

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Regular Meeting
January 27, 2017
12:00 p.m.
Kerckhoff Hall Staterooms**

PRESENT: Patrick Adler, Michaela Boster, JC De Vera, Nathan Glovinsky, Kirk Koenig, Alexandra Latshaw, Andrew Lewis, Arielle Mokhtarzadeh, Apsara Perera, Lena Riess, Agnes Warren, Bob Williams and Christine Wilson

ABSENT: Kevin Eagan

MANAGEMENT: Donna Baker, Finance Director
Cindy Bolton, ASUCLA Food Service Director
Sandi Gillespie, ASUCLA Association Affairs Manager
Michelle Moyer, ASUCLA Director of Business and Legal Affairs
Karen Noh, ASUCLA Special Projects Director
Lisa Perez, ASUCLA Marketing Director
Neil Yamaguchi, UCLA Store Director-Academic Materials

GUESTS: Tess Armstrong, GSA-Vice President of Academic Affairs
Sophie Butler, USAC-Facilities Commission
Ty Ingram, UCLA Academic Planning & Budget
Sharon Zhen, Daily Bruin

CALL TO ORDER

Mr. Adler called the meeting to order at 12:07 p.m.

APPROVAL OF AGENDA

Mr. Adler called for consent to approve the Associated Students UCLA Board of Directors' January 27, 2017 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Adler called for consent to approve the Associated Students UCLA Board of Directors' December 2, 2016 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams updated the Board on the following topics:

November Financial Results

The Association has been very successful in moving most of its agenda forward with several new operations and programs. Despite these efforts, fall quarter financial results were below plan. The biggest shortfall was experienced in November where financial results for the Association were disappointing. The UCLA Store had slower than anticipated sales primarily in two key areas, Bearwear and the Computer Store. Slower late season football results and the absence of a bowl game led to a sizable shortfall in sales and contribution. For the Computer Store, sales and contribution continued to be sluggish as they waited for the new Apple product release. Food Services also struggled. The budgets in CSSC and Catering were overly optimistic, but many other areas saw smaller negative trends. In addition to these sales shortfalls, the Association did not capture the full benefit of the added sales seen in Wetzels/Lollicup and Greenhouse operations due to wage overages. Licensing continues to see challenges in the international programs and the Student Union also fell short of its event income targets. Savings in A&SS and Utilities could not make up the loss leading to a sizable shortfall in net income for the month.

December Financial Results

December financial results showed stronger trends. The Association saw improved sales versus budget although contribution results were still challenging. The UCLA Store made its sales plan for the month. The general merchandise areas continue to find sales targets challenging especially in Bearwear and E-commerce. Textbooks continued its pattern of declining sales. On the positive side, the Computer Store saw a rebound with a sizable positive variance in sales for the month, but margins were well below plan making contribution - still a difficult target to meet. Food Service continued to see lagging sales although in many areas, costs were much closer to expectations. Licensing had a good positive variance for the month in Domestic Licensing, but the Student Union continued to fall short in event income. A&SS and Utilities continued to show positive variances. Overall for December, ASUCLA was able to exceed plan by \$11,000 in net income.

Year-to-date the Association is \$283,000 behind plan in net income and is \$1,169,000 behind last year's net income trend.

January Sales Trends

January sales trends are ahead of plan in the Store led by a positive variance in Bearwear and significant sales growth in the Computer Store. Unfortunately, much of this is offset by the continued negative variances in Ackerman Union textbook sales where trends continue to be down significantly over last year. Food Service numbers are slightly better especially given the rain pattern which usually restricts food totals.

Textbook Trends

Textbook trends continue to be challenging in winter quarter as was seen in the fall. The current numbers show a decline from last year of 17.97% in fall and 16.71% in winter quarter. Management continues to develop new marketing and service alternatives, analyze different operating models, and space initiatives.

Mobile Device Repair

The Computer Store has started a partnership with Staymobile. They will supply phone and tablet service and repair.

Valentine Sale

Storewide-February 9: Annual Valentine Sale #OneSweetSale – Computer Store will have a promotion during the sale - \$50 off any Mac, iPad Pro or PC in stock; save an additional \$25 with the purchase of a SafeWare 4-year warranty.

UC Path

UC Path efforts are ramping up to their highest level to date. Management continues to struggle with its small in-house staff and continue to supplement with outside help where needed.

Small Business Resource Fair

The Store will be participating in the UCLA Small Business Resource Fair on January 31. Computer Store, Publishing, and Essentials will represent the UCLA Store.

T-Shirt Contest Sales

The donation to ASUCLA Interaction Fund from the sales of 2016 Shirt is about \$3650. Services Committee opted to present the donated values to USA (\$2445.50) and GSA (\$1205.00) directly at their own meetings.

The 2017 Shirt is now available in-store and online. Units sold as of Monday, January 23 are at 50 with nearly a third of those coming in online sales.

ASUCLA Benefits U

Redemption rates are up since the barcode emails have been sent out.

AU 1st Floor Dining Room

Preliminary estimates for the 1st Floor Dining Room project have been received. Management has asked for clarification on several of the numbers and has asked that alternate prices be developed for different flooring and lighting options.

Revenue Optimization

Bruin Custom Print Shop is open, CSSC food study moving forward, and new marketing plans are being developed for fall quarter.

Stakeholder Engagement

Individual outreach efforts continue between board members, management, and various constituencies. The second Entities Committee meeting is now scheduled for February 17 and the Ad Hoc committee has developed a process for the meeting to help measure the values and engagement opportunities of the four entities of ASUCLA.

Future Space Planning

A space and budget discussion is planned for the mid-year retreat which is Friday, February 10.

Miscellaneous Information

Ms. Mokhtarzadeh asked if pricing was available for the Bruin Custom Print Shop. Mr. Williams explained that developing a pricing list is difficult because the products are completely customized; however, management is trying to develop a baseline or sample pricing. Ms. Mokhtarzadeh also asked if there would be online ordering. Ms. Perez explained that it is challenging to do right now with downloading images from the server. Mr. Williams stated that it would be best to wait and see what the demand is before investing more money into the program.

EXECUTIVE COMMITTEE REPORT

Ms. Perera stated the committee met on January 12 and planned for the mid-year retreat as well as the JOC meeting.

FINANCE COMMITTEE REPORT

Ms. Riess stated the committee met on January 20 and heard a final audit report from KPMG. It was approved and forwarded to the Board the FY 15-16 audited financial statements. The committee also reviewed the ASUCLA Services and Enterprise financial statements as well as the statements for the Communications Board. The committee also approved a deferment for Student Media which is on the meeting agenda for today.

SERVICES COMMITTEE REPORT

Mr. Glovinsky stated that the committee met on January 13 to recap the Association's progress to-date. The committee also discussed the textbook trends and heard an update on the dining room project. The committee agreed to present the t-shirt design contest donation at USAC and GSA meetings. The group also discussed visiting other student unions.

PERSONNEL COMMITTEE REPORT

Mr. De Vera stated that the committee will meet today, January 27 to discuss the Executive Director's goals and succession planning.

ASUCLA BRANDING AD-HOC COMMITTEE REPORT

Ms. Mokhtarzadeh stated that the committee met today, January 27 and planned for the Entities Committee meeting.

FINANCIAL STATEMENTS

Services & Enterprises November Financial Statements

Gross income for the Association was negative by (\$702,000); which was mostly due to Bearwear and the Computer Store. Net income for the month was negative by (\$239,000).

The Store was negative by (\$527,000) in gross income and (\$171,000) in contribution. UCLA Restaurants were negative by (\$102,000) in gross income and (\$111,000) in contribution.

Services & Enterprises December Financial Statements

Gross income for the Association was positive by \$133,000; which was mostly due to computer sales. Net income for the month was positive by \$11,000.

The Store was positive in gross income by \$149,000 and negative (\$84,000) in contribution. UCLA Restaurants were negative by (\$45,000) in gross income and (\$14,000) in contribution.

The Services Division was positive to plan by \$59,000 in gross income and \$28,000 in contribution. The positive results were mainly due to Domestic Licensing.

The Student Union was negative by (\$30,000) in gross income and (\$13,000) in contribution due the timing of events that were budgeted in a prior period.

The Association reported a cash book balance of \$9,649,000 for the month. Of this balance, \$1,688,000 has been reserved for capital projects, leaving \$7,396,000 in uncommitted cash which is (\$5,512,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$157,000 or 4%. Store inventories at cost were \$7,000,000; while inventory turns were at 4.3.

January Month-to-Date Preliminary Sales

January sales figures in the Store are positive to plan by \$312,899. Most of the positive sales are in the Computer Store. Ackerman New Text was negative to plan by (\$220,258); however, BearWear was positive by \$82,080. The Health Science Store is positive to plan by \$74,347 due to dental kits. Estimated Gross Margin for January is positive by \$65,547.

Food Service is positive to budget in sales for January by \$11,948. Catering is negative to plan by (\$6,425) due to a very aggressive budget and Concessions are positive to plan by \$43,407 due to increased attendance at the basketball games and an additional game in January.

APPROVAL OF STUDENT MEDIA DEFERMENT

Mr. Riess made a motion, seconded by Mr. Glovinsky that the Associated Students UCLA Board of Directors approve a deferment of Student Media's administrative and support services payments for a maximum of \$250,000 until April 30, 2017. Mr. Adler called for a vote. The motion was approved by a vote of 9 yeas and no nays.

APPROVAL OF FY 15-16 AUDITED FINANCIAL STATEMENTS

Ms. Riess made a motion, seconded by Mr. De Vera that the ASUCLA Board of Directors approve the FY 15-16 Audited Financial Statements for Services and Enterprises, Communications Board, Graduate Students Association, and Undergraduate Students Association. Mr. Adler called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE SESSION

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

The Board entered into Executive Session at 1:19 p.m.

Mr. Adler called for consent to exit the Associated Students UCLA Board of Directors Executive Session. There being no objections, the motion was approved by unanimous consent.

The Board exited Executive Session at 2:13 p.m.

Ms. Perera made a motion, seconded by Ms. Riess that the Associated Students UCLA Board of Directors approve all actions taken in Executive Session. Mr. Adler called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

ADJOURNMENT

Mr. Adler called for consent to adjourn the Associated Students UCLA Board of Directors' January 27, 2017 Regular Meeting. There being no objections, the meeting was adjourned at 2:14 p.m.

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Pursuant to Bylaw 3, section 3.6(d) of the ASUCLA Board of Directors Bylaws, I have reviewed these Minutes and hereby attest to their accuracy.

Agnes Warren
Board Secretary and Administrative Representative