

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

January 24, 2014

12:00 p.m.

Kerckhoff Hall Staterooms

PRESENT: John Bollard, Precious Elam, Karleen Giannitrapani, Robert Kurtzman, Monet LeMon, Amy Liu, Joel Ontiveros, Adam Swart, Agnes Warren, Bob Williams, Jordan Wong, and David Zeke

ABSENT: Mike Jedlicka

LATE: Dorothy Wiley

EARLY DEPARTURE: Adam Swart

MANAGEMENT: Cindy Bolton, ASUCLA Director of Food Operations
Roy Champawat, ASUCLA Student Union 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
Karen Noh, ASUCLA Special Projects Director

GUESTS: John Cavender, Daily Bruin
Maryssa Hall, USAC External Vice President
John Joanino, USAC President
Lawrence Turner Jr., Afrikan Student Union
Janay Williams, Afrikan Student Union

CALL TO ORDER

Ms. Liu called the meeting to order at 12:02 p.m.

APPROVAL OF AGENDA

Ms. Liu called for consent to approve the Associated Students UCLA Board of Directors January 24, 2014 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Ms. Liu called for consent to approve the Associated Students UCLA Board of Directors December 7, 2013 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. November

Overall Association financials for November were excellent. Gross income for the month was ahead of plan in all areas and net income exceeded the budgeted plan by \$124,000.

The Store had its strongest month of the year, especially in Graduation Etc, e-commerce, new text, BookZone and HSS dental kits. For the month, the Store came in ahead of its contribution budget by \$20,928.

Food Services also had a strong month exceeding budget in both sales and contribution. Significant Positive variances to budget were seen in Wolfgang Puck, CSSC, Catering and Concessions. Catering and Concessions continue to be very strong. LuValle and A-level Ackerman units saw slower results while Café Synapse exceeded budget.

The Services Division had a very strong month led by positive variances in both domestic and international licensing. Leased operations results were also well ahead of plan.

The Student Union had a solid month exceeding its plan primarily due to additional event and other income. Recreation and games also exceeded budget as a result of our lower cost operating model. Savings were seen in both A&SS and Depreciation leading to a strong November.

2. December

December saw slower sales in the Store than November but overall net income for the month exceeded budget by \$10,000 due to strong Food Service results and excellent wage and expense control across the Association.

The Store experienced weaker trends in several areas including Bearwear, textbooks, BookZone, LuValle general merchandise and the Computer Store. Campus specific service areas fared somewhat better including Graduation Etc, the Market, Campus Portrait Studio and Course Reader Solutions. Ecommerce results remain strong but are behind last year's outstanding results during December.

In Food Service, despite some negative sales results versus plan, excellent margin results and wage and cost control led to a positive variance in contribution for the month of \$43,855. Catering and Concessions continued to lead the way with a combined positive variance to budget of more than \$25,000 in contribution. Patterns in the other areas remained consistent with good results in Ackerman first floor operations while A-level operations continue to be slower. The LuValle areas had their best month of the year but North Campus slipped back in response.

Services results were close to plan and the Student Union saw a positive variance. Event results continue to be ahead of plan. Continued savings in A&SS and Depreciation contributed to a solid month.

3. January

Winter Quarter is off to a very slow start with slow traffic in all areas. Store sales are falling well behind plan primarily in the Academic Materials Division. Textbooks, Course Readers and Computer Sales are all behind both last year and budget. The other areas of the Store are much closer to plan and e-commerce results remain ahead of both budget and last year. This pattern is consistent with what is being seen in much of the retail industry. Food Service operations are also seeing declining traffic and unit sales although strong Catering and Concessions results are keeping Food Service ahead of its budgeted sales plan.

4. 14-15 Budget Process

The budget process for FY 14-15 has begun and the first discussion will take place in the Finance Committee by looking at our tentative budget assumptions. The process will take several months to complete and will be presented at the Budget Meeting on May 2, 2014.

B. Our Independent Bookstore

1. Plastic Bag Ban

The UCLA Store, in compliance with the new Los Angeles City ordinance, stopped distributing plastic bags and started charging 10 cents for each paper bag on January 2, 2014. The Store reports that most customers are declining bags and opting to put their items in their backpacks.

C. Campus Partnerships

1. Optometry Store

The Ashe Vision Center project is underway.

2. Coffee Mug Contest

In partnership with Facilities Commissioner, Armen Hadjimanoukian, the Student Engagement Committee and UCLA Restaurants will put on a contest to choose a new refillable library mug with a new design.

3. Alumni Apple Promotion

The results of the Apple Alumni promotion were somewhat disappointing with sales of around \$30,000 to participating alumni.

4. Public Health Nursing

UCLA Restaurants is acting as a stakeholder in Public Health Nursing for winter 2014. This quarter, the class will perform a more qualitative assessment to come up with recommendations that will help students to make healthful eating choices.

D. Championship Service

1. Valentine's Day Sale

The next big Store sale will be the Valentine's One Day sale (Love 4 Sale). This event will be held on Thursday, February 13.

E. Your Student Association

1. The Black Experience Mural

Panda Express was able to finish their remodel during the winter break. The wall covering the mural has been removed and the restoration process has begun.

2. T-shirt Design Contest

The 2014 T-Shirt Contest Design winner is for sale in the UCLA Store and at shop.uclastore.com. As of Monday, January 20, 2014, 109 shirts have been sold in-store and 27 shirts have sold online.

F. Building Towards the Future

1. Global Viewpoint Lounge

The new door to the Global Viewpoint Lounge is installed. Management has been in ongoing discussions with Student Affairs regarding potential space partnerships.

2. Beautique Area

The new flooring for the Beautique was completed over the break including the new Clinique counter.

3. Wolfgang Puck Express

Patio heaters have now been approved.

4. Jamba Juice

Jamba Juice will begin its remodel on January 26 which will cause a disruption in service for a few days.

G. Employee Investment

1. ASUCLA Employee of The Year

Employee of the year awards were handed out on December 19, 2013. Radius Maypa from Food Service won the top honor.

H. Board of Director Priorities

1. E-Commerce/Licensing

Management has been completing an analysis of various expenditures in the ecommerce area to determine the most efficient path to new customers and added sales and will continue to look at future alternatives to the licensing and e-commerce platforms and portfolio to find additional efficiencies.

2. Student Media Support

The Board voted last month to defer Student Media A&SS payments up to \$180,000 but only through the end of January. Since management is no longer authorized to defer payment of bills, they communicated to Student Media that a new more formal process should be enacted.

3. Long-Term Viability

Management is working on long-term trends and the changing retail marketplace and is preparing various reports and analysis for the Board.

4. Campus Partnerships

Discussions are ongoing regarding space, Healthy Campus Initiative, IT, and accounting systems efficiencies.

5. Social Responsibility/Sustainability

Management met with the Healthy Campus Initiative team, a representative from the Partnership for a Healthier America, and Residence Halls to discuss a potential agreement with PHA. Ms. Bolton and the UCLA Dining food team have been working to select specific goals that both groups can strive towards.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee met on January 13 and was held in Executive Session.

FINANCE COMMITTEE REPORT

Mr. Zeke explained that the committee met on January 17 and discussed the audited financial statements with the external auditors. The approval of the FY 12/13 audited financial statements is on the agenda today. The committee also discussed and approved to forward to the Board the typhoon relief support and student media deferment.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on January 10 and discussed student affairs usage of the global viewpoint lounge and sleep pods. The committee also approved to forward to the Board an agenda item regarding the typhoon relief support.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani stated that the committee met on January 13 and discussed the Executive Director's compensation and evaluation process.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

Mr. Wong stated that the committee met earlier today, January 24 and discussed a new refillable mug project, results from the t-shirt contest, and possible student surveys.

FINANCE DIRECTOR'S REPORT

December Financial Results

Mr. Delia reported that in December gross income was \$373,000 less than planned and \$607,000 less than the prior year, due primarily to decreased sales in the Store, where there were significant negative variances across the division.

These negative variances in income were offset by savings in expense areas such that net income for the Association as a whole was \$10,000 greater than planned but \$168,000 less than the prior year. Given these results, year-to-date gross income was \$1,135,000 less than planned and \$1,233,000 less than the prior year in December.

In terms of cash, the Association reported a book balance of \$10,132,000 at month-end, compared to \$10,452,000 in the same period during the prior year. Of this balance, \$3,295,000 was reserved for capital projects, leaving \$6,167,000 in uncommitted cash, a level that is \$1,253,000 less than the \$7,420,000 Board-required cash reserve.

In December past due accounts receivable fell dramatically from 7% of total accounts due in the prior period to just 2% of total accounts due, as the result of timing of textbook-related returns; and Store inventories at cost were below the last two years' levels at just under \$7,500,000 while inventory turns fell slightly, to just below 4.2.

January Preliminary Sales

Mr. Delia reported that to date in January, Store sales were \$589,746 below plan due primarily to decreased income in Ackerman Academic Support, where sales were \$485,275 less than planned. In addition, sales in LuValle Commons Academic Support were \$108,610 less than planned.

Given these results, management anticipated that the Store would report a \$152,866 negative variance in terms of gross margin by month-end.

Month-to-date in the Restaurants Division sales were \$8,614 greater than planned due primarily to positive variances in Concessions, where sales were \$36,741 greater than planned; Wolfgang Puck, where sales were \$31,970 greater than planned; and in Catering, where sales were \$20,542 greater than planned. Together these results helped to offset small negative variances across the division.

FY 12/13 AUDITED FINANCIAL STATEMENTS

Mr. Zeke made a motion; seconded by Mr. Swart that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the FY 12-13 Audited Financial Statements for Services and Enterprises, Communications Board, Graduate Student Association, and Undergraduate Student Association. Ms. Liu called for a vote. The motion was passed by a vote of 10 yeas and 0 nays.

TYPHOON RELIEF SUPPORT (SERVICES COMMITTEE)

Mr. Williams explained that both the Services and Finance Committees approved similar action items regarding typhoon relief; however, the Finance Committee agenda item has information regarding financial information and the Board should concentrate on that item.

Mr. Swart made a motion, seconded by Mr. Zeke that the Associated Students UCLA Board of Directors postpone indefinitely the Services Committee Typhoon Relief effort agenda item. Ms. Liu called for a vote. The motion was passed by a vote of 10 yeas and 0 nays.

TYPHOON RELIEF SUPPORT (FINANCE COMMITTEE)

The Services Committee forwarded their research to the Finance Committee on past charitable donations that were made behalf of the Association and all previous efforts were in the form of fundraising support. ASUCLA does not have a history of giving cash donation since it is itself a not-for-profit organization.

The Finance Committee is in favor of supporting typhoon relief efforts and discussed multiple fundraising options as well as the financial impact of such a donation. The committee agreed that the coupon/flyer fundraiser that the Services Committee recommended was a good option however; there should be a maximum dollar amount. After some discussion the committee agreed that the coupon/flyers would be distributed by interested students, ASUCLA outreach

efforts, and would be accepted in the Store for one week which allows 10% of the total sale to be donated to the typhoon relief committee to a maximum amount of \$6,000.

Mr. Zeke made a motion, seconded by Mr. Swart that the Associated Students UCLA Board of Directors approve the Association to provide a coupon/flyer fundraiser for typhoon relief efforts with a maximum donation of \$6,000. Ms. Liu called for a vote. The motion was passed by a vote of 9 yeas and 1 abstention.

DEFERMENT OF STUDENT MEDIA ADMINISTRATIVE CHARGES

Mr. Zeke explained that the Finance Committee agreed to authorize the Finance Director to continue to defer Administrative and Support Services payments due from the Communications Board to Services and Enterprises to a maximum of \$180,000 until the end of February 2014. This shall be contingent upon the Communications Board's continued participation in good faith discussions related to the development of a formal advance agreement between the two organizations.

Mr. Zeke made a motion, seconded by Mr. Bollard that the Associated Students UCLA Board of Directors allow the Finance Director be authorized to continue to defer Administrative and Support Services payments due from the Communications Board to Services and Enterprises to a maximum of \$180,000 until the end of February 2014. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 1 nay.

EXECUTIVE SESSION

Ms. Liu 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 1:09 p.m.

Ms. Liu 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 2:02 p.m.

ADJOURNMENT

Ms. Liu called for consent to adjourn the Associated Students UCLA Board of Directors January 24, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 2:02 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