

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

October 26, 2012

12:00 p.m.

Kerckhoff Hall Staterooms

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

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
Patrick Healey, UCLA Store General Manager/Director
Apparel/Accessories/LuValle Commons/Health Sciences Store
Cindy Holmes, ASUCLA Director UCLA Trademarks and Licensing
Karen Noh, ASUCLA Special Projects Director
Neil Yamaguchi, UCLA Store General Manager/Director of Academic Support

GUESTS: Andrew Alexah, UCLA Academic Planning and Budget
Erin Donnelly, Daily Bruin
Andy Hester, USA Internal Vice President
Avi Oved, Chief of Staff-USA Internal Vice President's Office

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 October 26, 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 September 28, 2012 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

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

A. Financial/Operational Items

1. September

Financial results in September show a positive variance in net income of \$115,000 for the month which results in a year-to-date positive variance of \$54,000. Overall sales were stronger in September than during the summer but it should be noted that positive results in licensing and dental kits will be partially reversed in future months.

September sales in the Store show a mixed result. The Apparel Division is down in both sales and contribution for the month compared to budget although they are ahead of last year's totals. The Supply Division continues to be the area showing the greatest shortfall most notably in computer hardware sales. However, despite a shortfall in almost \$276,000 in sales, contribution is only off \$32,197 as a result of the low markup in computers and good labor and cost control by the department. Textbook results were close to plan in sales overall within the Association with Ackerman coming in behind plan but LuValle showing strong results. The Health Sciences Store had a very good month in dental kit sales but as mentioned this is a timing issue. These sales are occurring earlier than planned and will reverse in future periods. Overall the Store was close to both budgeted sales and contribution.

Food Service had a very good month with overall sales including third party operations very close to plan and a positive variance in contribution of \$42,079. North Campus and Café Synapse continue to be the two operations seeing the negative variances while most operations were very close to plan. The major positive for the month was seen in Catering which had a fantastic month and exceeded its contribution budget by over \$38,000.

The Services Division came in with a positive variance of \$35,149 in contribution. This positive variance came primarily from domestic licensing income although much of this is a timing issue. A portion of this positive variance will reverse in future months. The Student Union was off plan slightly primary due to a few early student events and some added repairs. This should balance out throughout the year.

These results along with positive variances in A & SS, Maintenance and Depreciation offset by continued high utility costs resulted in a strong month for the Association.

October

October sales trends are following a similar trend to late September. Overall, the Store is behind plan primarily due to slow computer sales. Bearwear sales are also slightly behind plan although are ahead of last year. Food Service sales are very close to plan and ahead of last year.

B. *Our Independent Bookstore

1. Rental Textbooks

The academic materials team continues to work on keeping costs down to students. The rental

titles are increasing each year and this fall the rental book kiosk was added. For fall, the rental income is \$23,440 which saved \$12,759 for students who took advantage of this program.

C. *Campus Partnerships

1. Dribble for the Cure

The Association supported the Dribble for the Cure event by providing meal coupons and some giveaways for the event held on October 20.

2. DIA

The Store will be providing coupons for the 40th Anniversary of Title IX Celebration to be held on November 10.

3. Homecoming

Both Food Service and the Store will be supporting the Homecoming/Parents Weekend event. The Association is working with CRA to support the event by serving free and discounted food at the concession stands and the Store will open the new Adidas Team Shop in Pauley Pavilion.

D. *Championship Service

1. Monster Sale

The Monster Sale was held yesterday, October 25 and the Store did not make budget primarily in Bearwear. The online Monster Sale was on Monday, October 22 and the orders were up from last year 189 to 349.

2. Faculty/Staff/Alumni Appreciation

The faculty and staff appreciation event will be November 27-29. Faculty and staff will be eligible for a 20% discount on the normally discounted items. Alumni Association members save 20% online November 26-30 (in-store event December 15)

3. Bearwear Catalog

The holiday catalog will be delivered on November 8-10. Ms. LeMon asked how many catalogs are mailed. Mr. Healey stated that there are approximately 100,000 holiday catalogs and 225,000 fall catalogs sent each year.

E. *Your Student Association

1. Student Body Presidents Reunion

Every five years former and current student body presidents organize a reunion. This year's event will be November 16, the night before the UCLA vs. USC Football game. ASUCLA helps support the event and Mr. Champawat has been working with former and current leaders to organize this year's event with some special features. Mr. Champawat explained that this event is moving towards a fundraising event for USAC as they will have seminars during day and a dinner in the evening. Instead of a socializing event the seminars will allow each past president an opportunity to give back to their UCLA community.

F. *Building Towards the Future

1. Court of Sciences Student Center

Court of Sciences Student Center has been awarded a LEED Gold rating. The facility was granted 46 of the 47 points attempted. This is a major accomplishment and took a significant number of actions to adjust menus and equipment along with the reuse of the bricks, furniture, and many other items to qualify.

2. Ackerman Interior Design / Patio Project

Management is beginning to examine certain elements of the project and ways they can be implemented at lower costs. Management will bring initial ideas to the Services Committee.

3. Pauley Pavilion

The food team is installing equipment in the stands, beginning training and finalizing the marketing and menu boards. The team participated in a training walk through session on October 22 and will be participating in several tours. The third party contracts have been finalized and Ms. Bolton is working to finalize the Pavilion Club food operator. The opening date is scheduled for November 9.

4. Casual Dining

There are a few budget issues that will be discussed further with today's action item. Demolition should start in November and Training Table will move to the Bruin Reception Room on November 12.

G. Employee Investment

1. Employee Appreciation

The next Store Employee Appreciation will be November 16-21 where employees will get 33% off the normally discounted items. ASUCLA Board members are eligible for the discount.

H. Board of Director Priorities

1. E-commerce

The consultants continue to split test various aspects of the e-commerce platform. Information services are upgrading the platform to the latest release to add important features. The management working group is looking at the financial factors in adding product profiles and continues to refine the online variety. The Services Committee, at its last meeting, approved to have e-commerce informational meetings to be held throughout the year. The first meeting will be on November 16 at 10:30 a.m. and will include the consultants.

2. Healthiest Campus Initiative

The HCI Nutritional Hub met to talk about group participation and a potential Memo of Understanding (MOU) with Partnership for a Healthier America. Several issues were discussed specifically drafting the language to be college appropriate. In addition, the Real Food Ad Hoc committee met to discuss next steps.

3. Campus Student Space Initiatives

Management is beginning to look at potential projects to meet some of the key goals of the Ackerman Union Redesign project within appropriate budget constraints.

The Executive Committee has continued discussing ways to develop an overall ASUCLA student space plan.

4. Social Responsibility

The Association is upgrading its recycling program in all of ASUCLA's facilities to be consistent with the University's single stream recycling. The lids for recycling bins will be modified for easier use. Management continues to wait for final details on the plastic bag legislation.

I. Miscellaneous

Mr. Swart raised the question of why UCLA Extension books are sold at LuValle Commons and not at Ackerman Union. Mr. Yamaguchi explained that initially textbooks were geographically located by type, i.e. professional students, undergraduate, etc. The LuValle Store, which is open later and close to Extension, was the ideal location. However, since Extension locations have shifted and the Store is planning to redesign the textbook area it would be a perfect opportunity for management to consider adding those books to the Ackerman Union location.

EXECUTIVE COMMITTEE REPORT

Ms. Giannitrapani stated that the Committee met on October 17 and heard an Executive Director's report. The Committee also discussed strategies for Court of Sciences Student Center, Café Synapse, and North Campus. Mr. Williams explained that there will be a conference call with Partnership for a Healthier America regarding the Healthiest Campus Initiative agreement. The Committee discussed possible student union visits with the Entities Committee and created today's agenda.

FINANCE COMMITTEE REPORT

Mr. Kurtzman stated that the Committee met on October 5 and heard both Finance and Executive Director's report. The Committee also approved and forwarded to the Board the casual dining capital expenditure agenda item.

SERVICES COMMITTEE REPORT

Mr. Ferrari stated that the Committee met on October 12 and heard an Executive Director's report which included an update on the Global Viewpoint Lounge, store management restructure, and e-commerce. The Committee discussed at length the content being shown on the mtvU monitors in the first floor dining room and previewed one video in particular that a student complained about. MTV was contacted regarding the complaint and has since pulled the video. Mr. Champawat also updated the Committee on the UCLA Radio Pilot Program and Ms. Noh provided a sustainability update.

PERSONNEL COMMITTEE REPORT

Mr. Weismeyer stated that the Committee has not met.

REAL FOOD AD HOC COMMITTEE REPORT

Mr. Ontiveros stated that the Committee met on October 23 and discussed the Partnership for Healthier America MOU and the Healthiest Campus Initiative. There will be a meeting with Partnership for Healthier Campus on October 31 to discuss the proper language for the MOU.

FINANCE DIRECTOR'S REPORT

September Financial Results

Mr. Delia stated that September was financially a good month. Gross income was close to plan as well as gross margin.

Wages and Benefits in the Store were better than plan by \$42,000 and the Restaurants were better by \$35,000.

Contribution in the Store was negative by plan by \$12,000; however, the Restaurants were better than plan by \$42,000 and Services by \$35,000.

Allocated Expenses in A&SS were better by \$24,000 and the Maintenance Division by \$31,000. Utilities continue to be an issue at the Court of Sciences Student Center which led to a negative variance of \$20,000. Depreciation was positive by \$12,000.

Net Income for the month was positive to plan by \$115,000 and for the year (2 months) by \$54,000.

The P/L Reconciliation shows that the Computer Store gross income was \$236,000 below plan due to the continued downward trend in hardware sales. New text gross income was \$195,000 below plan due to the continued decline of textbooks. As respects Food Services, North Campus gross income is \$24,000 below plan and Café Synapse is \$14,000 below plan. Catering gross income was \$57,000 better than plan due to increased events. Licensing domestic income is above plan by \$80,000 but will reverse in later months.

Cash flow for September was positive by \$945,000 which leaves \$11,152,000 check book balance. Of that balance, \$3,784,000 is committed to several capital projects which leaves a \$5,708,000 balance and resulted in a \$773,000 reserve surplus.

Past due account receivables are 4% of the total due to a minor problem with Panda Express rent. Store inventories are higher and turns are under 4.2.

Mr. Delia stated that he was in contact with the University to discuss refinancing ASUCLA's debt which would lower the interest rate and the interest expense..

October Preliminary Sales

Mr. Delia reported that to-date in October the Store is \$529,471 negative to plan and YTD is \$1,028,436 negative to plan. The Monster Sale was \$123,968 below plan. MTW is positive by \$16512 which is 31% better than plan.

Based upon the mix of items sold, management anticipated that the Store would report a \$132,536 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 \$14,688 greater than planned due primarily to a \$22,691 positive variance in Catering and a \$9,195 positive variance in sales from Jamba Juice and \$20,524 from Rubio's.

CASUAL DINING CAPITAL EXPENDITURE

Mr. Kurtzman stated that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve an increase of \$250,000 in the already approved/budgeted \$500,000 capital expenditure for the Casual Dining Project resulting in a total of \$750,000. Ms. Thornton called for a vote. The motion was approved by 10 yeas and no nays.

EXECUTIVE SESSION

Ms. Thornton called for consent for the Associated Students UCLA Board of Directors to enter into Executive Session and include Rich Delia, Sandi Gillespie, and Cindy Holmes. There being no objections, the motion was approved by unanimous consent.

The Board entered into Executive Session at 1:13 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 2:02 p.m.

ADJOURNMENT

Ms. Thornton called for consent to adjourn the Associated Students UCLA Board of Directors October 26, 2012 Regular Meeting. There being no objections, the meeting was adjourned at 2:02 p.m.

* * * * *

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