

ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Finance Committee
April 21, 2017
9:00 a.m.
Kerckhoff Hall 152

PRESENT: Michaela Boster, Donna Baker, Kevin Eagan, Kirk Koenig, Alexandra Latshaw, Lena Riess, and Bob Williams

MANAGEMENT: Cindy Bolton, Food Service Director
Sandi Gillespie, Association Affairs Manager
Michelle Moyer, Director of Business Affairs and Compliance

GUESTS: Doria Deen, Interim Student Media Director
Navi Sidhu, Undergraduate Student

CALL TO ORDER

Ms. Riess called the meeting to order at 9:05 a.m.

APPROVAL OF AGENDA

Ms. Riess called for consent to approve the Associated Students UCLA Board of Directors' Finance Committee, April 21, 2017 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 March 10, 2017 Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams reported on the following items:

- The beginning of the spring quarter is showing slow sales in the Store and Textbooks.
- Additional print kiosks have been added in several locations around campus.
- The Store will have extended hours for Bruin Day as well as giveaways. There will also be new ASUCLA signage in the Store.

- The Football Spring Showcase is April 29 at Drake Stadium. Admission ticket includes access to the Athletic Departments adidas surplus sale. The Store will also start clearing out their adidas product.

FINANCIAL STATEMENTS

Services & Enterprises March Financial Statements

Gross income for the Association was negative to plan by (\$136,000); which was mostly due to textbook and computer sales. Net income for the month was positive by \$90,000.

The Store was negative in gross income by (\$32,000) and positive \$35,000 in contribution. UCLA Restaurants were negative by (\$42,000) in gross income and positive by \$8,000 in contribution.

The Services Division was negative to plan by (\$52,000) in gross income and (\$16,000) in contribution. The negative results were mainly due to Domestic Licensing.

The Student Union was negative by (\$10,000) in gross income and (\$12,000) in contribution due the loss of several events.

The Association reported a cash book balance of \$10,106,000 for the month. Of this balance, \$1,252,000 has been reserved for capital projects, leaving \$7,907,000 in uncommitted cash which is (\$5,802,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$250,000 or 7%. Store inventories at cost were \$6,000,000; while inventory turns were at 4.4.

April Month-to-Date Preliminary Sales

April sales figures in the Store are negative to plan by (\$347,761). There are positive sales in BearWear; however, Textbooks and the Computer Store are negative to plan. LuValle Commons is negative to plan by (\$49,700) and the Health Science Store is positive to plan by \$3,236 due to the dental kits sales. The Hilltop Shop is positive to plan by \$11,624 and MTW is positive by \$14,894. Estimated Gross Margin for April is negative by (\$70,869).

Food Service is negative to budget in sales for April by (\$45,773). Catering is negative to plan by (\$4,492) and Concessions are negative to plan by (\$4,797).

Communications Board February Financial Statements

The Communications Board was negative to plan in February by (\$15,247) and positive year-to-date by \$34,861. Kiosk advertising is lower than plan due to less local and national advertising.

MISCELLANLOUS

Ms. Latshaw expressed her concerns about the quality of coffee that is offered in the coffeehouses. She felt the coffee was bitter and those complaints have also been expressed to her by fellow classmates. Ms. Bolton explained that a new coffee program was implemented last year that included a higher quality coffee bean. She will research whether the coffee beans are the issue or whether it's in the brewing process.

STUDENT MEDIA DEFERMENT

The committee discussed the Student Media Deferment that was tabled from the last meeting. The committee agreed to amend the motion to reduce the deferment amount to \$100,000. Ms. Baker explained that this should be the last deferment; however because of timing of student fees they may need a small deferment at the beginning of the school year.

Ms. Riess made a motion, seconded by Mr. Koenig that the Associated Students UCLA Board of Directors' Finance Committee amend the Student Media Deferment from \$150,000 to \$100,000 from May 1, 2017 to July 31, 2017. Ms. Riess called for a vote. The motion was approved by a vote of 5 yeas and no nays.

Ms. Riess made a motion, seconded by Mr. Eagan 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 \$100,000 until July 31, 2017. Ms. Riess called for a vote. The motion was approved by a vote of 5 yeas and no nays.

PRELIMINARY FY 17-18 BUDGET & FIVE-YEAR FORECAST

Ms. Baker and Mr. Williams explained that the FY 17-18 budget reflects additional UC Path costs and the minimum wage increases. Kaplan's has informed the Association that they will not be renewing their lease which will be a loss of income in 17-18. There is a new Student Union Fee in the five-year forecast beginning in 19-20. The budget does meet the Debt Service Coverage requirement stipulated in the Advance Agreement with the University.

The Textbook Division has researched alternate operating plans which will be discussed in detail at the budget meeting on May 5.

The FY 17-18 Capital Expenditures include the remodeling of the Ackerman Union First Floor Dining Room as well as an additional \$500,000 for the project. However, it does not include the video wall in the dining room. The new food service operation in the Court of Sciences Student Center has also been included.

ACKERMAN UNION 1ST FLOOR DINING ROOM UPDATE

Mr. Williams displayed the new flooring options and the LED lighting plan which are add-ons to the original plan. The acoustic plan will be set aside for now to determine if there is a real need. The estimate for the original plan was \$1,014,000. The estimate for the revised project with the add-ons is \$1,350,000.

Mr. Williams explained that the Services Committee discussed whether this project should be delayed and be included in a fee referendum plan. This topic will also be discussed and decided on at the budget meeting.

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 10:50 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 11:22 a.m.

Ms. Riess made a motion, seconded by Ms. Boster that the Associated Students UCLA Board of Directors Finance Committee approve all actions taken in Executive Session. Ms. Riess called for a vote. The motion was approved by a vote of 4 yeas and 0 nays.

ADJOURNMENT

Ms. Riess called for consent for the Associated Students UCLA Board of Directors' Finance Committee to adjourn the April 21, 2017 Meeting. There being no objections, the meeting was adjourned at 11:22 a.m.