

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT BOOKSTORE AUXILIARY
50 PHELAN AVENUE • SAN FRANCISCO, CA 94112 • 415. 239.3690

AGENDA

BOARD OF DIRECTORS
OF
THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT BOOKSTORE AUXILIARY
OCEAN CAMPUS
MULTI-USE-BUILDING ROOM 140
SAN FRANCISCO
Thursday, September 29, 2011
Time: 2:30 pm

- I. Roll Call
- II. Approval of the Agenda
- III. Approval of March 27, 2011 Minutes
- IV. Bookstore Manager's Report (part 1)
- V. Consideration of Resolutions (see attached)
 1. RESOLUTION NUMBER 110929-BA1 – Authorizing Employee Pay Step increases for bookstore employees who are due a step increase.
 2. RESOLUTION NUMBER 110929-BA2--Adopting the Operating and Capital Outlay Budget for the Bookstore for July 1, 2011--June 30, 2012.
 3. RESOLUTION NUMBER 110929-BA3--Authorizing continued compliance with the San Francisco Minimum Wage Ordinance affecting temporary student employees of the Bookstore Auxiliary.
 4. RESOLUTION NUMBER 110929-BA4-- Authorizing the president of the Auxiliary Board to submit a two year extension to the Master Agreement between the San Francisco Community College District and the Auxiliary.
 5. RESOLUTION NUMBER 110929-BA5—Authorizing the General Manger to solicit information and proposals for management alternatives as the current financial model is not sustainable.
- VI. Other Board Members reports
- VII. Bookstore Manager's Report (part 2) Financial Outlook Presentation and Open Discussion of Bookstore Operations and Financial Status
- VIII. General Public comment
- IX. Adjourn

BOARD OF DIRECTORS
PETER GOLDSTEIN, PRESIDENT
JOHN BILMONT · DON NEWTON · VERONICA HUNNICUTT
MADELINE MUELLER · BOBBY ARENAS · KATIE GELARDI

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT BOOKSTORE AUXILIARY

50 PHELAN AVENUE • SAN FRANCISCO, CA 94112 • 415. 239.3000

MINUTES (draft)

BOARD OF DIRECTORS
OF
THE SAN FRANCISCO COMMUNITY COLLEGE DISTRICT BOOKSTORE AUXILIARY
OCEAN CAMPUS
MULTI-USE-BUILDING ROOM 140
SAN FRANCISCO
Thursday, March 24, 2011

- I. Meeting began at 4:10 PM with the following directors in attendance: Peter Goldstein, Katherine Gelardi, Jessica Walker, Don Newton, and Madeline Mueller. Scott Dickey attended as legal Counsel.
- II. Agenda was approved
- III. December 16, 2010 Minutes were approved
- IV. **Bookstore Manager's Report** is attached. Comments and questions during the report clarified the need to extend the financial projections out to FY 2015 and to try to set the next meeting at the student union so more student would be aware of the bookstore financial picture and also be able to participate in the board meeting. (see 2 pages attached)
- V. Consideration of Resolutions
 1. RESOLUTION NO. 110324-BA1-- Recognizing Peter Goldstein as ex-officio Board Member and President. Resolution passed 5-0
 2. RESOLUTION NO. 110324-BA2--Authorizing continued employer pick up for bookstore employee paid contributions to CalPERS. Resolution passed 5-0
- VI. Other Board Members reports NO REPORTS
- VII. General Public comment NONE
- VIII. Adjourned at 4:25 PM

BOARD OF DIRECTORS
PETER GOLDSTEIN, PRESIDENT
JOHN BILMONT · DON NEWTON · VERONICA HUNNICUTT · MADELINE MUELLER
JESSICA WALKER · KATHERINE GELARDI

Bookstore Mangers Report
March 24, 2011

- A. **Financial.** The bookstore continues to experience declining sales at all locations. Since the profit from sales is the primary funding mechanism for the bookstore this will present a serious problem in the near future.

- B. **Textbook Affordability.** I have chaired 2 task force meetings since the last board meeting. We are focusing on instituting an affordability consciousness among faculty. Surveys have indicated faculty members are anxious to make books more affordable and seek guidance to accomplish that. Academic departments are promoting affordability and I anxiously await results of the affordability question which was put on this year's program reviews. The bookstore is assisting departments when they ask us what the financial and practical issues are with any of the ideas they want to pilot.

For several years I have been making affordability presentations at state and national meetings of college auxiliaries and college business offices. I continue to do those because bookstores and faculty cannot do this alone. We need input from the people who run the financial side of the college. We have had that at CCSF but many administrators at other colleges need to be shown some of our best ideas.

- C. **The Bookstore Future.** College stores around the country are facing declining sales. We need to determine what things CCSF wants from its bookstore and work out methods to achieve those goals. The National Association of College stores has compiled some research on what products and services stores may need to offer in the next 5 years. What to do and how to do it are questions we need to face. Can we do it alone or is it time to ask for assistance? We need to find out.

Don Newton

Information Current as of MARCH 2011

Fiscal Year Ending June 30,	Revenue	Less: EXPENSES			transfers out to		Net Fund Increase (Decrease)	Fund Balance	
	Sales and Other Income	Cost of Goods	Personnel	Operating Costs	CCSF Student Services	Associated Students		Fund	Balance
					Opening fund Balance July 1, 2000			\$	1,766,502
2001	\$7,499,564	5,575,676	1,195,632	505,961	77,000	118,905	26,390	\$	1,740,112
2002	\$8,023,255	5,983,931	1,337,603	522,290	77,000	141,335	(38,904)	\$	1,701,407
2003	\$7,938,000	5,901,812	1,403,340	477,459	77,000	151,324	(72,936)	\$	1,628,471
2004	\$8,306,732	6,268,647	1,346,553	496,342	77,000	161,975	(43,786)	\$	1,584,685
2005	\$8,446,357	6,343,852	1,474,101	459,916	77,000	169,077	(77,589)	\$	1,507,096
2006	\$8,232,444	6,069,215	1,520,155	533,521	77,000	7,944	24,609	\$	1,531,705
2007	\$8,511,798	6,192,966	1,541,776	492,954	77,000	35,973	171,129	\$	1,702,834
2008	\$9,024,316	6,721,850	1,635,730	482,239	77,000	34,102	73,394	\$	1,776,229
2009	\$8,599,586	6,317,967	1,725,060	449,992	77,000	34,929	(5,362)	\$	1,770,867
2010	\$7,265,858	5,323,728	1,646,413	394,771	77,000	36,000	(212,054)	\$	1,558,814
<i>Budgeted and projected</i>									
2011	\$7,100,000	<i>5,200,000</i>	<i>1,675,000</i>	<i>440,000</i>	<i>77,000</i>	<i>8,000</i>	<i>(300,000)</i>	\$	<i>1,258,814</i>
2012	\$6,600,000	<i>4,850,000</i>	<i>1,642,000</i>	<i>420,000</i>	<i>77,000</i>	<i>8,000</i>	<i>(320,000)</i>	\$	<i>938,814</i>

For Budget Year 2011, these are the four Major Annual Operating Costs included in the column headed Operating Costs

Credit Card fees	\$130,000
Rent To PUC	\$80,000
Banking Fees	\$37,000
Insurance	\$27,000
	<hr/>
	\$274,000

Resolutions for the Bookstore Board on September 29, 2011

1. RESOLUTION NUMBER 110929-BA1 – Authorizing employee pay step increases for bookstore employees who are due a step increase based on the City College Classified and Administrative step schedules.

RESOLVED: The bookstore manager is authorized to increase employees' pay to the designated payroll step consistent with City College classified and management employee pay steps.

BY: D. Newton and P. Goldstein

2. RESOLUTION NO. 110929-BA2--Adopting the Operating and Capital Outlay Budget for the Bookstore for July 1, 2011--June 30, 2012.

Resolved, that the operating and capital outlay budgets presented by the Treasurer and the Bookstore Manager be adopted and accepted for July 1, 2011--June 30, 2012.

BY: J. Bilmont and D. Newton
Budget - 3 pages attached

3. RESOLUTION NUMBER 110929-BA3--Authorizing continued compliance with the San Francisco Minimum Wage Ordinance affecting temporary student employees of the Bookstore Auxiliary.

Whereas the San Francisco Office of Labor Standards Enforcement revises the minimum wage annually to be effective on January 1; and
Whereas the San Francisco Office of Labor Standards Enforcement usually does not set that rate until December; be it

Resolved, that the Bookstore Manager adjust pay rates of all bookstore employees earning less than the minimum wage as of January 1, 2012 to comply with the minimum wage in effect at that time. Further be it

Resolved, that the bookstore manager continue to make these adjustments annually whenever the San Francisco Office of Labor Standards Enforcement revises the minimum wage without the need for a board resolution.

BY: D. Newton and P. Goldstein

4. RESOLUTION NO. 110929-BA4—Authorizing the president of the Auxiliary Board to submit a two year extension to the Master Agreement between the San Francisco Community College District and the Auxiliary.

Resolved, that the president of the Board of Directors apply to the Board of Trustees of the San Francisco Community College District for a two (2) year extension of the Master Agreement. This extension, through December 31, 2013 is to be known as Amendment Six.

By: P. Goldstein and D Newton
Proposed Board of Trustees “S-“Resolution attached.

5. RESOLUTION NUMBER 110929-BA5—Authorizing the General Manger to solicit information and proposals for management alternatives as the current financial model is not sustainable.

Background:

City College Bookstore has served the students and faculty of City College since 1952, providing textbooks, supplies, emblematic merchandise and other services. Since 1994 the bookstore has contributed its earnings to the Associated Students and to other student services while maintaining its reserve fund at the same level, about \$1,500,000. In the past five years the textbook market has undergone a massive change which has resulted in lost sales at the City College Bookstore and at most community college bookstores in California as well as throughout the nation. In the past two years alone bookstore lost \$350,000 reducing its reserve by 20%. This trend is likely to continue or even accelerate.

Because the textbook market is so different today than it was a few years ago it may be that an independently operated college store is no longer viable for City College. There are at least two private bookstore management companies which are now operating college bookstores in several of California’s Community Colleges. In San Francisco and the Bay Area these two companies manage bookstores for several dozen community colleges, CSU’s, and UC’s as well as private colleges and universities.

Unlike easily definable products that can be bid or purchased based on pre-set standards a bookstore operator must fit the unique needs of each college it serves. The specifications, initially, need to be defined based on what potential operators suggest they can do, rather than solely on pre-defined standards, although there are some definable standards.

Current CCSF Bookstore management understands the needs of the College and of the CCSF Bookstore. Current management also understands some of the things that could be accomplished by the economies of scale that experienced college bookstore management companies can bring to CCSF. Most important, the bookstore management companies have tracked and developed the changes in delivering the tools needed for education. These are not only traditional textbooks but e-books, digital platforms, and any future means of delivering intellectual property that faculty require and students need.

As a result it is necessary that the CCSF Bookstore solicit proposals from companies who are currently managing college bookstores in California as well as companies managing college stores around the United States. These companies will be invited to visit the campus and meet with some faculty, some students, and the bookstore staff. We would disclose as much information about the current bookstore operation as they need to make a realistic management proposal. Any proposal would need to offer the college continued superior service and service enhancements to meet the current and future needs of City College. Any proposal would need to accommodate the current work force to the fullest extent possible.

The Bookstore Auxiliary Board will not be bound to accept these proposals. However, if a good fit is found the Auxiliary Board needs to be in a position to consider accepting such a proposal. Any agreement to be made on the basis of a proposal would need to go through a public process starting with the Bookstore Auxiliary Board of Directors and the College District Board of Trustees.

RESOLVED: The Bookstore General Manger is authorized to solicit information and proposals for management alternatives for the City College Bookstore.

RESOLUTION NO. 110929-BA2--

Operating and Capital Outlay Budget for the Bookstore for July 1, 2011--June 30, 2012.

San Francisco Community College Bookstore Auxiliary**Fiscal Year Budget for July 1, 2011 to June 30, 2012**

and Three Year Financial Report July 2008 to June, 2011

COMPARATIVE BALANCE SHEET STATEMENT

Balance sheet as of June 30,	6/30/09	6/30/10	6/30/11	Projected June 2012
Cash on Hand and Invested	1,421,144	866,089	691,146	544,131
Accounts Receivable	67,029	78,048	105,766	105,000
Inventory	1,074,734	1,323,592	1,421,725	1,300,000
Prepaid Expenses	21,137	9,638	16,281	5,000
Un-depreciated Fixtures and Equip.	35,936	23,093	15,833	40,000
ASSETS	2,619,981	2,300,459	2,250,750	1,994,131
Accounts Payable - Merchandise	(287,396)	(207,261)	(291,340)	(250,000)
Accounts Payable - Other	(55,712)	(16,631)	(25,280)	(25,000)
Reserve for Workers Compensation	(100,000)	(100,000)	(100,000)	(100,000)
Accrued Sick & Vacation leave	(406,005)	(417,753)	(416,507)	(436,507)
Other Current Liabilities + Reserves	-	0	0	0
LIABILITIES	(849,113)	(741,645)	(833,127)	(811,507)
Assets minus Liabilities equals "Fund Balance" or "Retained Earnings"				
RETAINED EARNINGS	1,770,867	1,558,814	1,417,624	1,182,624

	2008 - 2009	2009-2010	2010 - 2011	BUDGET 2011 - 2012
Net Sales	8,543,686	7,211,781	7,049,930	6,845,000
Other Revenue	55,900	54,077	48,890	55,000
Total Revenues	8,599,586	7,265,858	7,098,820	6,900,000
	73.95	73.82	72.91	73.05
Less: Cost of Sales	6,317,967	5,323,728	5,140,349	5,000,000
Gross Profit from Sales (Contribution to overhead)	2,281,620	1,942,130	1,958,471	1,900,000
Personnel Costs	(1,725,060)	(1,646,413)	(1,641,325)	(1,740,000)
Operating Expenses	(449,992)	(394,771)	(373,336)	(310,000)
Total Overhead Expenses	(2,175,052)	(2,041,184)	(2,014,660)	(2,050,000)
Income from Operations	106,568	(99,054)	(56,190)	(150,000)
Transfers Out:				
Associated Students	(34,929)	(36,000)	(8,000)	(8,000)
Student Services	(77,000)	(77,000)	(77,000)	(77,000)
Total Net Income (Loss)	(\$5,361)	(\$212,054)	(\$141,190)	(\$235,000)

CCSF Bookstore

	Account Name	2008 - 2009	2009-2010	2010 - 2011	BUDGET 2011 - 2012	note
2110	Full Time Wages	909,515	906,815	908,515	958,000	1
2330	Part -Time					
2370	Part - Time	448,588	385,150	365,667	355,000	
Sub Total	Wages	1,358,103	1,291,965	1,274,182	1,313,000	
3204	PERS - Retirement	75,654	78,039	83,101	105,000	1
3310	Unemployment	10,792	12,058	15,793	16,000	
3331	FICA	99,333	95,165	92,698	95,000	
3411	Health	112,735	115,110	130,319	140,000	
3461	Post - Retirement Health (estimate 2007-2010. Actual 2010-2011.)	19,894	20,314	22,911	25,500	
3425	Dental, VISION	18,033	18,115	19,240	21,000	
3440	Life Insurance	3,386	3,899	4,325	4,500	
3601	Worker's Comp.	0	0	0	0	
3912	Vested Vacation & Sick Pay	27,130	11,748	(1,246)	20,000	1
Sub Total	Taxes & Benefits	366,956	354,448	367,143	427,000	
Sub Total	Total Personnel	1,725,060	1,646,413	1,641,325	1,740,000	
5040	Depreciation	23,320	15,100	11,143	8,000	
5130	Dues & Memberships	5,078	6,347	7,548	7,000	
5190	Contract Services	25,410	1,250	1,160	2,500	
5210	Training & Buying Meetings	7,197	2,101	3,124	2,500	
5212	Local Mileage	1,457	1,363	1,718	1,800	
5350	Postage	1,007	988	848	1,000	
5410	Insurance	26,942	22,329	19,986	22,000	
5510	Water, Gas, Electric	13,265	12,840	12,991	14,000	
5530	Telephone	2,175	2,403	2,512	2,500	
5560	Housekeeping	14,900	15,255	15,408	15,000	
5610	Facility Rental	77,292	77,875	78,783	26,500	2
5631	Vehicle Operation	470		0	0	
5633	Other Leases	0	0	0	0	
5650	Maintenance	4,674	5,835	6,291	5,000	
5656	Software License Fees	16,460	16,279	16,436	17,000	
5658	Computer Maintenance	952	0	0	2,000	
5720	Legal & Audit Fees	400	3,383	969	1,500	
5802	Advertising	6,769	6,070	6,130	1,000	
5905	Bad Check	3,603	1,470	2,307	2,000	
5906	Credit Card Fees	133,797	121,200	103,352	100,000	
5907	Cash Short / (Over)	493	320	571	500	
4312	Selling Supplies	21,273	23,928	21,374	20,000	
4311	Office Supplies	11,412	12,067	13,250	12,000	
4313	Bags & Packing	15,086	6,995	12,277	10,000	
5910	Other Expenses	1,238	2,357	1,442	1,200	
5912	Fees for Banking	35,322	37,015	33,715	35,000	
Sub Total	Operating Expenses	449,992	394,771	373,336	310,000	
Total	Total Expenses	2,175,052	2,041,184	2,014,660	2,050,000	

Notes to Expenses, significant changes from proir year

1 FT Wages - Step increases are reinstated after a 2 year freeze

2 Facility Rental - land at 11 Phelan 4 months rental in 2011.

CCSF Bookstore

<p>Capital Outlays budget is a projection of those expenses which are investments in the bookstore. These items are usually fixtures, buildings and improvements, computers and other equipment. The cost is recovered from future earnings by depreciating the cash cost over the expected life of the item.</p> <p>Capital Outlays Budget</p> <p>Equipment Needed for Equipment, Of Fixturing for Chinatown Campus store</p>	<p>0 32,167</p>
Total reserve for capital outlays	32,167

REVENUES	Actual 2008 - 2009	Actual 2009-2010	Actual 2010-2011	Budget 2011 - 2012
SALES: Conlan Hall	6,889,808	5,734,801	5,599,277	5,450,000
Annex	519,304	511,626	566,242	550,000
2 Alemany	87,163	73,737	54,120	53,000
3 Downtown	327,334	263,304	234,300	225,000
4 John Adams	172,948	167,537	166,746	160,000
5 Mission	328,615	294,889	283,328	275,000
6 APP (PP Church)	6,292	5,227	5,288	4,000
7 APGianini	9,576	6,010	5,946	5,000
8 Evans	34,410	34,740	29,699	28,000
9 Chinatown	49,346	39,837	37,209	35,000
10 St Mary's	26,253	19,591	17,102	13,000
Castro Campus	91,103	60,481	50,674	47,000
Marina Middle School	1,534	0	0	0
Sales Branch Stores	1,134,574	965,353	884,411	845,000
TOTAL SALES	8,543,686	7,211,781	7,049,930	6,845,000
Interest Income	7,899	1,712	1,110	1,000
Other Income	48,001	52,365	47,780	54,000
Total revenues	8,599,586	7,265,858	7,098,820	6,900,000



City College of San Francisco

50 PHELAN AVENUE • SAN FRANCISCO, CA 94112 • (415) 239-3000

DATE: October 27, 2011 **S#**
TO: Board of Trustees
FROM: Dr. Don Griffin, Chancellor

Subject: SPECIAL

**Extension of Master Agreement between The District and
the San Francisco Community College District Bookstore
Auxiliary
(Resolution No.)**

BACKGROUND INFORMATION:

The San Francisco Community College District Bookstore Auxiliary was created by Board of Trustees resolution 950824-S8. A master agreement was created by resolution 950928-S9. The Master Agreement was extended through Dec. 31, 2010 by board resolution 990824-S3; and extended until December 31, 2011 by board resolution 101216-S1. The purpose of this resolution is to enact a two year extension through Dec 31, 2013.

Pursuant to resolution 101216-S1 the Board of Directors of the San Francisco Community College District Bookstore Auxiliary met on March 24, 2011 and passed resolution 110324-BA 1 changing the Auxiliary By-Laws in order to fill the position of Board President. The By-Laws now state that the Vice-Chancellor of Finance and Administration of the San Francisco Community College District will be the ex-officio President of the San Francisco Community College District Bookstore Auxiliary.

At its Board meeting on September 29, 2011 the Bookstore Auxiliary Board of Directors passed resolution 110929-BA3 requesting that the Master Agreement between The San Francisco Community College District and The San Francisco Community College District Bookstore Auxiliary be extended for a two (2) year period ending December 31, 2013.

SHARED GOVERNANCE REVIEW:

Yes _____; No **X**____; If yes, which committee: _____
(A negative response indicates that a review is not necessary.)

RECOMMENDATION:

RESOLVED: That the Board of Trustees authorizes an extension of the Master Lease and Amendments One through Five between the District and the San Francisco Community College District Bookstore Auxiliary for a period of two (2) years, through December 31, 2013 through an Amendment known as Amendment Five,

FURTHER BE IT RESOLVED: That the Chancellor, Vice Chancellor of Finance and Administration and/or their designee are hereby authorized to execute any and all documents on behalf of the District to effectuate this resolution.

Peter Goldstein, Originator