

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

August 31, 2012

12:00 p.m.

Kerckhoff Hall Staterooms

PRESENT: John Bollard, Jacob Ferrari, Karleen Giannitrapani, Mike Jedlicka, Robert Kurtzman, Monet LeMon, Adam Swart, Maggie Thornton, Michael Weismeyer, Dorothy Wiley and Bob Williams

ABSENT: Amy Liu, Joel Ontiveros and Agnes Warren

MANAGEMENT: Cindy Bolton, ASUCLA Director of Food Operations
Robin Broudy-Johns, UCLA Store Operations Director
Roy Champawat, ASUCLA Student Union/Student Support Services Director
Rich Delia, ASUCLA Chief Financial Officer/Finance Director
Sandra Gillespie, ASUCLA Association Affairs Manager
Jan Griwach-Ronci, UCLA General Manager/Director Computers/Supply
Division & Hill Top Shop
Patrick Healey, UCLA Store General Manager/Director
Apparel/Accessories/LuValle Commons/Health Sciences Store
Karen Noh, ASUCLA Special Projects Director
Neil Yamaguchi, UCLA Store General Manager/Director of Academic Support

GUESTS: Andrew Alexah, UCLA Academic Planning and Budget
Kylie Reynolds, Daily Bruin

CALL TO ORDER

Ms. Thornton called the meeting to order at 12:06 p.m.

APPROVAL OF AGENDA

Ms. Thornton called for consent to approve the Associated Students UCLA Board of Directors August 31, 2012, Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Thornton called for consent to approve the Associated Students UCLA Board of Directors July 27, 2012, Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

Approved: September 28, 2012

ELECTION OF AD-HOC COMMITTEE

Ms. Giannitrapani stated that the Nominating Committee is recommending that the Associated Students UCLA Board of Directors approve the following E-commerce ad-hoc committee nominations:

E-Commerce Ad-hoc Committee:

Jake Ferrari-Chair	Undergraduate Representative
Joel Ontiveros	Undergraduate Representative
Robert Kurtzman	Graduate Representative
Michael Weismeyer	Graduate Representative
Michael Jedlicka	Non-Student Representative
Robert Williams	Executive Director

Mr. Weismeyer stated that he was worried that the formation of an ad-hoc committee could delay management's progress. Ms. Wiley also stated that she is concerned that the Board may be micromanaging the management team. She also stated that most ad-hoc committee has a deliverable and this committee would be informational and that this purpose could be served by discussions or presentations at the monthly Board meetings.

Mr. Weismeyer made a motion, seconded by Ms. Giannitrapani that the Associated Students UCLA Board of Directors refer the E-commerce Ad Hoc Committee proposal back to the Executive Committee for further discussion. Ms. Thornton called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams offered the Executive Director's Report to the Board.

A. Financial/Operational Items

1. July

Financial results in July came in behind the budgeted projections. The Association continues to see lower than budgeted sales in all major divisions leading to a month-end negative variance in net income of \$139,000 as compared to budget. However, net income results were better than last years July's adjusted results.

The Store continues to be the area of greatest shortfall in both sales and contribution. Bearwear had a slow month versus plan missing budgeted contribution by \$71,000 but this was partially due to the budget because results were actually close to last year. The Computer Store continued its trend which has slowed as compared to a couple years ago and missed plan by over \$40,000 in contribution. The textbook area made plan for the month but this is not one of the busier periods. The LuValle store was off slightly while the Health Sciences Store was on plan.

Food Service was off plan for the month in both sales and contribution. Some of this shortfall continues to be the impact of CSSC and the northern coffee houses. (It is important to note that the impact of the added coffee houses would have existed regardless of whether ASUCLA operated the new facilities. Ultimately it was in the Association's interest to operate the new units.) North Campus and Café Synapse continue to be units that represent opportunities to increase contribution. The Real Food Ad Hoc committee has begun discussions regarding potential changes to those facilities. The one major shortfall for the month was seen in Concessions where they were off planned contribution by close to \$35,000 due to the Tennis Tournament. The cost of the food layout was inconsistent with the lower attendance at this year's event leading to a high level of inefficiency. Attendance was 25-26% lower than last year. Negotiations for next year will have to be adjusted to protect ASUCLA investment in the event.

Licensing results for July were behind plan both domestically and internationally as a result of an overall slow economy in certain retail channels and complications in the Korean and Middle Eastern programs. The Student Union Division made plan for the month with a good performance in the operations area.

A & SS results were very close to plan as was maintenance and depreciation. Utilities continue to run higher than budget but the Association did receive some additional income from student fees due to higher enrollment numbers. Overall, July was a disappointing month although was only slightly behind the estimated results. Summer trends don't always predict regular session results but all indications are that it will be a difficult year financially.

August

August trends in the Store are very similar to previous months. The Store is short of budget in sales most notably in the Computer Store. Apparel results are behind plan but ahead of last year and will have some timing issues in dental kits. Food Service sales, while ahead of last year, are still well behind plan. Much of the shortfall is in Catering and Concessions. In Concessions this was due to the poor results on the last day of the tennis tournament, a budgeted concert that was canceled, and the change in the format of the football scrimmage. For Catering, most of the shortfall was as a result of the football training table moving off campus. August will be a difficult month financially.

B. *Our Independent Bookstore

1. Textbook Marketing

The Association will begin its textbook marketing in September and will begin to introduce point of purchase merchandizing with an emphasis on purchasing options which include digital, rental, used, and guaranteed buyback and our price match program. They will also begin giving out the passport coupon books with all textbook purchases.

2. Textbook Adoption

The textbook division is ready to roll out the new improved textbook adoption system and process. They will begin working one on one with a few departments at a time to insure we

have good training and support.

C. *Campus Partnerships

1. Welcome Week Partnerships

ASUCLA partners with student government in support of the Enormous Activities Fair. The Food Service Division provides multiple food sampling booths, as well as the ASUCLA Benefits U Coolzone Tent with the “It All Comes Back to You” yo-yo giveaways. The Computer Store will have a tent where a game with prizes is sponsored by Apple.

2. SCA Presents: Arts in the Union

The Association is partnering and hosting an event with the Student Committee for the Arts Wednesday of welcome week September 26 beginning at 5pm. ASUCLA will host some of the best student bands, musicians, and Los Angeles artists on four separate stages in Ackerman Union. This event is the same night at the “After Hours Sale.”

3. Computer Store Seminars

The Computer Store is sponsoring a program of seminars primarily for UCLA staff members most notably computer support coordinators who are the technical liaisons for their departments. There will be three seminars which will be held in the staterooms.

4. Graduate Student Outreach

The Association is sending out targeted Graduate Student Welcome pamphlets to the following departments:

- Medicine
- Law
- Dentistry
- Anderson
- Nursing
- Theater, Film and Television

There will also be brochures and tabling at GSA’s big annual orientation on Friday, September 21, 2012. The Association is also donating lunches for this event, participating in volunteer training and in their tours.

D. *Championship Service

1. Shop-n-Shop

The Store group has developed a new layout that will more clearly define different apparel categories. This will not have the level of change that was considered in the Ackerman design project but should be a good first step to testing the market segmentation and branding initiative.

2. ASUCLA Marketing

The Association will be marketing programs focused on the ASUCLA structure, Core Values and “It all comes back to you” messaging. One will be the “Be True to Your School “

campaign which will highlight the unique nature of ASUCLA and how money spent at the store and food service go back to students in facilities, programming and operational support. The second will be the annual campaign that highlights the core values which will occur for two weeks in fall quarter. This program uses the core value bags and has marketing highlighting the core values on A-level in Ackerman Union.

Ms. LeMon suggested that the Association connect more with the Alumni Association regarding the “It all Comes Back to You” marketing efforts. The Board discussed several strategies and management will be contacting the Alumni Association.

E. *Your Student Association

1. ASUCLA Job Fair

The annual fall welcome week job fair will be on Wednesday, September 26 from 11-3 p.m. in Bruin Plaza. This is an opportunity for students looking for a job to see all the opportunities at ASUCLA and be able to speak to the management as well as the student leaders of each area to find a job that fits their interest and schedule.

2. ASUCLA After Hours Sale-a-Bration

The ASUCLA After Hours Sale will be on Wednesday September 26 from 7-11 p.m. in the Store. This is a special event for students with a 20% discount on almost everything storewide and is a great opportunity for new students to get their first piece of BearWear, as well as school supplies.

F. *ASUCLA Benefits U

ASUCLA Benefits U email marketing will continue through the fall quarter.

G. *Building Towards the Future

1. Court of Sciences Student Center

Management continues to make adjustments to the operating labor and product presentations in the CSSC and is collecting data on customer traffic and purchasing patterns to see if any adjustments in operating procedures or hours should be considered for fall. The new chef will start on September 19.

2. Ackerman Interior Design / Patio Project

John Friedman and Alice Kimm architects presented the final draft of the Ackerman Interior Design project. Management was able to see some cost elements for the entire scope of the work and will be requesting some further estimates by specific project elements. The architects want to make some adjustments to the presentation after which management will show the results to the Board and Committees along with some potential modifications or stages to consider.

3. Pauley Pavilion

The Food Service team is working to finalize third party agreements and finalize equipment

purchase orders.

4. Casual Dining

Exterior plans for the casual dining project are ready to go. The project walk is on Friday, August 31 where firms will get to see the project before bidding. Management is also waiting for final cost estimates on the restaurant portion of the project. The platform will be removed before school begins.

5. North Campus

Management continues to analyze with the ad hoc group various general short-term and longer-term approaches to streamline costs at North Campus. There will be further discussions at the next meeting regarding potential menu and layout plans. Management will continue to work with the food service consultant to develop preliminary plans.

6. Ackerman Second Floor Lounge

Due to the Casual Dining project, Training Table will be relocated to the Ackerman Second Floor Lounge. Management has developed a plan to upgrade the lounge including; adding some UCLA images to the room, installing televisions and a lounge area, and upgrading the serving vehicles for food service. The goal is to make the room have a UCLA feel but be useable for both Training Table and other types of events.

7. Kaplan Testing

Kaplan is finishing up construction on their location at LuValle on the lower level and is planning to be open on September 1.

8. Global Viewpoint Lounge

Mr. Williams stated that the University is interested in a Welcome/Admissions Center in Ackerman Union. Mr. Williams and Mr. Champawat explained that the Global Viewpoint Lounge would be a suitable location. Mr. Champawat presented a diagram of how the room could be arranged. This new layout will also allow for programming of small events when the room was not use, e.g. evenings and weekends.

H. Board of Director Priorities

1. E-commerce

The E-commerce planning team has developed some goals for the first steps of the initiative to increase web sales. The team also narrowed down the selection on which firm to partner with and have developed an initial focus to prepare for football season. The initial focus will be on the existing web site, product selection, ease of use and both paid and search engine efficiency.

I. Food Services-Next Steps

1. Healthiest Campus Initiative

The Real Food Ad Hoc committee met to talk about ASUCLA's role in Healthy Campus Initiative and to begin discussions about potential service adjustments in other locations. Mr. Williams will have Mr. Ontiveros attend the meetings to make sure a student is involved in the

process.

J. Campus Student Space Initiatives

Management will continue to work with the Entities Committee regarding the larger student space challenges.

EXECUTIVE COMMITTEE REPORT

Ms. Giannitrapani stated that the Committee met on August 17 and discussed the e-commerce ad hoc committee, potential staff changes in the Store, the Healthiest Campus Initiative, and created today's Board agenda.

FINANCE COMMITTEE REPORT

Mr. Kurtzman stated that the Committee met on August 24 and heard both an Executive Director and Finance Director report. The Committee discussed the Communications Board Financial Statements as well as heard an update from Ms. Noh regarding plastic bags. The Committee is also forwarding an Executive Session item.

SERVICES COMMITTEE REPORT

Mr. Ferrari stated that the Committee met on August 17 and heard an Executive Director's report. The Committee also previewed the new ASUCLA website and Ms. Noh presented several sustainability items including the impact of the new ban on plastic bags. The Committee has forwarded an Executive Session item.

PERSONNEL COMMITTEE REPORT

Mr. Weismeyer stated that the Committee did not meet in August; however, there will be a meeting scheduled in September.

FINANCE DIRECTOR'S REPORT

July Financial Results

Mr. Delia reported that for the month, gross income for the Association was \$586,000 less than planned of which \$439,000 was the Computer Store. Although gross income from the Student Union Division was \$19,000 greater than planned, income from the Restaurants was \$47,000 negative to plan and the Services Divisions was less than planned by \$80,000. Year-to-date both the Store and Services Divisions reported negative variances to plan (of \$4,286,000 and \$272,000 respectively) while the Restaurants Division and the Student Union Division reported positive variances (of \$99,000 and \$42,000 respectively).

In terms of gross margin, the Store reported a \$96,000 negative variance to plan, and Mr. Delia explained that the majority of sales decreases in that area were seen in the Computer Store, where the

gross margin percentage on merchandise is comparatively low. Mail, Telephone, and Web was \$18,000 greater than planned due to the addition of new product.

Wages & Benefits and other controllable expenses were close to plan and year-to-date was \$336,000 less than planned.

These results combined with a \$34,000 negative variance in year-to-date other controllable expenses that were \$34,000 greater than planned (due entirely to a negative variance of \$132,000 in the Restaurants Division, \$91,000 of which was due to increased credit card expense from recent legislation changes) allowed for year-to-date contribution for the Association that was \$791,000 less than planned.

Allocated expenses, all categories were close to plan for the month except for utilities, where there was a negative variance of \$13,000. Year-to-date; however, allocated expenses were \$215,000 less than planned with positive variances appearing in Administrative & Support Services, which were \$59,000 less than planned; Maintenance, where expenses were \$76,000 less than planned; and depreciation, which was \$132,000 less than planned.

These results generated a loss of \$263,000 for the year, against a budgeted income of \$139,000 and year-to-date negative variance in terms of net income, for the Association was \$402,000.

August Preliminary Sales

Mr. Delia reported that to-date in August Store sales are \$423,472 less than planned due primarily to decreased income from the Computer Store where sales are \$297,943 less than planned; and decreased income from the Health Sciences Store, where sales are \$140,437 less than planned, although most of this is due to timing and will end up in September results..

Additionally, sales are \$23,046 less than planned in the Mail Telephone & Web category; however this negative variance was offset by increased sales in LuValle commons, where sales are \$35,569 greater than planned.

Given these results management anticipated that gross margin would be \$60,530 less than planned by month-end.

In the Restaurants Division sales were \$94,565 less than planned and Mr. Williams explained that this variance was mainly due to a \$54,569 negative variance to plan in Catering that resulted from the loss of Training Table income; and an \$18,490 negative variance in Concessions that resulted from significantly decreased attendance at the Farmer's Classic Tennis Tournament.

EXECUTIVE SESSION

Ms. Thornton 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 1:50 p.m.

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

The Board adjourned Executive Session at 2:06 p.m.

Mr. Jedlicka made a motion, seconded by Mr. Ferrari that the Associated Students UCLA Board of Directors approve all actions taken in Executive Session. Ms. Thornton called for a vote. The motion was approved by a vote of 8 yeas and 0 nays.

ADJOURNMENT

Ms. Thornton called for consent to adjourn the Associated Students UCLA Board of Directors August 31, 2012 Regular Meeting. There being no objections, the meeting was adjourned at 2:07 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.

Michael Jedlicka
Board Secretary and Alumni Representative