

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
Regular Meeting
August 23, 2019
12:00 p.m.
Kerckhoff Hall Staterooms**

PRESENT: Pouria Abbassi, Paul Abramson, Adewunmi Adelaja, Noreen Ahmed, Aidan Arasasingham, Ernesto Arciniega, Avi Oved Jesse Torres, Frank Wada, and Steve Yu

ABSENT: Erika Bricky, Kevin Eagan, Siena Villegas, and Alexis Wells

MANAGEMENT: Donna Baker, Finance Director
Ari Baron, Marketing Director
Cindy Bolton, Food Service Director
Roy Champawat, Student Union Director
Patrick Healey, UCLA Store Director
Sandi Gillespie, Association Affairs & External Affairs Manager
Cindy Holmes, Trademarks & Licensing Director
Michelle Moyer, Business Affairs and Compliance Director

GUESTS: Doria Deen, Student Media Director

CALL TO ORDER

Mr. Oved called the meeting to order at 12:08 p.m.

APPROVAL OF AGENDA

Mr. Oved called for consent to approve the Associated Students UCLA Board of Directors' August 23, Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Oved called for consent to approve the Associated Students UCLA Board of Directors' July 26, 2019, Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Abbassi updated the Board on the following topics:

ASUCLA App Update

The ASUCLA app was downloaded 2,100 times in the past 90 days. Management is working to finalize the app and resolve all minor adjustments to improve user experience.

Social Media (The road to 10,000)

ASUCLA's Instagram has grown by 38% in the past 11 weeks to 3,317 followers. The marketing department boosted the first round of an ASUCLA 30-second video that garnered 13,707 impressions for a 1-week campaign and reached 6,047 users. UCLA Store's Instagram grew by 16% in the past 11 weeks to 3,600 followers.

Move-in Weekend

The UCLA Store and ASUCLA, will host a table at the Residential Halls and pass out the ASUCLA and UCLA merchandise during the move in fair September 20-22. An expanded booth will include a selling space for a new "Campus Living" assortment of UCLA-themed room décor and essentials. Flyers promoting the Job Fair and After Hours Sale will be distributed across campus.

Textbook Pick-up

New Marketing developments are to focus on promoting Free In-Store pickup and Free Delivery to the Resident Hall Mail Center.

Employee Appreciation

September 17 and 18 the 20% employee discount at the UCLA Store will be boosted to 33% off for employees including BOD members.

A "Campus Living" Collection

A "Campus Living" Collection will launch on uclastore.com in early September and be promoted to ASUCLA BenefitsU members and parents during the 2019 orientation tours.

ASUCLA Job Fair

The ASUCLA Job Fair will be Tuesday, September 24, 11:00 a.m. – 3:00 p.m. at Bruin Plaza. ASUCLA managers will be on hand for on-the-spot interviews.

UCPath

The Finance Department continues to meet with the UCPath finance team regarding various open issues, some of which require timely results that will impact the year-end results. Decisions related to a review of many aged accounts have resulted in positive savings reported in the July financials. The Finance and HR/Payroll team will be attending a learning session at UCPath this month.

Law School Expansion

Upon selection of the architect, a conceptual study has been initiated and is expected to be completed by December/January. As the expansion may include the LuValle site, ASUCLA is actively engaged in the process. This is an opportunity for ASUCLA to take advantage of new concepts for the provision of services and expansion of services and integration of new space and services in the new facility.

Store/Textbook/BookZone Remodel

Pursuant to the Anderson Consulting project, the Store has initiated various projects in terms of product placement and rearrangement of various spaces. Additionally, two specific areas, BookZone, and Textbooks are under review to create more hospitable areas/lounges and better use of spaces for the presentation of products.

E-Sport Lounge

With the growing popularity of E-Sports on college campuses and the opportunity that this activity provides for students to share common interests, ASUCLA has initiated a conversation with the UCLA E-Sports Club and UCLA Recreation Center to explore areas for collaboration. One such opportunity would be the development and establishments of an E-Game lounge for all students. The auxiliary dining space in North Campus has been identified as a conversion space. ASUCLA has been working with UCLA Facilities, user groups, and others to pull together the concepts that will work in the area. Management would like to get the space ready in Winter 2020 and are simultaneously following up on various partnership opportunities.

ASUCLA BenefitsU Welcome Strategy

The Annual Passport coupon book and membership kit will be replaced this fall. Marketing will be distributing an ASUCLA “Frisbee” at Move-in with a “Connect to your Student Association” message. Back to School Coupons for Move-in Weekend essentials will be distributed via ASUCLA BenefitsU emails in zero week. Follow up emails will go out in weeks one through three and will include coupons for Free Coffee, a discount in the Bookzone, 25% Off BearWear, and \$3 of food all over campus plus a One-Day offer for 4 oz. of FREE candy at Sweet Spot. The goal is to increase student anticipation and engagement with ASUCLA BenefitsU emails with higher open and click rates and better offer redemptions.

ASUCLA Employee of the Year Celebration

The ASUCLA Employee of the Year celebration is scheduled for September 12 from 1:00 p.m. to 5:00 p.m. in the Charles E. Young Grand Salon. This ceremony honors employees whose contributions during the prior fiscal year have significantly impacted ASUCLA’s mission, business, and culture.

Wescom Student Terrace

On August 26, old furniture from the Ackerman first floor patio will be removed. By Wednesday of that week, the new tables, chairs, and lounge furniture will be delivered.

This process is expected to take five to six days for the conversion to the new furniture set.

Wescom Branch

Construction walls are scheduled to be down before September 16 with the start of staff training for the opening of the Wescom Branch.

Graduate Student Orientation and Equity, Inclusion, and Diversity Day

GSA and Graduate Student Resource Center will present two days of welcome events for incoming graduate students kicked-off by an opening plenary in Ackerman Grand Ballroom (AGB). ASUCLA Catering will provide lunch to the 1,200+ attendees. The last day ends with a celebratory GSA Grad Bar on what will be the new Wescom Student Terrace.

Bruin Nights – Arts in the Union

The first Bruin Nights event, following the New Summer in the Union series, will be September 24. ASUCLA is working closely with both our traditional programming partner – Student Committee for the Arts – and community partners - Transfer Center and Bruin Resource Center on this year's festivities. The focus of these performances is the impressive pool of UCLA student talent.

Anderson Café Update

Anderson Café opened on August 5. Since then, management has continued to work through operating details to improve the flow and speed of service. The first week resulted in modest sales since most of the groups that were attending orientation had breakfast and lunch catered, but since August 12 sales have been averaging about \$2K a day and are still climbing. It is expected to have a full volume of customers when the Fall Quarter starts on September 26. Starbucks has been very well received and is a great asset for this location. The dining room furniture was installed and there is now interior seating in the café.

Work is also continuing with UCLA Facilities to keep moving forward with the second phase of the project where there will be modifications to the counters and an added grab-and-go section.

Catering and Concessions

The 2019 Call of Duty World League Championship took place in Los Angeles this August with the season's final event being held at Pauley Pavilion for a massive multi-day event from August 14-18. ASUCLA Catering provided the meals for the crew and players twice a day from Wednesday through Sunday. The events ranged from 275 to 375 meals. Catering also provided drinks throughout the day starting as early as Monday, August 12 through Monday, August 19. Overall, Catering generated about \$56k in sales. Also, ASUCLA Concessions opened the stands in Pauley from 9:00 a.m. to 7:00 p.m. Friday and Saturday, then 9:00 a.m. to 6:00 p.m. on Sunday. Concessions generated about \$32k in sales for the two days.

Student Employee Sales Incentive Pilot Program

Food Service and Retail have collaborated on a plan to develop a sales incentive rewards program for student employees. This program will be piloted first at the Hilltop Shop and Café Synapse starting on August 25 (the beginning of fiscal period 2). Shortly after the first pilot, the program will be expanded to locations. The purpose of this program is to include student team members in the growth goals and encourage them to improve the customer service experience, increase sales, and generally enhance employee ownership and engagement in the financial performance of their area. If the sales location exceeds the budgeted sales target by specific percentages, the students will get rewards in the form of food vouchers. Students must be actively employed at the end of the fiscal period and must have worked at minimum set hours within that month. Management is providing them with tips to reach these goals and will be mentoring and coaching about this program throughout the month

Corporate Executive Chef

The Food Service Division has hired a new Corporate Executive Chef, Kristen Woolley. Kristen has experience as an executive chef at several different locations and most recently as one of the regional executive chefs for Wolfgang Puck, where she oversaw culinary operations of nearly thirty restaurants in six countries, including hands-on and modular training for management and hourly staff, branding, and all culinary development. Kristin started as the executive chef on August 19 and is immediately immersing herself in our daily operations and already has made several valuable insights and observations. We are very excited to have her join our ASUCLA family and foresee her to be a great asset to the team.

Sustainability Leadership

The creation and recruitment of a new position within TM&L recently concluded with the hiring of a Director of Sustainability who will begin the first week of September. This individual will focus on maintaining and furthering the progress towards ethical labor practices within UCLA licensee supply chains. In addition, they will identify strategies to advance environmental sustainability considerations including those emanating within licensee supply chains, those pertaining to functional characteristics of licensed products, and those associated with postconsumer waste including reduction of product packaging as well as the less thoughtful and unsolicited freebies/promotional products that may tend to end up as landfill. This person will further educational and strategic collaboration efforts with UCLA campus community stakeholders, other UC campuses, peer institutions, and various external organizations. Beyond licensing-specific priorities, this person will also be a resource for other ASUCLA divisions to support their sustainability implementation strategies to meet ASUCLA goals and those of the University of California's "carbon neutrality by 2025" plan.

International Strategies

- Europe: A diverse retail channel strategy includes the incumbent world-wide program with H&M to now extend beyond 2019, an anticipated October '19 worldwide launch of a new UCLA apparel/accessory program through another international retailer, and more recently a new mid-upper licensee apparel program for Eastern Europe to soft launch mid-September '19 through a "UCLA" branded e-store platform, various multi-brand retailers, and, eventually, "UCLA" branded brick and mortar store locations.
- India: In addition to an existing/on-going apparel licensee program, a new licensee for footwear has recently been signed with their first collection to launch before year-end.
- China: Both programs mentioned for Europe have world-wide reach including China. Strategies to build upon these programs include identifying local Chinese partners for all target channels. Meetings with multiple highly desirable prospects have taken place within the last month with anticipated follow up meetings in China before year-end.
- Japan: As the oldest non-U.S. market for UCLA, Japan continues to produce a steady stream of revenue as well as fashion influence/exchange. ASUCLA team members will travel to Tokyo this month to meet with representatives who facilitate ASUCLA's licensing activities in Japan, review existing licensee collections, absorb market trends, and meet with UCLA alumni in Japan to explore additional opportunities to amplify the UCLA brand in the Japanese market as well as other markets given Japan's influence on fashion and trend around the world as well as Tokyo being the location for the 2020 Olympics.
- Tradeshows: ASUCLA team members will again participate at Brand Licensing Europe (BLE) in London in October, presenting a UCLA brand display and meeting with additional product category licensee prospects, retailers and existing and prospective territory agents.

UCLA Restaurant Mobile App

The Beta testing is complete and ready for a soft launch. ASUCLA is currently working with Blackboard to identify a solution for tax exemption on orders submitted by students.

Help Desk Application

ASUCLA is currently piloting a new Helpdesk application that can be extended to other divisions such as the maintenance and IT departments.

SERVICES COMMITTEE REPORT

Mr. Arciniega stated the committee met and discussed the law school expansion, Wescom, and mobile restaurant ordering. Mr. Baron gave a presentation on the new division logos, and Mr. Healey explained how the free academic testing materials would be distributed. Mr. Healey also explained the Store would be moving to a recyclable and reusable plastic bag. The committee also discussed the eSports lounge at north campus.

FINANCE COMMITTEE REPORT

Mr. Adelaja stated the committee met and discussed the preliminary year-end financial statements which were better than plan and last year. Mr. Healey gave a presentation on academic materials and the new store bags. Mr. Mehdian provided a presentation on the ongoing security audit.

DEVELOPMENT AD HOC COMMITTEE REPORT

The committee discussed the goals of the committee and will have a presentation from the Vice-Chancellor of External Affairs office regarding development at its next meeting.

FINANCIAL STATEMENTS

July Financial Statements

Gross income at **\$4.5M** was \$200K better than last year and \$250K below plan. Gross Margin at **\$2.3M** was at last year and \$100K below plan. Strong results in Wages and Benefits and other controllable resulted in contribution at \$850K, which was \$150K better than budget and \$200K better than last year. Additionally, we continued to experience a solid performance in Allocated Expenses and Other Income (expenses). Combination of the aforementioned resulted in monthly net income of \$120K which was \$400K better than plan and \$740K better than last year.

ASUCLA completed FY 2018-2019 at Gross Income of \$70M, which is **\$2.3M** higher than last year. Net Income at \$800K better than budget and \$270K better than last year further illustrated the efforts of the Board and the excellence of the ASUCLA family of employees to effectuate innovative measures to meet and overcome the unanticipated challenges faced in the first half of the year. In accordance with Board policy, the positive performance against budget triggered the incentive compensation process.

Significant contributors to the strong fiscal outcome were the Wescom Deal, negotiated higher rental income energy rebates, Licensing revenue expansion driven by international sales, Centennial products launch, continued performance of other income

categories in the store operations, negotiated lower cost of UC Path and better benefits cost outcome, good interest income performance, and other income, expense control measures implemented and reported on throughout the year.

Continued solid results in Bearwear (partially due to strong summer camp and visitor traffic), Campus Portrait Studios, BookZone, Used Text, and strong expense management resulted in 16% better than plan outcome for the month in terms of contribution.

Strong performance in CSSC, Concession, and expense management partially mitigated against the sales slowdown in various restaurants. Action plans in terms of marketing, customer service, menu variety, and incorporating customer feedback have been put into place.

The continued revenue stream from Wescom agreement and positive results in various controllable, benefits and wages, augmented by better interest income and lower utility cost completely mitigated the shortfall in other areas.

The Association reported a cashbook balance of \$13M. The required cash reserve is \$4.9M leaving an \$8M surplus.

Past due accounts receivables were roughly \$138K or 4%. Store inventories at cost were consistent at \$4M; while inventory turns were 4.4.

August 2019 Preliminary Sales

August sales figures in the Store are negative to plan by (\$84K). BearWear is positive by \$41K and New Text is negative to plan by (\$10K). The BookZone is positive to plan by \$45K. The Health Science Store is positive to plan by \$25K and MTW negative by (\$2K).

Food Service sales are negative to budget by (\$62K). The Green House is \$3K positive to plan and Wolfgang Puck is positive to plan by \$17K. Catering and Concessions are positive to plan by \$45K and \$28K, respectively.

ANDERSON STRATEGY GROUP

Mr. Healey provided the Board with a summary of the Anderson Strategy Group Report, which included Product Mix Assessment, Pricing Evaluation, and Customer Analysis. The report suggested that the Store improve its lighting and install hardwood floors to invoke customer feelings of comfort and warmth. It was also suggested that premium eye-level shelving to increase customer visibility and experiment with lounge areas that can transform stores into target destination and increase foot traffic.

EXECUTIVE SESSION

Mr. Oved 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 1:47 p.m.

Mr. Oved 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 2:07 p.m.

Mr. Oved made a motion, seconded by Mr. Torres that the Associated Students UCLA Board of Directors approve all actions taken in Executive Session. Mr. Kato called for a vote. The motion was approved by a vote of 7 yeas and 0 nays.

ADJOURNMENT

Mr. Oved called for consent to adjourn the Associated Students UCLA Board of Directors' August 23, 2019, Regular Meeting. There being no objections, the meeting was adjourned at 2:08 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.

Kevin Eagan
Board Secretary and Administrative Representative