Food science production is updating facilities for safety concerns. At Bartleson Ranch the biggest goal is to update the water system. At Swanton Pacific Ranch they are working to enhance five miles of access routes and deliver high impact events.

Operating Budget Proposal for FY 2025-26

Overall commercial agriculture is estimated to produce over \$6,000 net to reserves. Bartleson Ranch did not produce any reserves, but next year it is expected to see \$333,331 net to reserves. The past few years, Swanton Pacific Ranch has had two endowment payouts. There is a balance between using reserves and endowments for the ranch. Next year approximately \$50,000 in reserves will be utilized. Overall commercial agriculture and Bartleson have healthy reserves. Swanton also has positive reserves. Currently CAFES has received Climate Smart funding from the governor's budget for upcoming improvements.

2. Cal Poly Arts

Molly Clark, Director of Cal Poly Arts (CPA) informed the board that CPA is a unit of the College of Liberal Arts that presents 30-40 public ticketed, diverse events per year. The five staff members' payrolls are funded by the State of California, but all the other income is from events and sponsors. CPA runs several programs including Poly Arts for Youth Arts Education Program and Passport to the Arts. In FY 2024-25 attendance at performances increase by 10% over last season and subscriptions have increased 15%. For the upcoming FY 2025-26 CPA will be celebrating the 40th Anniversary Season with high profile artists and inspire giving to the Encore Endowment Initiative.

Clark presented the budget with increased expenses from artists fees and production costs. Income will also increase from ticket sales, and an increased attendance. Marketing has decreased with the use of social media. CPA Reserves are based on board policy and have increased yearly.

The Board took a break at 1:45 and returned at 2:08 PM

3. Campus Dining

Jess Dozier, Director of Campus Dining presented the overview which includes the overall goal of contributing to student success. Campus Dining supports the university's health and wellbeing, provides fresh and delicious food options, employs over 1,000 associates, and operates over 45 food venues. Campus dining combats food insecurity by partnering with the Food Pantry. Campus Dining's partnership with Chartwells to oversee daily operations employs all foodservice employees but revenues and expenses are recorded on Cal Poly Partners' accounting records.

This past year Spanos Stadium opened the Cal Poly Partners Plaza expanding dining operations to allow for large events and sporting activities. Dining won several awards and Starship delivery robots were launched. The upcoming FY 2025-26 Campus Dining will open Julian's Café at Kennedy Library, open Sequel Tea in the Fall, and establish a grocery store at Poly Canyon Village.

The operating proposal includes the cost of goods sold at 35.3% and payroll expenses at 37%. Increases are seen in depreciation, royalties, and inflation in software and supplies. The net loss to reserves of \$1.7M includes \$6.2M in depreciation, amortization and interest. Cash flow is positive. The projected budget for 2025-26 is over \$50M. Increases in the budget in the past few years have been largely due to impacts on the cost of goods. Campus Dining financials will improve with time once depreciation and amortization catch up with expenses. The statement of reserves shows a healthy balance. There is a capital outlay request for the Sequel Tea remodel of \$200,000 and an additional \$260,000 for other various items.

4. Mustang Shop

Andrea Burns, Associate Executive Director of Commercial Services, gave an overview of the Mustang Shop and the collaboration with Follett who operates the on-campus store and the downtown store. Annual revenues are \$8.3M and \$1.3M. In FY 2024-25 a new Athletics team gear was launched as well as a new line of rodeo apparel. The Poly Access has increased by 40% providing savings to students of over \$3M. Goals for the upcoming FY 2025-26 include the design and building of 1144 Chorro where the downtown store will reside. A collaboration with CAFES to develop an online shop for Cal Poly Foods will be developed. Follett has invested \$50,000 in a kiosk at Cal Poly Partners Plaza at Spanos.

The projected budget for FY 2025-26 has an overall loss of \$70,000 due to lease payments for two stores while 1144 Chorro is being built and is expected to open in February of 2026. The following year Follett will pay the rent, and the budget is expected to be positive. A 1% sales growth is expected in the downtown store and 3.7% on campus. Reserves are positive and growing.

5. Conference and Event Planning

Erin Scherer, Director of Conference and Event Planning (CEP), presented that CEP served almost 17,000 customers this last year. CEP expanded the client base and enhanced partnerships with Athletics. Additional academic conferences were secured by partnering CAFES. A new memorandum of understanding between University Housing and CEP enabled a model of renting a building for summer events on campus. Goals for FY 2025-26 include bringing live events to Spanos Stadium, continuing expanding clientele, increasing the management of campus facilities and partnering with campus colleges to bring academic conferences to Cal Poly.

The CEP budget projection is \$1.8M in revenues. Expenses are increasing with the integration of Cal Maritime and summer custodial related to renting buildings. The expected net to reserves is \$136,000.

6. Sponsored Programs Administration

Darya Veach, Director of Sponsored Programs (SPO) is in the Office of Research within Student Affairs. SPO supports the teacher scholar model relating to research by managing externally sponsored projects and provides administration and auditing services for post-award research. Expenditures this year are expected to be \$42M as compared to last year at \$34M. In FY 2024-25 the team began implementation of two software systems, relocated their office on campus, and completed several audits with no findings. In FY 2025-26 SPO will continue with the implementation of the two software programs, monitor changes in the federal administration policy changes, and prepare for the quarter to semester conversion.

The budget anticipates an income of \$415,000 and total indirect costs recovered by \$6M. An increase in administrative cost recovery charges and insurance expense is expected. Reserves are healthy and expected to increase. There are no capital outlay requests. All proposed changes to IDC are in litigation. The current rate is 38.5%, and the effective rate is 21%.

STAFF PRESENTATIONS

○ CEO Report

Cody VanDorn thanked the outgoing board members for their service. He reviewed the company goals and additional off-script items including 1144 Chorro and Cal Maritime integration. The opening of 1901 Marketplace by Campus Dining of nine venues will help sustain growth on campus. The annual student employee appreciation was hosted in 1901 for hundreds of associates this year. Also, the opening and move to Mustang Business Park to free up space on campus for the upcoming growth happened this year. This year Cal Poly Partners' name change helped rebrand the company to better align with the mission and goals for campus. The Ecommerce application has not been developed as CP Partners takes time to determine what an online marketplace should include and how it should function.

Campus faculty and staff housing construction on Vista Meadows will quicken this summer. CP Partners is consistently working on internal and external engagement to handle remote work and multiple office locations of the team. Harvest Lofts are making housing available to faculty and staff as the campus grows and includes 120 housing units close to campus. The opening of Cal Poly Plaza at Spanos has provided a space to accommodate large sporting and live events. The Swanton Pacific Ranch is in the design phase and decisions on how the ranch should be used in the long term are being entertained. Construction is expected in the coming year. The implementation of the financial software, Workday, is still planned. Technology Park II is scheduled for occupancy this summer. Finally, the economic development strategy includes developing a plan for Diablo Canyon.

Upcoming goals for FY 2025-26

- Cal Maritime integration
- Successful implementation of Workday
- Fully lease Harvest Lofts units
- Complete Tech Park II
- Design and construct Swanton Pacific Ranch
- Economic Development strategy & projects
- Support campus growth
- Improve Ecommerce experience
- Fall first impression
- Complete construction on 10 Vista Meadows homes
- Students experience projects
- Elevate internal & external engagement

ANNOUNCEMENTS

*Next Board of Directors meeting: **Friday, October 31, 2025, at 8:30 a.m.***

ADJOURNMENT

The board adjourned at 3:44 PM