

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING
October 5, 2012 2:00 p.m. Kerckhoff Hall 152**

PRESENT: John Bollard; Robert Kurtzman, (Chair); Joel Ontiveros, Adam Swart; Agnes Warren; and Bob Williams, ASUCLA Executive Director

MANAGEMENT: Rich Delia, ASUCLA Finance Director; and Jennifer Willis-Graves, (recorder)

CALL TO ORDER

This meeting was called to order at 1:51 p.m.

APPROVAL OF AGENDA

As there were no objections the agenda was approved by consent.

**APPROVAL OF MINUTES FROM FINANCE COMMITTEE MEETING
HELD ON SEPTEMBER 21, 2012**

As there were no objections the minutes were approved by consent.

EXECUTIVE DIRECTOR'S REPORT

As Mr. Williams had presented a complete Executive Director's report during the Joint Operating Committee meeting that was held immediately prior to this Finance Committee meeting, he abbreviated his report.

Mr. Williams reported that capital expenditures related to the renovation of concessions stands in Pauley Pavilion were less than anticipated, and he noted that the \$2 million Ackerman Redesign project had been temporarily postponed.

Mr. Williams also reported that ASUCLA management is investigating sponsorship/naming opportunities for the Court of Sciences Student Center and a short discussion followed regarding the relative benefits of working with UCLA Development or continued independent work towards this end.

A brief discussion followed regarding the rationale behind agenda item VII.A. "Approval of \$200,000 capital expenditure for Casual Dining".

FINANCE DIRECTOR'S REPORT

Services & Enterprises September Month-End Preliminary Sales

As financial statements were not available at the time of this meeting Mr. Delia presented Services & Enterprises September month-end preliminary sales. He reported that in September the Store showed a 13.2% negative variance to plan but only a 0.9% negative variance compared to the same period in the prior year. The \$75,493 total negative budget variance in the Store resulted from decreased sales in several areas:

1. Sales in the Ackerman Apparel Division were \$98,723 less than planned due primarily to an \$87,367 negative variance in sales of Bearwear and a \$10,304 negative variance in sales of Men's FastTrack apparel.
2. Sales in the Ackerman Supply Division were \$276,954 less than planned due primarily to a \$221,402 negative variance in sales from the Computer Store.
3. Sales in the Ackerman Academic Support Division were \$171,394 less than planned due to a \$193,912 negative variance in the sales of New Text.

These negative variances were partially offset by strong sales in other areas:

1. Overall sales in LuValle Commons exceeded plan by \$18,193 due to a \$28,853 positive variance in the Academic Support Division.
2. Sales in the Heath Sciences Store exceeded plan by \$399,267 due to a \$362,793 positive variance in the sales of Dental Kits. Mr. Delia emphasized that this increase in sales was due to timing and would most likely reverse in coming months.
3. Sales in the Mail Telephone & Web Division exceeded plan by \$67,765 due to strong sales inspired by recent football games and also some enhancements to the web site.

Given these results, management anticipated that the Store as a whole would report a \$22,798 negative variance to plan in terms of gross margin, once September results were finalized.

In September Restaurants sales were \$36,068 less than planned and \$50,199 less than the same period in the prior year. Mr. Delia explained that this negative variance resulted from moderate sales decreases across the division that were offset by strong sales in Catering and several 3rd party operations.

1. Sales from Yoshinoya were \$40,382 less than planned;
2. Sales in North Campus were \$24,495 less than planned;
3. Sales in Café Synapse were \$13,986 less than planned;
4. Sales from Subway were \$11,816 less than planned; and
5. Sales in LuValle Commons were \$10,830 less than planned.

However...

1. Sales in Catering were \$33,318 greater than planned;
2. Sales from Jamba Juice were \$11,060 greater than planned;
3. Sales from Rubio's Baja Grill were \$10,904 greater than planned;
4. Sales in the Court of Sciences Student Center were \$10,273 greater than planned; and
5. Sales from Panda Express were \$6,924 greater than planned.

Customer counts for the division as a whole were 16,351 less than planned and 27,841 less than the same period in the prior year.

Services & Enterprises October Month-to-Date Preliminary Sales

Mr. Delia reported that to-date in October the Store showed a \$7,513 positive variance to plan and a \$659,429 positive variance over the same period in the prior year.

1. Sales in the Ackerman Union Division were \$33,793 less than planned due to a \$47,365 negative variance in apparel sales which was partially offset by a \$10,809 positive variance in sales from the Supply Division.
2. Sales in the LuValle Commons Division were \$35,551 greater than planned due to a \$33,707 positive variance in the Academic Support department.
3. Sales in the Health Sciences Store were almost exactly on plan, showing a positive variance of \$1,383 in the sales of Dental Kits.
4. Sales in the Mail Telephone and Web department were \$8,709 greater than planned.

Based upon the mix of items sold, management anticipated that the Store would report a \$22,060 negative variance to plan in terms of gross margin by month-end.

Mr. Delia reported that to-date in October, sales in the Restaurants Division were \$3,788 greater than planned due primarily to a \$7,133 positive variance in Catering and a \$2,064 positive variance in sales from Jamba Juice.

ACTION & DISCUSSION ITEMS

Approval of \$200,000 Capital Expenditure for Casual Dining

After a brief discussion Mr. Ontiveros moved, seconded by Mr. Swart, to increase the capital expenditure for Casual Dining by \$250,000 rather than \$200,000. As there were no objections, this amendment passed unanimously.

Mr. Bollard then moved, seconded by Ms. Warren to approve the aforementioned \$250,000 increase to the Casual Dining capital project. This motion passed with five assenting votes and no dissenting votes.

ADJOURNMENT

This Finance Committee meeting adjourned at 2:37 p.m.