

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES

Annual Report 2010 - 2011

Welcome Note
CSM College Center
The Bookstores
Food Service
San Mateo Athletic Club
San Mateo Aquatic Center



College of San Mateo



WELCOME NOTE



It seems that each year I open this note by talking about what a challenging year we have had. This year is no different. Due to the State budget crisis, we continue to see lower enrollments which have a dramatic effect on our short term

financial stability. As you continue reading, you will notice that despite the challenges we face, the opportunities we have seized to enhance our services are numerous.

This year saw the opening of the exquisite and dynamic College Center Building at CSM housing numerous programs and services including the many auxiliary services that inhabit the first and second floors of the building. This year also marked the first full year of operations for the San Mateo Athletic Club which ended the year with just under 3,400 members and revenue just over \$2 million dollars. We have also added a coffee service at College of San Mateo known as PAWS for Coffee which opened in late spring and has become an instant hit with students and staff. We opened the first copy center at CSM in years and assumed the operation of the Skyline Copy Center adding this new business to the bookstore operations unit. Lastly, the District Bookstores, the flagship of the Auxiliary Services continues to lead the State in textbook rentals and other affordable means of providing access to educational materials for students.

As you read through these pages you will notice that despite our challenges, we continue to grow. Within every challenge there is hidden an opportunity waiting to be realized. The over 200 people working in Auxiliary Services are continually working to find new and innovative ways to serve our community. I think that you will agree with me that opportunities are everywhere!

*I want to offer special thanks to a stellar team of staff and students who helped put this publication together. Skyline Bookstore manager Kevin Chak, along with his team of talented student employees (**Amanda Bortoli, Gilbert Bui, Michael Alarcon, and Alexa Padilla**) created this publication from photo design to layout and had many of our students and staff provide the beautiful pictures herein. We are all very proud of our accomplishments this year and are happy to share them with you.*

Thank you for your support and patronage! We look forward to bringing you more innovations in addition to superior service in the year ahead!

Tom Bauer
bauert@smccd.edu
Vice Chancellor
Auxiliary Services &
Enterprise Operations

THE BOOKSTORES

CSM COLLEGE CENTER



Photo courtesy of Laura Brugioni

After just over two years operating the Bookstore out of Building 34, the new Bulldog Bookstore opened in the brand new state-of-the-art College Center (Building 10) at College of San Mateo. This exquisite new four story signature building is located at the heart of the CSM campus. Among the many occupants of the building are the **Bulldog Bookstore, PAWS for Coffee, The Market, Campus Copy & Post** (all Bookstore run operations), the **Terrace Grill, the Bayview Dining Room, Student Services, Business Services**, administration, faculty and the **Digital Media program**.

The building opened on April 8, to the delight of the entire campus. The brand new Bookstore is a well-designed, comfortable place for students and staff to come to peruse the newest collegiate retail items, pick up a latte, an afternoon snack at the market. . .and of course, all of their supplies and academic needs. The feedback from all visitors has been wonderful and sales have already increased due to the addition of the coffee and convenience enterprises under the Bookstore umbrella.

The completion of this building marks the end of construction that has impacted the Bookstores since 2005 when the Skyline Bookstore began the design and programming of their new location in Building 6, opened in 2007, and the renovation of the Cañada Bookstore in Building 2 in 2008. This academic year will be the first in a number of years in which the Bookstores will all operate without swing moves and temporary spaces. The entire management, classified and student staff are extremely grateful to the District for the support of our mission to serve students and staff in the best equipped, beautifully designed Bookstores in the Bay 10.

On the cover: SMCCD students (L-R) Michael Corzonkoff, Emma Briones, Heinrich Relosimon, Christopher Holmes, Alexa Padilla, Eric Claybon, and Caitlin Bortoli. *Photo & cover design courtesy of SMCCD Bookstores student employee - Amanda Bortoli.*

STAFFING CHANGES

We are very fortunate to have our management and classified staff in all three Bookstores. This year, two more former CSM students have risen through the ranks at the Bookstores. James Peacock, a graduate of CSM, was named the manager of the College of San Mateo Bookstore after working as a student employee, a short term employee and Textbook Manager. James served as Interim Manager for 18 months after the retirement of Judy Worster. We are thrilled to have James leading the team at the CSM Bookstore.

We have also welcomed another CSM alumnus home. Ben Cathie worked as a student employee at CSM and through the completion of his Bachelor's degree, after which he left to work in an elementary school. However, when the position of Shipping and Receiving Operations Assistant opened up at the CSM Bookstore, Ben enthusiastically applied and was hired as the new Operations Assistant. Ben has learned the operating system quickly and has used his organizational skills to improve our processes in the Bookstore. Ben possesses an enormous amount of patience and is a mentor to many. His patience and understanding are main reasons why his customer service is among the best there is on the Bookstore team.

Faamanu Alala was a student employee with us while attending Cañada College. Faamanu worked as a cashier and was especially instrumental in helping to initially open the Pony Espresso coffee shop run by the Cañada Bookstore.

Faamanu learned so much about it that when the position of Operations Assistant at Cañada Bookstore opened, she immediately applied. Faamanu is the latest addition to the Cañada team and is a great asset to the store. In addition to overseeing the operations of the very successful Pony Espresso, she has become very involved working in the Supplies Department and has created very innovative, cost saving kits for students that include textbooks or required supplies along with other items to assist them with their studies.

At this point, all but only one of the classified and management staff in the Bookstores started as student employees. We are very proud of our record of employing students and training them to eventually lead the stores now and in the future.

Shortly after the spring semester, long time staff member at CSM Jo Pisa made the decision to retire from the District. Jo worked at CSM for more than 20 years and spent almost all of those years working at the front end. Jo was always the first smiling face that new and returning students saw when they entered the Bookstore. Jo was instrumental in mentoring many student employees and other students in her time at the Bookstore and really became a second mother to many. Jo will be missed by all at CSM but especially by her co-workers. We wish her the best in her future endeavors.



Photo courtesy of SMCCD Bookstores student employee - Amanda Bortoli.

STUDENT EMPLOYEES

The District Bookstores are fortunate to have the talents of many students working in the Bookstores at all three Colleges. Student employees provide essential perspective on the needs of students to the Bookstore management team and classified staff, provide essential services to the Bookstore and are able to learn how to work in a fast paced retail environment with a focus on exceptional customer service. Many of our student employees are so successful that the majority of the classified and professional supervisory staff working in the Bookstores today actually started as student employees.

Outstanding “senior” students in each Bookstore provide exceptional service and serve as mentors and role models for newer student employees. From CSM, **Lu Zheng, Sandy Bualop, Patrick O’Leary**; from Skyline, **Caitlin Bortoli, Amanda Bortoli, Jennifer Wong, Dana Christensen, Kayla Gallagher, Maritza Monreal**; and from Cañada, **Charles Cianos, Reshma Prasad, Alvin Lai, Felipe Gonzalez and Lokesh Sehgal**. Congratulations to each of these students on a job well done!



Photos courtesy of Amanda Bortoli and Kevin Chak.

COURSE MATERIALS SALES

The sale of new and used textbooks, coursepacks, digital books and rental books are the core mission of the District Bookstores and account for roughly 85% of the total sales in the District Bookstores. The Bookstore managers, Jai Kumar from Cañada College, Kevin Chak from Skyline College and James Peacock from College of San Mateo, work very closely with our faculty and academic support staff as well as publishing company representatives to ensure that the Bookstores meet their goal in providing the right book at the best price at the exact time the student needs it. In addition to this, the Bookstore managers are charged with obtaining as many used textbooks as possible as well as identifying titles to add to our textbook rental program. The Bookstore managers also work closely with the academic department support staff, faculty and deans to coordinate constructive dialogue with publisher representatives to offer customized textbook packages and incentives that will result in lower prices for students as well as a more useful, tailored product for the students' learning experience.

There are four major used textbook wholesale companies in the United States today. Every college and university in the country sends its textbook list to these wholesalers with the hope of obtaining as many used textbooks as possible. The key to success is getting the booklist from the faculty as early as possible to work with the companies for the longest period possible. Equally important and doubly beneficial to the student is our ability to buy back books at the end of each semester. When textbook orders are processed by the Bookstore on time and the textbook is being readopted in the same edition for the coming semester, the Bookstore can give the student a 50% cash return on his or her investment and further supplement the stock of used textbooks for future students. Used textbooks represent the best overall savings to our students. Priced 25% less than new textbooks, used textbooks are obtained through a rigorous procurement process by each store manager.



<http://www.textbookaid.org>

This year, textbook sales dropped, with an 8% overall reduction in new textbook sales and a 26% drop in used textbook sales. Course pack sales increased by a modest 4%. A bright spot continues to be our textbook rentals which increased by 27% this year. The decline in textbook sales can be explained in large part by the reduced enrollment. The increase in rental textbooks also affects the sale of textbooks. The more textbook titles we have to rent, the fewer books students will buy. Because the textbook rental titles are books that are used semester after semester, the impact of this type of increase is most significant on used book sales. There also continue to be increases in the number of custom packages adopted. Custom packages are designed for a specific course by a professor and a publisher working in coordination with the Bookstore management team. Custom textbooks often have a pricing advantage for students and allow a professor to customize the material specifically for his or her class, leaving out other material that may not be germane to the class. These packages cannot be obtained used and do impact the sale of used books as well. Skyline has introduced a number of newly designed packages this academic year. Lastly, the numerous on-line competitors which have cropped up this year, doing everything from selling books to renting books, have been an additional challenge for brick and mortar college bookstores across the country. Despite all of our challenges, the unit sales of textbooks decreased only 7% over last year. This is actually quite exceptional and displays the commitment of our student customers as well as our faculty and staff to support the campus Bookstores.

TEXTBOOK RENTAL PROGRAM

The textbook rental program continues to flourish and serves as a model for college bookstores around the country. Thanks to the joint efforts of Vice Chancellor Tom Bauer, the District Foundation team (in partnership with our District Bookstore and auxiliary vendors) and the very innovative work on the part of Cañada Bookstore manager Jai Kumar in collaboration with campus partners, more than \$100,000 was raised and allocated to fund the purchase of additional textbooks for the rental program now active at all three of the Colleges. In addition, the Bookstores added \$80,000 worth of books to the program using its reserve dollars. Cañada College continues to lead in its efforts to raise funds for the program as well making Cañada Bookstore the leader in textbook rentals in the District and possibly the State. The District Bookstores now boast more than 1,200 titles in the textbook rental programs at the three Colleges, spanning most disciplines. These efforts account for the increase in textbook rentals this year. Late in the academic year, Skyline College President Regina Stanback Stroud committed \$100,000 and CSM President Mike Claire committed \$10,000 to the textbook rental programs for their campuses. These generous commitments will undoubtedly make a major impact on the 2011-12 academic year, with many more volumes and hundreds of titles added to the textbook rental program.

Textbook rentals increased 27% this year over last year. In fiscal year 2009-10, the Bookstores rented textbooks valued at \$815,000 for \$203,000, saving students a total of \$612,000. In 2010-11, students rented textbooks valued at \$1.1 million dollars for \$277,462, saving students \$832,000. The program has saved students more than \$2.8 million since 2005 with recent inventory additions increasing that number exponentially. We expect the cumulative savings to top \$4 million dollars by the Fall 2012 semester with our rental library, which started out with 35 titles in 2005, now exceeding 1,200 titles spanning almost all disciplines and growing at a rapid pace thanks to the support of the Colleges and generous donors. Special acknowledgement and continuing congratulations go to Jai Kumar, manager of the Cañada College Bookstore and the store staff Brian Horwitz and Laura Brugioni, along with a dynamic team of student assistants.

The Cañada Bookstore leads the District in all matters concerning textbook rentals and was the founding store of the program. Jai and his team receive unparalleled support from the College administration, along with faculty and staff, to make this program a shining success and enabling it to be duplicated at both CSM and Skyline.

2010-11 Course Materials Sales Comparison SMCCCD Bookstores

CSM	Description	2009-10	2010-11	\$ Difference	% Difference
	New	\$1,734,330	\$1,408,765	\$(325,565)	-23%
	Used	879,696	633,996	(245,700)	-39%
	CoursePacks	63,769	87,854	24,085	27%
	Total	2,677,795	2,130,615	(547,180)	-26%
	Rental	17,988	24,519	6,531	27%
	NTE (Unit Sales)	\$2,979,210	\$2,352,169	\$(627,041)	-27%
SKYLINE	New	\$1,643,364	\$1,605,889	\$(37,475)	-2%
	Used	627,693	558,476	(69,217)	-12%
	CoursePacks	87,322	72,237	(15,085)	-21%
	Total	2,358,379	2,236,602	(121,777)	-5%
	Rental	42,703	85,144	42,441	50%
	NTE (Unit Sales)	\$2,651,100	\$2,691,100	\$40,000	1%
CANADA	New	\$886,252	\$950,152	\$63,900	7%
	Used	370,403	295,843	(74,560)	-25%
	CoursePacks	49,783	49,877	93	0%
	Total	1,306,439	1,295,872	(10,567)	-1%
	Rental	143,079	167,799	24,720	15%
	NTE (Unit Sales)	\$1,952,438	\$2,015,805	\$63,367	3%
TOTAL District	New	\$4,263,946	\$3,964,806	\$(299,140)	-8%
	Used	1,877,792	1,488,315	(389,477)	-26%
	CoursePacks	200,875	209,968	9,093	4%
	Total	6,342,613	5,663,089	(679,524)	-12%
	Rental	203,770	277,462	73,692	27%
	NTE (Unit Sales)	\$7,582,748	\$7,059,074	\$(523,675)	-7%

***New Text Equivalent (NTE) updated to include both used books and rental books for the purpose of unit sales evaluation. NTE represents the value of all price to accurately measure unit sales.

COMPUTER SALES

The District Bookstores' partnership with Apple Computer ended somewhat dramatically in April 2010 with a demand from Apple that the District provide dedicated, pre-determined square feet of retail space in each store, a salaried, certified Apple repair technician to perform Apple repairs on site, and a demand that we stock a level of inventory that exceeds our standard for inventory on hand. It is very unfortunate as these requirements all but ended Apple's relationship with most community college bookstores across the country as few could meet these requirements. Only the largest campus stores will be able to sell Apple products. This is not the first time in Apple's history that they have shifted their focus away from higher education. Apple will return to the market at some point in the future. That said, the lion's share of the decrease in sales for this fiscal year is attributed to the decline in computer product sales.

Computer product sales decreased by \$224,000 this year over last year. As there is little to no gross margin on

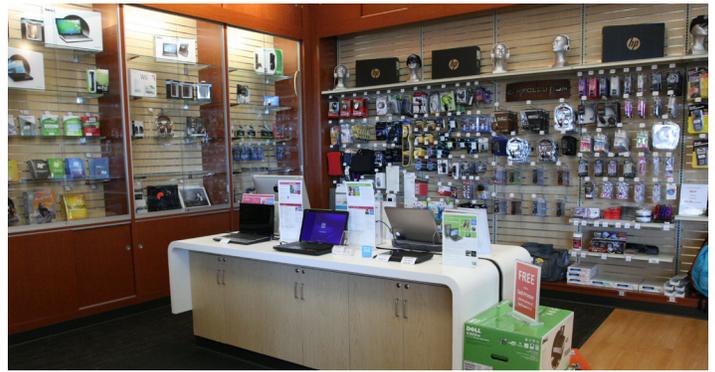


Photo courtesy of Kevin Chak.

computer sales, we experienced a commensurate decrease in our cost of sales. So, while disappointing, there was little impact to our bottom line from the loss of these sales. The unfortunate reality is that we will not be able to offer this valuable service to our campus community. The District Bookstore team has expanded our offering of Dell computer products in stores this year and has recently started to offer Hewlett Packard products. We will continue to offer products and services that offer the best value for our customers.



Photos courtesy of Amanda Bortoli.

BOOKSTORE CONTRIBUTION

It is important to note that the Bookstores are self-sustaining and cover all of their expenses. There is no General Fund support for the Bookstores or any other District enterprise operation. In addition, the Bookstores return money to the District for additional support and for the support of students each year.

The Bookstores are proud of this support and plan to

- \$122,000 in salary and benefit support to the District, which offsets Fund 1 expenses
- \$67,700 in support to the Peninsula Library System
- \$6,000 per year in student textbook scholarships
- \$14,000 per year in product donations to campus causes
- \$83,000 in product to support the textbook rental program

continue supporting the goals and objectives of the District. These contributions would not be possible if not for the continued efforts of the Bookstore team: from CSM, James Peacock, Jo Pisa, Mary Leonard, Jackie Collado, Munendra Sharma and Ben Cathie; from Skyline, Kevin Chak, Marta Cuellar, Matt Hernandez and Tan Tam Wai; from Cañada, Jai Kumar, Brian Horwitz, Laura Brugioni and Faamanu Alala.



Photos courtesy of Amanda Bortoli.

FINANCIAL PERFORMANCE AND INFORMATION

The Bookstore Fund budget for 2011-12 totals \$7,422,700 as indicated on Page 82. The net beginning balance for the Bookstore Fund is \$6,873,577. The budget includes provisions for increased annual cash flow requirements, inventory and full maintenance needs of the store facilities.

The following data reflects Bookstore operations for the fiscal year beginning July 1, 2010 through June 30, 2011. It includes Fall 2010, Spring 2011 and Summer 2011 semesters.

Regular merchandise sales have decreased substantially this year compared to last year. The decrease in textbook sales is a result of our decline in enrollment due to the State financial crisis. A very healthy \$91,000 increase in the sale of high margin food and convenience items, as well as increase of \$40,000 in the sale of school and office supplies, gifts and sundries, helped offset the decrease in textbook and computer product sales.

Computer sales, as stated previously, have declined sharply this year due to the now defunct partnership with Apple and a decrease in institutional sales to the Colleges which are cyclical in nature due to lifecycle replacement. It is important to note that since the relationship with Apple is now ended for the

Bookstores, the District will purchase computers directly from Apple via General Services in the future. These sales will not return to the Bookstores.

There was a notable decrease in cost of goods sold commensurate with the decrease in computer product sales but also the strict management of our inventory. The Bookstore reported a shrinkage (loss) of 4 tenths of 1 percent this year. The industry standard is 2%. This is attributed to the introduction

Bookstore Sales	2009-10	2010-11	\$ Change	% Change
Regular Merchandise Sales	\$ 7,445,858	\$ 6,909,140	\$ (536,718)	-7.21%
Computer Products Sales	427,188	202,988	(224,201)	-52.48%
Total Merchandise Sales	\$ 7,873,046	\$ 7,112,128	\$ (760,919)	-9.66%

of an additional physical inventory performed in October of each year going forward. We experimented with the October inventory this year. What we discovered is that by running two physical inventories each year, it was much easier to research and identify discrepancies. After the success we achieved this year, this will be standard practice for the Bookstores each year. Total Operating Expenses increased slightly this year due to a number of factors, including increased software and hardware maintenance fees as well as wage and benefit increases. Despite the loss of the other income derived from the commission on

Continued on page 8

Bookstore Recap	2009-10	2010-11	\$ Change	% Change
Total Merchandise Sales	\$ 7,873,046	\$ 7,112,128	\$ (760,919)	-9.66%
Cost of Goods Sold	5,543,684	4,668,077	(875,606)	-15.79%
Gross Profit	2,329,363	2,444,050	114,803	4.92%
Total Operating Expenses	2,352,108	2,431,960	79,852	3.39%
Net Income from Operations	(22,746)	12,090	34,836	153.15%
Interest and Other Income	432,995	456,670	23,675	5.47%
Net Income Before Other Expenses	410,249	468,760	58,511	14.26%
Other Income: In-Kind Donation, POS System	0	0	0	100.00%
Other Expense: Salary/Benefits, POS Contribution, Donations	204,250	272,920	68,670	33.62%
Net change in Fund Balance	\$ 205,999	\$ 195,840	\$ (10,159)	-4.93%

Apple sales, we realized an increase in interest and other income. This is due in large part to the increase in textbook rentals this year. We actually saw reductions in all other categories of other income and interest income.

The most impressive result highlighted below is that despite a \$760,000 loss in sales this year, we managed to return a net surplus of \$195,000 to our reserve. This is only \$10,000 less than we returned last year. This result could not have been accomplished without the hard work of every Bookstore employee. It is truly noteworthy in such a difficult financial climate for the State and our District. Despite the challenges that face us from competitors all around and from the enrollment issues, we remain confident that we will continue to meet our financial goals and provide exceptional service to the Colleges and the District.

While the Bookstores ended 2010-11 in the black after all expenses, it was a very challenging year financially as articulated here. As stated, District Auxiliary and Commercial Operations are dependent on a strong, stable enrollment for continued success. In addition to using our new facilities to their maximum potential, we will continue our commitment to focus on all efforts to improve service, offer more used textbooks, continue to grow the rental program, further integrate digital textbooks at all three Colleges, increase the amount of custom and institutionally adopted textbooks Districtwide and further maximize the interest and other income potential of all the campus Bookstores. In so doing, we will remain well positioned for future growth as we serve the students of the San Mateo County Community College District.



Photos courtesy of Amanda Bortoli and Kevin Chak.

COMING IN 2011-12

The Bookstore team is very excited about incorporating the reprographic operation at Skyline College into the District Bookstore organization, along with the new Campus Copy and Post located at CSM in College Center, beginning July 1, 2011. The synergy between the copy center and the Bookstore will result in improved service in the copy centers as they will now be operating as retail enterprises. Student employees will be able to learn new skills and have additional opportunities to work and the copy centers will benefit from a larger support organization of the Bookstore team. We will be adding services to both copy centers including FedEx and mail services, as well as UPS shipping at reduced rates using the bookstore shipping contract.

We are equally excited about the incorporation of the two coffee concessions that will be part of the Bookstore operation to join Pony Espresso which has operated at Cañada

College for three years. CSM has already opened PAWS for Coffee in College Center this April. Serving Starbucks products, sales have been very strong as speed and friendly service are the best things we serve; the coffee is pretty good, too! In January 2012, we will open the new coffee concession at Skyline College which will reside in the Pacific Café servery in the Student Services Building (Building 6). We expect construction to be complete by December 2011 and look forward to opening on the first day of classes in January 2012.

The coffee enterprises add a valuable flavor to the Bookstores. Coffee and books have always gone together! In addition, it has allowed for the Bookstore to supplement weakening textbook sales with a dynamic and profitable sales category that improves our bottom line considerably. Not only do these concessions help add skill sets to our classified team, but they also allow us to offer more jobs for students.

FOOD SERVICE

The Cafeteria Fund budget for 2011-12 totals \$169,300. The net beginning balance in the Cafeteria Fund is \$334,603. Beverage, Snack and Food Service Vendors:

- The District's beverage vending service partner is Pepsi Bottling Group. (The contract was awarded effective July 1, 2007 ending on June 30, 2012.)
- The District's snack vending partner is Action Vending. (The contract was awarded on January 1, 2007 ending on December 31, 2011.)
- The District has a contract with KJ's Café to operate the coffee concession stands at both Skyline College operating as El Capitan Espresso and College of San Mateo operating as Drip Coffee. (The contract was awarded on August 16, 2006 and expired on August 16, 2011.)
- The District's food service partner is Pacific Dining Services. (The contract was awarded on July 1, 2007 ending on June 30, 2010 with an option for two one year renewals thereafter. The District has renewed the contract for the 2011-12 year as per the option to renew in the contract.)



Photos courtesy of Beverly Madden and Kevin Chak.

Pacific Dining, under the leadership of Rick McMahon along with Sonia McMahon, Octavio Amezcua and Hugo Ramos operate the food service at the three District campuses after being awarded the contract in June 2007.

College of San Mateo had a mobile kitchen procured to augment operations after the demolition of Building 5 (where the CSM cafeteria was previously housed). The CSM campus was served by the mobile kitchen and the newly opened Le Bulldog (located in the Health and Wellness Building (B5) for the majority of 2010-11 academic year until the grand opening of College Center (B10) on April 8, 2011. The Terrace Grill in College Center is the premier eatery and gathering space on campus. On the first day of operation, the dining area was crowded with students who immediately made themselves at home. The servery boasts two serving stations. The first, with a brick oven, serves handmade pizzas, calzones, all things Italian, Mexican as well as our daily special which includes Indian, Chinese, Italian, Mexican and American dishes. The other station, Rick's American Grill, serves up all grill items including burgers, chicken, pork as

well as paninis, soup and a full sandwich shop. The salad bar is fully stocked with more than 40 items to create your own special salad. The addition of this new building has indeed changed the campus physically as it has given the students, faculty and staff a renewed sense of pride. The dining area has exceeded all sales expectations as students and staff continue to work closely with Rick McMahon's team to refine the menu to address the culinary tastes of our community.

Skyline College's Pacific Café continues to thrive. Located in the Student Services Building (B6) opened in 2007, Pacific Café has long been "the place to be" at the Skyline campus. There is seldom an hour of the day when the area is not packed with students studying, eating, socializing or cozying up in front of the signature fireplace located in the center of the dining area. There will be significant menu changes coming to Pacific Café in the 2011-12 academic year after consultation with students and staff as well as changes to the servery itself to incorporate a coffee shop within its walls to more efficiently serve students and provide another area for students to congregate.

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Photo courtesy of College of San Mateo Community Relations and Marketing Department.

The cafeteria at Cañada College located in Building 5 was closed for renovation after classes in December 2009. Cañada College is now being served by a mobile kitchen located adjacent to Building 9 as well as the Bookstore and the Pony Espresso operated by the Bookstore. Despite the challenges of working in such a small environment with limited menu options, the campus community continues to patronize the Farm Hill Grill regularly. Part of the success is due to the fact that the students are actively engaged with the staff and have regular meetings with Rick and his team to let them know what they are craving. While the construction of the cafeteria and dining room are still under way, the Farm Hill Grill is further supported by the efforts of the Bookstore team who have increased the amount of sandwiches, paninis and other prepared foods they sell in the bookstore and at the Pony Espresso, operated by Bookstore staff.

Food service income has markedly decreased, booking a loss of \$80,898 last year. The primary reason for the loss was the disposal of the mobile kitchen at CSM which was sold in March 2011. Further affecting sales is the State fiscal crisis which has severely impacted not only the enrollment at all three Colleges but a decline in catering requests throughout the District. The good news is that with the opening of College Center, there has been a significant increase in food service sales at that location as well as rental of the facility by outside groups. These rentals have not only brought in rental revenue to the District but also increased food sales resulting in commissions for the District. We

expect the cafeteria fund to return to profitable operation in 2011-12.

Vending income has decreased by 7.55% compared to last year. The decrease in vending sales can be seen at all three Colleges where construction closures of buildings have impacted the placement of vending machines on the campuses. Machines are slowly coming back on line as we open new buildings but the vending sales are still impacted by the lower enrollment at each college.

Overall expenditures have increased substantially this year due to the disposition of the mobile kitchen. All other expenses related to the repair and maintenance of equipment at the three College dining locations is in line with where they were last year.

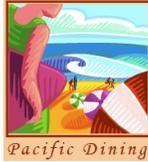
Income from food service and vending contracts enables the District to provide food and beverage services to the students. These combined resources, along with interest income, also provides a stable Cafeteria fund not requiring support from the general fund. The fund is also responsible for the long-term maintenance and upgrading of aging facilities and equipment, as well as all expenses relating to the ongoing operational requirements under the food service and vending contracts. The cafeteria and vending operations are part of the Enterprise Fund and are fully self-supporting. No General Fund dollars go to support any Enterprise Operation.



Photo courtesy of College of San Mateo Community Relations and Marketing Department.

Cafeteria Fund summary:

CAFETERIA FUND	2009-10	2010-11	\$ Change	% Change
Food Service Income	\$104,568	\$121,153	\$16,585	15.86%
Vending Income	80,718	74,627	(6,092)	-7.55%
Interest Income	2,390	2,922	532	22.24%
Other Income	1,113	5,004	3,891	349.71%
Total Income	\$188,790	\$198,702	9,912	5.25%
Expenditures	171,732	279,600	107,868	62.81%
Net change in Fund Balance	\$17,058	(\$80,898)	(\$97,956)	574.27%



The 350% increase in Other Income is due to facilities rental income received in the spring shortly after the new College Center (Building 10) opened.

It is important to note that our Auxiliary Services vendors offer great service as well as support for our students via scholarships and donations. The following are highlights of the support from our vendors:

Pacific Dining:

- \$6,000 per year of the 3 year contract in student scholarships (\$2,000 per campus).
- \$27,900 per year of the three year contract in in-kind catering services supporting the Scholarship Awards Ceremony at each campus as well as numerous activities sponsored by the President’s Office and Associated Students at each college.
- Commission on sales paid monthly that support the maintenance of all our food service facilities and equipment.

Pepsi:

- \$20,000 donation each year of the five year contract used to support college endeavors.
- \$11,768 in support of the textbook rental program in 2011-12 based on a \$1.00 per case rebate on sales through the bookstores and cafeterias; we receive this support each year.
- \$13,500 in donated product each year of the five year contract; each campus receives 100 free cases of Pepsi product each year of the contract.
- \$6,000 in marketing dollars per campus each year of the five year contract to support bookstore, food service and associated students endeavors.
- Commission on sales paid monthly which is turned over to the Vending Commissions to support the many programs and services they offer.

Action Vending:

- \$3,000 in student scholarships per year each year of the five year contract (\$1,000 per campus).
- Commission on sales paid monthly which is turned over to the Vending Commissions to support the many programs and services they offer.

The support of our vendors displays their commitment to our students, our goals as a District. Each of them is a valued partner for which we are all grateful.



SAN MATEO ATHLETIC CLUB AND SAN MATEO AQUATIC CENTER



Photo courtesy of Kevin Chak.

In spring 2010, the District opened a state-of-the-art fitness and aquatic center on the campus of College of San Mateo in the newly constructed Health and Wellness Building. This incredible new building provides classrooms and labs for career and technical programs including nursing, dental assisting, cosmetology, health fitness, and dental hygiene (when state funding permits).

The San Mateo Athletic Club is a professionally managed enterprise program sharing the state-of-the-art fitness facility. The San Mateo Athletic Club shares the instructional and training space on two levels of the Health and Wellness building; this includes a large main floor and four exercise studios on the second level, along with an aquatics complex with a 50 meter Olympic size competition pool and a 25 meter instructional pool for Adaptive Fitness and other group exercise classes. The San Mateo Athletic Club and its members enjoy this multi-use College of San Mateo facility which provides credit classes, non-credit classes, community education and adaptive fitness.

Operating as an enterprise, the San Mateo Athletic Club is a community-centered, fee-based operation offering numerous service options to the San Mateo campus community and the community-at-large. The concept of a multi-use space enables the District to maximize the

use of facility resources and create a revenue stream that will supplement the College budgetary needs, including equipment maintenance and replacement. The San Mateo Athletic Club provides the community broader access to College of San Mateo and demonstrates in a very real way that the District is a community-based organization serving a broad spectrum of educational and training opportunities. The concept of multi-use facilities has gained much attention from other community colleges up and down the state. Interest has been so high that Vice Chancellors Jose Nuñez and Tom Bauer presented this concept in November 2010 at the Community Colleges Facility Conference in Sacramento.

An enormous amount has been accomplished since the District Board of Trustees approved hiring MediFit, our fitness management partner, and the official start-up of our San Mateo Athletic Club pre-sale which began on February 1, 2010. We initially worked to assemble a top notch staff, starting with our General Manager Diana Thomas, and key sales staff. We then immediately began soliciting memberships while performing daily tours of the facility and preparing the fitness center for a very aggressive projected April 1, 2010 opening date. Having just completed our first full year of operation, here are just some of the highlights.

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District Participation Highlights:

- Holiday Toy Drive – CSM student parents.
- Worked with Mario Mihelcic, Admissions Assistant Certifying Official for veterans benefits, to create a special club membership program for veterans.
- Worked with Gus Petropoulos and SMCCCD retirees to create a special membership program for all district retirees.
- Collaborative partnering with the Physical Education Department to assist in work skills development. SMAC is positioning itself as a 'teaching' health club. CSM students observe SMAC classes and will be co-teaching SMAC classes to gain work experience.
- Complimentary cosmetology services offered to SMAC members – event was a huge success for the Cosmetology Department.
- Participated in making the most recent blood drive a success by our signage/posters and word of mouth.
- Hosted dance events for CSM along with CSM dance recital practices.
- Participated in the Gay Pride Parade with SMCCCD on June 26, 2011.
- Hosted a bench press competition for Peninsula Family Services honoring Gina Tringale.
- San Mateo Unified High School District workability program – serving special needs students who work within SMAC learning job skills.



Photo courtesy of San Mateo Athletic Club.

COURTESY DESK

Member use: 170,278 averaging 14,189 month

Student use: 97,134 averaging 8,094 month

The Courtesy Desk at the San Mateo Athletic Club has evolved, functioning as a campus concierge since its opening in April 2010. Though there are several directories around campus to help students navigate easily, the courtesy desk team is asked questions throughout the day for the location of and directions to various buildings on campus. We have also helped campus visitors better understand the campus parking policies.

The San Mateo Athletic Club has also received outstanding comments about the friendliness of our front desk staff, which continues to exceed expectations in customer service. From greeting members to handling transactions varying from personal training to apparel to cleaning locker rooms, the Courtesy Desk has their hands full every day and continues to provide the best possible experience for all members.

One of the goals of San Mateo Athletic Club is to integrate the student and membership populations. This is crucial to the success of the club and is handled primarily at the Courtesy Desk as well. Enforcing campus policies as well as club policies requires a staff that is well versed with the whole campus and is intimately aware of everything that goes on within our walls.

One of the highlights of our first year of operation was member appreciation month in April 2011. This month included unique offerings from Aquatics, Group Exercise and Fitness. Members were very excited to take part in these offerings. A special program or class was offered each day in April. Some days also included free gifts that were given out at the desk. Perhaps our most enjoyable day was the day of the Royal Wedding between William and Kate. We decorated the desk and served tea and biscuits all day long. We even had to make a few runs to the local grocery store just to keep up with member demand.



Photo courtesy of College of San Mateo Community Relations and Marketing Department.

SMAC AQUATICS

The Aquatics facility has rapidly gained a reputation as a premier aquatic facility within Northern California. To further accommodate the demands on this area, the District has re-allocated space within Building 8 to create a Lifeguard safety station and an Aquatics Director Office which allows the Director direct access to the pool deck with increased visibility of swimmers as well as more immediate attention to lifeguard needs. There is also a Family Changing room and unisex restroom which affords parents the opportunity to assist opposite sex children.

Events Hosted:

- Zone 1 North Championships (USA swimming), January 29-30, 2011; 8 of our own swimmers qualified with A times and participated. One parent attending this swim meet was Stanford Women's Swim Team Head Coach, Lea Mauer; her son Luke told her that this was the best pool he has ever seen!
- Threshold Racing Pre Season Burn Series Adult Triathlon, January 16, February 13, and March 13, 2011
- Threshold Racing Jenny's Light Kids Triathlon Series, May 1 and July 3, 2011
- San Mateo County Special Olympics Swim Competition, April 9, 2011; 75 athletes competed.
- Pacific Masters Swimming Excel Weekend, June 10-12, 2011; guest speakers included Cal Men's Head Coach Dave Durden and US Olympian and NBC Analyst/Broadcaster Rowdy Gaines.
- San Mateo Masters Founders Day Swim Meet, June 26, 2011; 123 swimmers entered the meet and 2 world records were set in the pool.

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Photo courtesy of San Mateo Athletic Club.

Bulldog Swim Club:

Our team began in September 2010 with 40 young swimmers. After marketing directly to our members as well as in local area media publications, we now have 125 young swimmers on our team. The age range of our swimmers is from 5-17 years. We have a wide range of competitive, recreational and developmental swimmers.

Summer League & Dual Meets Hosted by SMAC:

- July 28, 2010 - Summer League Championships
- Oct. 26, 2010 - Dual Meet with PJCC
- Nov. 11, 2010 - Dual Meet with Highlands
- June 22, 2011 - Tri meet with SSF and Highlands
- June 29, 2011 - Dual meet vs. PSL
- One of our swimmers, Nicholas Tong, qualified for Spring 2011 Junior Olympics in 50 yard Freestyle!
- 24 of our swimmers competed in 7 USA swim meets throughout the year.

Swim Lessons:

- 4 Adult Swim Clinics (averaged 25 participants in each)
- 159 Kids in Summer Group Swim Lessons
- 101 Kids in Fall/Winter/Spring Group Lessons
- 76 Kids in Private Swim Lessons
- 18 Adults in Private Swim Lessons
- 17 Adults in Group Lessons

Pool Rentals:

Pool space was rented by the following teams and organizations for practices:

- Serra High School (both water polo and swim seasons)
- Aragon High School (both water polo and swim seasons)
- San Mateo High School (both water polo and swim seasons)
- Hillsdale High School (both water polo and swim seasons)
- Notre Dame High School (both water polo and swim seasons)
- Highlands Recreation Center
- Odyssey Middle School
- Peninsula Women's Water Polo Team
- Lions Water Polo Team
- Golden State Water Polo Team
- Scuba Fusion for scuba classes
- Aquan Scuba and Kayak classes
- San Mateo Youth Foundation
- Team in Training
- Special Olympics
- KOA swim team
- Otters Swim Team
- South San Francisco Swim Team
- Mavericks Swim Team
- Ladera Swim Team
- Peninsula Covenant Swim Team
- PASA Swim Team (Alpine location)
- USA Water Polo Olympic Development Teams
- Golden Gate Triathlon Club
- Affinity Triathlon Team
- USA Coast Guard
- US Naval Sea Cadet Program

San Mateo Masters:

- Currently have 204 members registered with our team.
- In April we brought on two stellar coaches:
 - Head Coach Tom Reudy has held Masters world and national records. He won the National Championships and has been a 10 time All American swimmer.
 - Assistant Coach Jane Worden was a member of the USA World Championship Team in 1978 and swam for Stanford Women's Swim Team for 4 years.
- 31 swimmers attended the Pacific Masters Short Course Meters Championships in October 2010 and finished 3rd place as a team.
- 27 swimmers attend the Pacific Masters Short Course Yards Championships in April 2011.
- We had 5 teams enter the Trans Tahoe Relays July 23, 2011.
- One team finished 1st in their division and two teams finished 2nd.

Former Olympians who have worked out with Masters Team:

- Ugur Taner
- Josh Davis (carried the Olympic Flag, Captain of the US Team in 2000)
- Micheal Keitel
- Rowdy Gaines

American Red Cross Certifications

- We have taught 7 Lifeguard Certification Courses (certified 70 students)
- We have taught one Babysitting Training Course (6 participants)
- One Junior Lifeguard Course (6 participants)
- Took a team of 6 SMAC lifeguards to the Lifeguard Games Competition on July 31, 2011.
- All of these were led by our Lifeguard Supervisor, Courtney Muzio.

MEMBERSHIP DEPARTMENT

Every day our membership representatives interact with members from the San Mateo community, many of whom have various memories of CSM. It amazes us how CSM is a part of so many of their lives and everyone loves to share the story of their connection to CSM, whether they are alumni; their children attend or attended; they met their spouse on campus; they took a special class that turned to a love of photography; or even competed on a swim team years ago. They are happy to be a part of CSM and be back on campus as a member of SMAC.

Established Corporate Memberships with:

- Kaiser
- Akamai
- Solar City
- San Mateo Unified School District
- NextTag
- NetSuite
- San Mateo County Public School Employees Corporate memberships = 325 members/250 memberships

Community involvement with appearance at health fairs and/or fund raisers for:

- NCAPOA (Northern California Asian Police Officers Association)
- SFPOA (San Francisco Police Officers Association)
- Solar City
- San Mateo Unified High School District
- CSM Health Fairs
- Net Suite

Membership Statistics Year ending June 2011

Community Member	Memberships	Members
<i>Individual</i>	714	714
<i>Couple</i>	348	690
<i>Family</i>	93	336
Total	1,155	1,740
Senior		
<i>Individual</i>	236	236
<i>Couple</i>	143	284
Total	379	520
Faculty/Staff		
<i>Individual</i>	108	108
<i>Couple</i>	52	104
<i>Family</i>	4	12
Total	164	224
Corporate		
<i>Individual</i>	190	190
<i>Couple</i>	50	99
<i>Family</i>	10	36
Total	250	325
Student		
<i>Individual</i>	373	373
<i>Couple</i>	55	122
<i>Family</i>	9	38
Total	403	470
Grand Totals	2,389	3,348



Photo courtesy of College of San Mateo Community Relations and Marketing Department.

GROUP EXERCISE DEPARTMENT

Statistics:

Taught 3,909 classes

49,335 students attended

Averaging 15 students per class (industry average is 12 per class)

SMAC started the Pilates Internship program with the CSM Pilates mat program. We have hired 5 Instructors who have taken the CSM Pilates Mat certification.

SMAC hosted the following Certifications and/or Workshops for continuing education for fitness professionals, which were open to students, members, and the community.

- January 30 - Dr. Emily Spical (owner of “Evidence based Fitness Academy”; author of “Every day is your Runway”; creator of Catwalk Confidence and V-Core Workout; a regular on the television shows The Doctors, Dr. OZ, and Oprah; and a writer for several fitness magazines) conducted the following workshops at SMAC: “Functional Foot and Ankle” and “Barefoot Balance Training”
- May 22- AFAA Primary Group Fitness Certification; SMAC hired 2 Group Fitness persons from this certification
- June 5- STOTT Pilates Beginning BOSU Workshop
- June 5- STOTT Pilates Intermediate BOSU Workshop
- June 26- Spinning Certification - SMAC hired 3 Spinning Certified persons from this certification
- June 27- Spinning Creative Coaching Workshop
- June 27- Spinning Cadence Workshop

EXO Pilates Chair Workout was created and demonstrated in May, creating a new fee-based program within the Group Fitness Pilates Program.

Upcoming Events:

SMAC will be hosting the following Certifications and Workshops for continuing education for fitness professionals; these will be open to students, members, and the community.

- Saturday, August, 27, 8am-6pm - ZUMBA Basic 1 Certification
- Saturday, September, 10 - Spinning Certification
- Sunday, September, 11 - Spinning and Core Workshop
- Sunday, September, 11 - Spinning and Yoga Workshop
- Sunday October, 2 - Dr. Emily Spical
 - Evidence Based Fitness Academy
 - Functional Foot and Ankle Level 2
- October 22 and 23 - Peak Pilates Basic Mat for the Fitness Professional

FITNESS DEPARTMENT

- 1,994 Smart Start new member orientations averaging 166 per month

Programs Offered:

- TRX
- Qui Gong / Tai Chi
- Individual Program Design
- Power Circuit
- Weight loss for Women w/ Stacy
- Posture Perfect
- Stretch and Flexibility
- Beginners Athletic Conditioning
- Butt Buster
- Zumba 1010
- Awesome Abs
- Flexibility 101
- Women on Weights
- Weight Training for 50+
- Beginners Athletic Conditioning
- Kettlebells 101
- Gym Toys
- Boot Camp
- Test Drive the Trainer

Member Highlights:

- Mark Boscacci has attended SMAC 200+ days in a row – has lost over 20 pounds; was featured in the San Mateo County Times fitness editorial.
- Sharon Sakai, Join date 4/1/2010 – takes almost every GE class, rarely takes a day off.
- Ginny Hibbs, Join Date 4/13/2010 – enrolled in CSM Pilates Instructor Training Program-Mat and now Reformer; plans to teach pre/postnatal pilates.
- John Rossi – severely injured in a motorcycle accident 6 years ago; visits the club 2-3 days per week assisted by his parents who are in their mid-70's; has made huge strides in his ability to walk unassisted.
- Richard Thesing – drives from Atherton as “SMAC has the best facilities for persons with disabilities.”
- “What a difference a year makes. In July 2010, I was walking on the treadmill and noticed the sparkle of our beautiful SMAC pool. I asked myself, ‘Why am I in here when I could be enjoying that crisp, clean water?’ In August, I joined our San Mateo Masters even though I could barely swim 25 yards without gasping for air. I didn’t know that I was about to change my life. With the help of Coach Tom and the encouragement of my fellow teammates, I have improved well beyond my expectations. Now, I swim 3-5 days a week, can reach over 1000 meters without stopping or becoming winded and I am training for my first open water swim. The best thing is that for the first time in my 50+ years on this planet, I feel like an athlete.” - Deb Atherton, member since April 2011.
- “I have worked with Art Rodriguez since January 2010. Art is friendly, professional, and client-satisfaction oriented. He observes my form carefully and makes suggestions to avoid injury and improve my skill. He has worked with me to modify exercises while I recovered from a (non-SMAC) 5th toe fracture that had sidelined me from all but weight lifting and swimming. His continued enthusiasm and commitment to the program allowed me to retain my fitness through the LONG 8 week recovery. This is a testament to his patience and professionalism. He has willingly worked with me on exercises that are important to maintaining/building my bone strength and improve my rock climbing skills. I greatly appreciate his thoughtfulness in thinking about what is important for my athletic pursuits and tailoring my workout appropriately. He has figured out how to challenge my core in new and interesting ways! I highly recommend Art as a personal trainer at SMAC.” - Linda D. B. Kiss, Ph.D., P.E., member since July 2010.
- 30+ of Adaptive PE students matriculated into short term (between semesters).
- 12 Adaptive students have joined SMAC as members.

Of the entire SMAC staff, 51% are students, faculty or staff as illustrated below.

	Number	Percent
CSM Students	26	25.74%
District Faculty/Staff	5	4.95%
Students from Skyline/Canada	1	0.99%
Students outside SMCCD	15	14.85%
Faculty/Staff outside district	3	2.97%
Former CSM Students	2	1.98%
SMAC Staff - Student/Instructor	52	51.49%
<i>Total SMAC staff</i>	<i>101</i>	

Operating as an enterprise through the District Auxiliary Services and Enterprise Operations Department, the operation of the San Mateo Athletic Club will be self-sustaining with no contribution from the General Fund. Like the other enterprise operations in the District (bookstores, food services and campus vending), the San Mateo Athletic Club is expected to generate revenue sufficient to meet all of its operational expense needs and, as we mature, develop a surplus that will aid the District and College in other mutually agreeable endeavors.

As part of the San Mateo Athletic Club budget, we have

allocated 4% of net revenue to a reserve fund so that equipment can be replaced as it ages with no impact on the General Fund. This is a critically important benefit to the College. The reserve fund will allow us to replace instructional equipment when needed without impacting the over-burdened instructional equipment budget. It is expected that the seed money from the District's Redevelopment Funds used to fund this start-up operation will be completely repaid within the first three years of operation, if not sooner.

CSM FITNESS CENTER FINANCIAL SUMMARY

The financial performance of SMAC has been outstanding this year. Revenue has exceeded all expectations and we have returned \$105,000 to our reserve against a predicted loss of \$186,000. SMAC was actually not projected to begin making money until its third year of operation and not break even until the end of the fourth year. Due to the first class facility, as well as the professionally managed operation, we have experienced explosive membership growth this year. As we enter our second full year of operation, we expect membership to remain strong. We do not anticipate that we will be able to continue growing at the same rate due to the size of our facility but we will continue to maximize our membership. In addition, we will continue to explore new partnerships and offer more continuing education programs and certification classes to add to the workforce development part of our mission.

The mission of SMAC is more than providing a revenue stream to the District. The mission of SMAC is to create a healthy

environment that engages students, staff and community members in the pursuit of health and physical fitness. With a facility such as this, the emphasis is on enjoying exercise for its own sake and learning fitness habits for life. This means that

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	3 months (Apr - Jun)**	Whole Year
CSM Fitness Center	2009-2010	2010-11
Operating Revenues		
Registration and Membership	178,444	1,493,940
Personal Training	10,582	129,154
Aquatics	19,415	280,854
Parking	6,202	53,816
Group Exercise	-	31,391
Retail	-	5,905
Other Income	4,410	8,671
Total Operating Revenue	219,053	2,003,731
Operating Expenses	382,036	1,912,060
Net Operating Income/(Loss)	(162,983)	91,670
District Support		
District Support Income	-	78,712
District Support Expense	-	64,862
Net Change in Fund Balance	(162,983)	105,520

**FY 2009-2010 data is for 3 months only and therefore not comparable to FY 2010-2011



Photo courtesy of William Potter.

students have a place where they can focus on lifetime fitness goals and individual achievement, and community members can find opportunities to improve their health and well-being.

SMAC also engages the community. The interaction between community members and students sharing the same space in pursuit of similar goals has been an invaluable asset for both groups. The engagement of members of the community on college life has been equally important. SMAC has attracted many of our neighboring schools to partner with us in the use of the facility.

With much excitement and as a result of significant collaboration, the College academic team and the SMAC team have worked to brand SMAC as a “teaching health club”. This is certainly an innovative concept for a college and a health club! This partnership will offer students at College of San Mateo who are pursuing a career in the growing fitness industry (despite the current economic conditions) to work as interns in SMAC, perform field work and team teach with certified instructors to earn certificates that will qualify them to work in the community as fitness professionals. This planned synergy between the academic program and our program represents fully the vision of what a professionally managed health club in our District could do, not only for revenue generation but also

for workforce development. SMAC is successfully addressing the District’s strategy to make the entire Health and Wellness building a premier Career-Technical Education facility in the County of San Mateo and in the State. SMAC provides a vital ingredient to this endeavor.

We are very proud of the accomplishments made at SMAC in such a short period of time. We continue to exceed expectations on all levels and will always strive to be the best facility in the Bay Area which offers not only a place to work out, but also a place to teach, learn and develop habits, knowledge, skills and abilities that will benefit all those we serve for a lifetime.



VISIT US ONLINE

www.SMCCD.edu/SanMateoAthleticClub