

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Regular Meeting
January 28, 2018
12:30 p.m.
Kerckhoff Hall Staterooms**

PRESENT: Teni Adewumi-Gunn, Michaela Boster, Nathan Glovinsky, Kevin Kato, Alexandra Latshaw, Andrew Lewis, Lawrence Traylor, Agnes Warren, Bob Williams, and Christine Wilson

ABSENT: Kevin Eagan and Jesse Torres

LATE: Lena Riess and Navi Sidhu

MANAGEMENT: Donna Baker, Finance Director
Cindy Bolton, Food Service Director
Roy Champawat, Student Union Director
Sandi Gillespie, Association Affairs Manager
Patrick Healey, UCLA Store Director-General Merchandise
Kamran Mehdian, Information Services Director
Karen Noh, Special Projects Director
Lisa Perez, Marketing Director

GUESTS: Pouria Abbassi, Executive Director Candidate
Thomas Lim, Daily Bruin

CALL TO ORDER

Mr. Glovinsky called the meeting to order at 12:39 p.m.

APPROVAL OF AGENDA

Mr. Glovinsky called for consent to approve the Associated Students UCLA Board of Directors' January 26, 2018 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Glovinsky called for consent to approve the Associated Students UCLA Board of Directors' December 8, 2017 Regular Meeting Minutes and January 8, 2018 Special 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

November financial results were very close to plan overall, with a positive net income variance of \$10,000. Store sales were down slightly primarily in BearWear, E-commerce and the Computer Store; however, they were offset by stronger performances in the Market and Academic Materials areas. Store contribution was up \$10,000 for the month. Food Service was slightly off in sales and very close in contribution. Positives were seen in the Greenhouse, Catering, and Concessions with slower results in the North Campus complex and in the Court of Sciences Student Center due to the delay in the Blaze Pizza project. Services saw good results for November with the relaunch of the Old Navy licensing program and increased Under Armour shipments to retailers. International Licensing saw positive results from India. The Student Union was off in event income and A & SS continued to see savings in benefits.

December Financial Results

December financial results were off somewhat in both sales and net income with a negative variance to plan of \$52,000. The General Merchandise areas continue to be sluggish in BearWear and significantly in E-commerce. All Academic Division areas were off, including Textbooks and the Computer Store. The Store offset much of this lost margin with excellent cost control in wages, benefits, and controllables. Contribution for the Store in December was off \$76,000. Food Service was much closer in sales for December as compared to trends, but lost significant sales during the fire and during the break due to the construction on the 1st floor dining room. Despite these challenges, Food Service made its contribution for the month with positive performances in the Greenhouse, Wetzels/Boba, Jimmy's, Taco Bell, and Concessions. The Services Division is off a bit due to sluggish international receipts but the Student Union Division was up with some added event income.

Year-to-date through the first five months of the fiscal year the Store, Food Service, and Services are all tracking well ahead of last year in Contribution. Overall, the Association continues to be ahead of its net income budget by \$162,000 year-to-date and is tracking ahead of last year by \$200,000.

January Trends

January sales trends are sluggish in academic materials and dental kits. Food Service is still tracking behind plan primarily due to the delay in the Veggie Grill and Blaze Pizza projects. It is expected to see continuing good cost control throughout the Association.

Kareem Abdul-Jabbar

The Store will be hosting a book signing for Kareem Abdul-Jabbar in Ackerman Union on Saturday, January 27 from 4:00 p.m. to 6:00 p.m. He will be signing his latest book, "Becoming Kareem: Growing Up On and Off the Court." This is the event that had to be rescheduled due to the Skirball Fire.

UCPath

Everyone was successfully paid with only a minimal number of special checks. It will take several months to streamline all the new operational processes and to work through the details.

I Heart Walking

The Computer Store will be supporting UCLA Recreation's "I Heart Walking" event in mid-February, by loaning five participants Apple Watches. During the weeklong event, information will be provided by the Computer Department on what the Apple Watch can do to help users monitor their exercise levels and conditioning.

Small Business Resource Fair

Both the Computer Store and Essentials Department will be participating in the Small Business Resource Fair on January 30 at the John Wooden Center. The event, sponsored by UCLA Purchasing & Staff Assembly, gives businesses exposure to department on campus as to services and/or products they offer.

Print Stations

Bruin Custom Print has added a station at the Law Library.

AU 1st Floor Dining Room

The 1st floor tile work and much of the wall and painting has been completed. The next phase will be the installation of the booths, planters, trash stations and the installation of the new chairs and tables. This was to occur over the three day weekend February 17-19, but it now sounds like it will be delayed. There will be additional wiring work and wall treatments to also be completed.

Student Union Timeline/Message/Mural Wall

Both the Services and Finance Committees have discussed the various approaches for the message wall and an agenda item is scheduled for this meeting.

Coffee Experience

Ms. Bolton and the food team continue to analyze the new strategy and will report on the progress next month at the Services Committee meeting.

Branding / Social Media

Clever Creative met with the Ad Hoc Committee meeting today, January 26 to begin the research phase. New signage has gone out in several units designating which facilities are ASUCLA Student-Run operations.

Taco Bell

Taco Bell store re-imaging is complete. They are still working out the details on the new menu board.

Blaze Pizza

Blaze Pizza continues to be under construction, if it stays on the current schedule, it should be open in early to mid-March. The staff has been trained on Blaze procedures and is being cross-trained in the other areas.

Veggie Grill

Based on the latest project call, Veggie Grill is working towards submitting for permits on February 11. The architects and engineers have been fully engaged and working on construction documents. Based on the last site meeting with the project manager, permit timelines are going to be subject to getting the health department sign off and they are planning to submit for the health permit in advance of the building permit in order to cut some time off the overall process. Veggie Grill is hoping to start construction upon receipt of permits.

ASUCLA Executive Director

The ASUCLA Board of Directors has completed its search for the next ASUCLA Executive Director. Pouria Abbassi has been selected and approved by both the full ASUCLA Board of Directors and by the Chancellor. His start date will be February 5, 2018.

EXECUTIVE COMMITTEE REPORT

Mr. Glovinsky stated the committee met on January 17 and the meeting was held in Executive Session.

FINANCE COMMITTEE REPORT

In absence of Mr. Sidhu, Mr. Kato gave the Finance Committee report. He explained that the committee met on January 19 and heard the final audit report for KPMG. KPMG reported that there were no material deviations in the audited financial statements. The committee also reviewed the current financial statements for the Student-Run Enterprises and the Communications Board.

SERVICES COMMITTEE REPORT

Ms. Boster stated that the committee met on January 12 and discussed the donation for the t-shirt design contest, which was the largest donation thus far and the second largest selling t-shirt. The committee also was presented with other frozen dessert options for SweetSpot and agreed to move forward with the electronic wall in the dining room.

PERSONNEL COMMITTEE REPORT

Ms. Latshaw stated that the committee will meet today after the Board meeting to discuss the Executive Director's evaluation.

ASUCLA AD-HOC COMMITTEE REPORT

Mr. Glovinsky stated the committee met earlier today, January 26 and met with Clever Creative and discussed the research phase of the project. The committee has agreed to stay active with current marketing while Clever Creative is developing our future strategy.

FINANCIAL STATEMENTS

Student-Run Enterprises November 2017 Financial Statements

Gross income for the Association was negative to plan by (\$56,000); however, net income for the month was positive by \$10,000.

The Store was negative in gross income by (\$65,000) and positive by \$10,000 in contribution. UCLA Restaurants were negative by (\$12,000) in gross income and negative (\$5,000) in contribution due to the delayed opening of Blaze Pizza and Veggie Grill.

The Services Division was positive to plan by \$26,000 in gross income due to domestic and international licensing and negative (\$5,000) in contribution due to leased operations specifically the vacant Kaplan's space.

The Student Union was negative by (\$5,000) in gross income and (\$10,000) in contribution due to less scheduled events.

The Association reported a cash book balance of \$11,034,000 for the month. Of this balance, \$1,256,000 has been reserved for capital projects, leaving \$8,511,000 in uncommitted cash which is (\$6,044,000) less than the board-required cash reserve.

Past due accounts receivables were at roughly \$147,000 or 3%. Store inventories at cost were \$6,200,000; while inventory turns were at 4.5.

Student-Run Enterprises December 2017 Preliminary Financial Statement

Gross income for the Association was negative to plan by (\$359,000); and net income for the month was negative by (\$52,000).

The Store was negative in gross income by (\$349,000) and (\$77,000) in contribution due mainly to the Computer Store and Academic Materials, specifically Used Text. UCLA Restaurants were negative by (\$22,000) in gross income due to the Skirball Fire and the closure for the dining room remodel. However, the Restaurants were positive \$1,000 in contribution.

The Services Division was negative to plan by (\$11,000) in gross income and negative (\$10,000) in contribution due to International Licensing and Leased Operations.

The Student Union was positive by \$23,000 in gross income and \$6,000 in contribution due to increased events.

January 2018 Preliminary Sales

January sales figures in the Store are negative to plan by (\$228,603). Most of the negative sales are from new text and the computer store. The Health Science Store is negative to plan by (\$82,845) due to the timing of dental kits. The Hilltop Shop is positive to plan by \$2,050 and MTW is negative to plan by (\$6,915). Estimated Gross Margin for January is negative by (\$86,437).

Food Service sales are negative to budget by (\$116,052). Catering and Concessions are negative by (\$1,147) and (\$22,829) respectively. Court of Science Student Center is (\$29,804) negative to plan due to the delay in opening Blaze Pizza and Veggie Grill is also negative to plan by (\$57,913) due to their delayed openings.

APPROVAL OF FY 16-17 AUDITED FINANCIAL STATEMENTS

Mr. Sidhu made a motion, seconded by Ms. Adewumi-Gunn that the ASUCLA Board of Directors the approval of the FY 16-17 Audited Financial Statements for Student-Run Services and Enterprises, Communications Board, Graduate Student Association, and Undergraduate Student Association. Mr. Glovinsky called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

APPROVAL OF THE FIRST FLOOR ELECTRONIC WALL

Management brought several options to the Services Committee at its last meeting including a demonstration of a set of two laser projectors to encompass this wall. The Committee found the Ultra Short-Throw Laser Projector to be a good solution for this space. The wall coverage is seamless, with no bezels (or small frame around each screen) as are present in the other two options considered. The primary concern related to the laser projector was that it can be subject to ambient room light encroaching upon, and deteriorating the quality of the image. The demonstration of the laser projector on the subject wall shows this to not be a real concern in this case.

Ms. Boster made motion, seconded by Mr. Riess that the Board of Directors approve a capital expenditure of \$135,000 to install a laser video wall on Ackerman Union first floor dining room west wall. Mr. Glovinsky called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE SESSION

Mr. Glovinsky 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 2:20 p.m.

Mr. Glovinsky 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 4:08 p.m.

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

ADJOURNMENT

Mr. Glovinsky called for consent to adjourn the Associated Students UCLA Board of Directors' January 26, 2018 Regular Meeting. There being no objections, the meeting was adjourned at 4:08 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