

ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
September 23, 2016
9:00 a.m.
Kerckhoff Hall 152

PRESENT: Michaela Boster, Donna Baker, Kevin Eagan, Lena Riess, and Bob Williams

ABSENT: Jazz Kiang and Kirk Koenig

MANAGEMENT: Cindy Bolton, Food Service Director
Roy Champawat, Student Union Director
Sandi Gillespie, Association Affairs Manager
Kamran Mehdian, Information Systems Director
Michelle Moyer, Director of Business and Legal Affairs

CALL TO ORDER

Ms. Riess called the meeting to order at 9:08 a.m.

APPROVAL OF AGENDA

Ms. Riess called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee, September 23, 2016 Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Riess called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee August 19, 2016 Minutes. There being no objections, the motion was approved by unanimous consent.

EXTERNAL AUDITOR'S REPORT-KPMG

Ms. Hensley and Mr. Pew from KPMG briefly reviewed the audit plan for the fiscal year ending July 2016 including scope of service, KPMG process and responsibilities, management's responsibilities, areas of audit emphasis, and audit timetable. The audit will cover all four entities of ASUCLA: Service & Enterprises, GSA, USAC, and Student Media.

Ms. Hensley reported that fieldwork for the audit would begin on September 30 and should conclude at the end of October. The final report will be presented to the Finance Committee at their January meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams reported on the following items:

Sales for August are slow, especially in computers and textbooks. There have been added expenses this year including UCPath.

Mr. Williams listed past projects that have been completed in the last 2-3 years as well as new projects including the new trashcans, updating the restrooms, carpet replacement, and the Ackerman Union expansion joint.

Sbarro will close on Friday, September 30 and at that time the Greenhouse will start offering hot pasta and sauce bar, as well as a vegan bar.

The renewed Curbside sandwiches are now available and new marketing initiatives will be developed.

FINANCIAL STATEMENTS

Services & Enterprises August Financial Statements

Gross income for the Association was negative by (\$252,000); however, there was a positive net income for the month of \$11,000 due to lower wages and benefits, and good cost controls.

The Store was negative by (\$266,000) in gross income and (\$42,000) in contribution.

UCLA Restaurants were negative by (\$27,000) in gross income and (\$14,000) in contribution.

The Services Division was negative to plan by (\$6,000) in gross income and (\$13,000) in contribution. The negative results were mainly due to Licensing.

The Student Union was positive by \$47,000 in gross income \$43,000 in contribution due to the return of some clients that were displaced last year due to the Special Olympics.

The Association reported a cash book balance of \$12,110,000 for the month. Of this balance, \$1,841,000 has been reserved for capital projects, leaving \$9,183,000 in uncommitted cash which is \$3,157,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$148,000. Store inventories at cost were \$5,800,000; while inventory turns were at 4.5.

September Month-to-Date Preliminary Sales

September sales figures in the Store are negative to plan by (\$352,364), but ahead of last year by \$1,743,210. Most of the negative sales were in Textbooks and the Computer Store. The Health Science Store is positive to plan by \$103,739 due to dental kits. Estimated Gross Margin for September is negative by (\$11,047).

Food Service is also tracking negative to budget in sales for September by (\$66,725). Catering is negative to plan by (\$30,942) and Concessions is positive to plan by \$6,677.

Communications Board July 2016 Financial Statements

The Communications Board net revenue for July was negative by (\$10,354) and positive at year-end by \$17,252. Print and Digital Display Advertising is lower than plan due to canceled ads and student fee income is higher than plan due to projected and approved funding for 2016 summer fees that were not in the budget.

STUDENT MEDIA DEFERMENT

Student Media needs to defer their administrative payments at various times throughout the year until their referendum fees and rental income start to be received on a regular basis.

Mr. Eagan made a motion, seconded by Ms. Boster that the Associated Students UCLA Board of Directors' Finance Committee approve and forward to the Board of Directors a deferment of Student Media's administrative and support services payments for a maximum of \$275,000 until October 31, 2016. Ms. Riess called for a vote. The motion was approved by a vote of 3 yeas and no nays.

PATIO TRASH RECEPTACLES

ASUCLA manages and maintains a number of exterior areas which are adjacent to ASUCLA facilities. Most of these exterior spaces are designated as dining space.

UCLA Restaurants currently uses a brown, plastic receptacle for all trash and a smaller, grey receptacle for recycling in these exterior areas. UCLA Facilities uses a different trash receptacle for exterior areas under University control.

The new receptacles will be placed in pairs to accommodate both trash and recycling with clear signage designating what should be placed in each bin. Additionally, when customer composting in the dining areas is feasible for Ackerman and Kerckhoff, we will reconfigure these bins into groups of three with appropriate signage for composting/recycling/landfill.

Ms. Riess made a motion, seconded by Mr. Eagan that the Associated Students UCLA Board of Directors' Finance Committee approve and recommend to the Board of Directors a capital expenditure of \$90,000 to replace trash and recycling receptacles for ASUCLA exterior dining areas in Ackerman Union and Kerckhoff Hall. Ms. Riess called for a vote. The motion was approved by a vote of 3 yeas and no nays.

NETWORK INFRASTRUCTURE UPGRADE (PHASE II)

This capital expenditure is the second phase of a project, started last year, to replace and redesign an eight year old infrastructure at ASUCLA. Over the past several years, ASUCLA's network has expanded significantly; the infrastructure can no longer support the demand from the users nor facilitate future expansion. In addition, some aging components will no longer be supported by manufacturers and/or third party vendors.

Quotes for hardware total \$136,800. Management seeks approval to purchase this equipment and proceed with the project in October 2016.

Mr. Eagan made a motion, seconded by Ms. Boster that the Associated Students Board of Directors' Finance Committee approve and recommend to the Board of Directors a \$150,000 Capital Expenditure for Phase II of the Network Infrastructure Upgrade. Ms. Riess called for a vote. The motion was approved by a vote of 3 yeas and no nays.

ACKERMAN UNION FIRST FLOOR EXPANSION JOINT

The expansion of Ackerman Union in the mid-1990's, added structural elements to the west and north of Ackerman. The point of separation between the previously existing structure and the new addition is called an expansion joint. This expansion joint must be filled and sealed with a semi-flexible material that has passed the end of its design-rated life, and must be replaced to prevent water encroachment into the building structure. Last year a section of the joint on the north western side of the 1st floor patio was replaced. This project will replace the west side of the joint and seal the patio deck itself.

Mr. Eagan made a motion, seconded by Ms. Boster that the Associated Students Board of Directors Finance Committee approve and recommend to the Board of Directors a \$169,350 Capital Expenditure for the Replacement of the Ackerman Expansion Joint. Ms. Riess called for a vote. The motion was approved by a vote of 3 yeas and no nays.

EXECUTIVE SESSION

Ms. Riess called for consent for the Associated Students UCLA Board of Directors Finance Committee to enter into Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee entered into Executive Session at 10:32 a.m.

Ms. Riess called for consent to exit the Associated Students UCLA Board of Directors' Finance Committee Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee exited Executive Session at 10:58 a.m.

ADJOURNMENT

Ms. Riess called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the September 23, 2016 Meeting. There being no objections, the meeting was adjourned at 10:58 a.m.