

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

February 28, 2014

12:00 p.m.

Kerckhoff Hall Staterooms

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

LATE: Dorothy Wiley

EARLY DEPARTURE: Robert Kurtzman and Dorothy Wiley

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
Neil Yamaguchi, UCLA Store General Manager/Director of Academic Support

GUESTS: Erik Pena, Communications Board Chair
(See Attached Guest List)

CALL TO ORDER

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

APPROVAL OF AGENDA

Mr. Williams made a motion, seconded by Ms. Giannitrapani that the Associated Students UCLA Board of Directors move Agenda Item VIII.C to Agenda Item V.

Ms. Liu called for consent to approve the Associated Students UCLA Board of Directors February 28, 2014 Regular Meeting Agenda as amended. 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 January 24, 2014 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

PUBLIC COMMENT

Various students from the Daily Bruin, UCLA Radio, and Al-Talib News Magazine expressed their concern over the initial language in the ASUCLA Board of Directors and Communications Board Advance Agreement which could impede the Daily Bruin's editorial independence. Mr. Williams explained that initial language was taken directly from the Advance Agreement with ASUCLA and the University's agreement and has since been revised.

APPROVAL OF ADVANCE AGREEMENT FOR STUDENT MEDIA

Mr. Williams stated that he would like to offer the following revisions to the Advance Agreement that the Finance Committee has forwarded to the Board today:

1. Terms of Credit: changed from two years to three years
2. Board Orientation: that the Communications Board hold a summer orientation program and a re-orientation to take place in the spring
3. Appointment of Members: that the Communications Board notify GSA and USA that their student appointments be filled before the end of July each year so the board can assure a student majority
4. Remedies: Section 5.13 to be deleted and 5.12 to be included:

In the event Student Media cannot develop a plan to cure its non-compliance or if additional financial support is required, a joint meeting of the Communications Board and the ASUCLA Board (or the appropriate Board committee's as assigned) will be convened to develop financial and operational options to support the ongoing operations of Student Media. The Communications Board and the ASUCLA Board of Directors will explore avenues to reach a mutually agreeable solution. Failing a mutually agreeable plan after 30 days of the Communication's Board's receipt of notice as indicated in 5.1.1 above, the ASUCLA Board of Directors, or the ASUCLA Executive Director operating on behalf of the Board of Directors, may direct discontinuance of all, or appropriate amount and types of expenditures until a plan to secure repayment of Advanced principal and interest can be approved, and no further Advances will be made under the line of credit.

Ms. Liu made a motion, seconded by Ms. Giannitrapani that the Associated Students UCLA Board of Directors approved the revisions to the proposed Advance Agreement for Student Media. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

Discussion continued about whether the Advance Agreement could be executed after the 14-15 budget process. ASUCLA Board members felt strongly that the agreement needed to be in place now since \$173,000 has already been deferred and ASUCLA is carrying the debt.

Mr. Williams offered a friendly amendment to Section 1: Amount and Terms of Credit which would state: The total amount of all Advances shall not exceed Two Hundred Thousand Dollars (\$200,000) and will be in the form of a line of credit that will be reviewed after the FY14-15 budget process at which time the line of credit terms can be reissued.

Ms. Liu made a motion, seconded by Mr. Zeke that the Associated Students UCLA Board of Directors approve the amendment to the proposed Advance Agreement for Student Media. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

Ms. Liu made a motion, seconded by Mr. Bollard that the Associated Students UCLA Board of Directors approve the Advance Agreement for Student Media as amended. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

DEFERMENT OF STUDENT MEDIA ADMINISTRATIVE CHARGES

Mr. Delia explained that until the Advance Agreement is signed he will need to continue to defer Administrative and Support Services payments due from the Communications Board to Services and Enterprises.

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 with a maximum of \$180,000 until March 15, 2014. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. January

Fall quarter saw slower results, which continued through each rush period to date. Gross income in January was under budget primarily due to slower results in the retail areas. Overall net income for the month was off \$135,000 putting the Association slightly behind budget for the year.

The Store is experiencing many of the same factors the largest retailers are experiencing with slower sales and competition from the Internet. Bearwear results were lower than budget and slightly behind last year and the Market continues to see slower sales partially due to traffic disruptions from construction. E-commerce results were behind plan for the first time this year although contribution results were ahead of last year. The Academic

Support division continues to see the greatest shortfall. Both new and used text sales were slow for January and Course Reader sales and contribution were behind their aggressive targets. Book sales at LuValle were behind plan but the Health Sciences Store made its plan. The Computer Store had a significant shortfall for the month and is behind last year despite the store space, product, and service improvements.

Food Service has been tracking well ahead of plan throughout the year but sales fell off in January as traffic patterns slowed. Despite this shortfall in sales, the division only missed plan by a small amount due to strong wage and expense control. The pattern continues to be similar to previous months in Ackerman with the first floor ahead of plan and A-level slowing. North Campus slipped behind plan for the month but was well ahead of last year while LuValle had a stronger month.

In Services, Licensing was behind plan both domestically and internationally some of which is timing. The Student Union Division made its plan for the month with results in all areas tracking very close to plan. A&SS areas saw significant savings and utilities were close to plan.

2. February

Sales in both the Store and Food Service are ahead of last year but are behind their respective budget targets. The Association is entering the speculative period of budgets and it appears that the forecasts are too aggressive in both areas. The results in both areas are actually fairly strong with the Store ahead of last year by 3.4% and Food Service by 3-5%.

3. FY 14-15 Budget Process

The budget process is underway and management will be looking at tentative assumptions at the Board meeting. Year-end results are expected to be behind plan in net-income but cash reserve totals will remain strong. The budget is still in the initial phases but next year's projections are shaping up to be a challenge in the Store while all other areas appear to be able to meet or exceed the 14-15 projections they made last year.

B. Campus Partnerships

1. Coffee Mug Contest

Voting for the new library coffee mug and design was held on February 25-27. The Student Engagement Committee reviewed the votes earlier today and is considering offering two design options. The new mugs will be ready for sale by Earth Day, April 22 in all UCLA Restaurant Coffeehouses.

2. UCLA Bruin Day

UCLA is holding their major recruitment day on Saturday April 19, 2014. ASUCLA will take part as usual with a tour, extended hours in all areas, and a booth at the Student Services Fair. This year, there will be increased focus on financial resources and support in Dickson Court South (adjacent to Schoenberg). ASUCLA will have a prominent presence as a major employer of students.

C. Your Student Association

1. The Black Experience Mural
Restoration is moving along well and nearing completion. The holes have been filled in and the picture has been blended. The entire mural has been cleaned and will be preserved.
2. ASUCLA Benefits U App
Student Media helped us to promote the ASUCLA Benefits U App with a coupon and Facebook campaign during Week 4. Approximately 6000 people have downloaded the app to date.

D. Building Towards the Future

1. Global Viewpoint Lounge
Management has been in ongoing discussions with Student Affairs regarding potential space partnerships and is compiling projections for three different approaches to the space to determine the most cost effective approach.
2. Wolfgang Puck Express
The final bills have been issued and the project will be closed. The total cost came in lower by approximately \$150,000.
3. Jamba Juice
Jamba Juice has finished their remodel and is open.

E. Employee Investment

1. ASUCLA Employee Appreciation Sale
The next employee sale will be March 12–14.

H. Board of Director Priorities

1. E-Commerce/Licensing
A much faster checkout process had been implemented on shop.uclastore.com that cuts the number of page views in half and provides accurate total cost. There will also be a new design for the checkout pages.
2. Long-Term Viability
The Mid-Year Retreat was able to focus on the many successes that ASUCLA has had during the past several years as well as look at the challenges facing the Association in the future. The group began to look at various approaches to secure the financial future and discussions will be ongoing as the budget and 5-year forecasts are developed.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee met on February 14. Mr. Williams gave an Executive Director's report and the committee discussed the philanthropy policy. The committee also recapped the mid-year retreat and created today's meeting agenda.

FINANCE COMMITTEE REPORT

Mr. Zeke explained that the committee met on February 18 and discussed the Student Media Advance Agreement which has already been discussed today. The committee also approved and forwarded to the Board the FY 14-15 Tentative Budget Assumptions as well as an Executive Session item regarding leased space.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on February 14 and discussed the student sleeping solutions which has been forwarded to the Board for approval today as well as an Executive Session item regarding leased space.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani stated that the committee met on February 6 and began the Executive Director's evaluation process.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

Mr. Wong stated that the committee met earlier today and discussed the coffee mug results. The committee also looked at the costs of continuing the t-shirt contest and a possible survey for the student food collective.

JOINT OPERATIONS COMMITTEE

Mr. Ontiveros explained that ASUCLA discussed the Board of Director's priorities for the year and discussed long-term strategies.

FINANCE DIRECTOR'S REPORT

January Financial Results

Mr. Delia reported that in January Services & Enterprises reported a \$135,000 negative variance to plan in terms of net income, owing to a negative variance of \$695,000 in gross income that resulted from a \$635,000 negative variance in the Store.

In addition, sales in the Computer Store were \$165,000 less than planned and sales of Bearwear were \$58,000 less than planned.

However, these negative variances were partially offset by wages and benefits, which were \$67,000 less than planned; and by other controllable expenses, which were \$10,000 less than planned; such that contribution for Services & Enterprises as a whole was \$217,000 less than planned.

In terms of cash, the Association reported a book balance of \$11,629,000; of which \$2,873,000 has been reserved for capital projects, leaving \$7,242,000 in uncommitted cash, a level that is \$552,000 less than the \$7,794,000 Board-required cash reserve.

Past due accounts receivable fell dramatically from the prior month, to just 3% of total accounts due; Store inventories at cost fell to roughly \$6,500,000 and inventory turns remained stable at roughly 4.0.

February Preliminary Sales

To-date in February Store sales were \$186,089 less than planned but \$85,022 greater than the prior year (3.4%).

Sales in text and academic support were less than planned across the division. Sales of apparel were also less than planned as sales of Bearwear in Ackerman Union were \$21,882 less than planned and mail telephone and web sales were \$16,054 less than planned.

Given these results, management anticipated that gross margin for the Store would be \$55,219 less than planned by month-end.

To-date in February sales in the Restaurants Division were \$86,340 less than planned due primarily to decreased sales in concessions, which were \$40,068 less than planned; a \$25,325 negative variance in sales from Jamba Juice (due to closure). Mr. Delia noted however that sales from Wolfgang Puck continue to be strong, exceeding plan by \$50,697 month-to-date.

NOTICE OF PHILANTHROPY POLICY

The Board discussed the proposed philanthropy policy and members were concerned about the charitable solicitation guidelines. Several members felt very strongly against making charitable donations since ASUCLA is a not-for-profit organization that it shouldn't be donating to other

not-for-profit organization especially since the union collects student union fees. Ms. Liu asked for board members to email their revisions to her and the Executive Committee will revise the policy with everyone's input.

APPROVAL OF FY 14-15 TENTATIVE BUDGET ASSUMPTIONS

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 14-15 Budget/Five-year Forecast Tentative Assumptions.

Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

APPROVAL OF SLEEP SOLUTIONS

Mr. Swart explained that the Services Committee is recommending that the Board of Directors authorize management to purchase six (6) recliner chairs to be placed in the Kerckhoff Hall 3rd Floor Lounge. The ideal chair type would be substantially like the Human Touch Perfect Chair. The estimated cost of acquiring these chairs would be \$10,000.

Board members expressed concern about the type of chair and Mr. Champawat explained that the type of chair is flexible and he will continue to search for an appropriate chair. Chair options will be addressed at future Services Committee meetings.

Mr. Swart made a motion, seconded by Mr. Ontiveros that the Services Committee is recommending that the Associated Students UCLA Board of Directors approve the purchase of six recliner chairs (approximately \$10,000) to be placed in Kerckhoff Hall third floor lounge.

Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and no nays.

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 2:36 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 3:36 p.m.

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

ADJOURNMENT

Ms. Liu called for consent to adjourn the Associated Students UCLA Board of Directors February 28, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 3:37 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

Associated Students **UCLA**

It all comes back to you!

**Board of Directors Meeting
Guest List**

February 28, 2014

Name:	Group:
Hossain Albagal	Comm Board
J. P. Cavender	Daily Bruin
Colleen Casabal	Al-Talib Newsmagazine
Alessandra Daskalakis	Daily Bruin
Elizabeth Cash	Daily Bruin
Andrew Erickson	Daily Bruin
Neil Bedi	Daily Bruin
BRENDAN HORNOSTEL	DAILY BRUIN
Jasmin Aquino	Daily Bruin
Katie Shepherd	Daily Bruin
Katherine Hafner	Daily Bruin
Cara Rowland	UCLA Radio
Nathan Galovan	UCLA Radio
Monica Herdt	UCLA Radio
Chelsea Saurek	UCLA Radio
Kelly Gu	Daily Bruin
Jedong Park	Daily Bruin
Nico Correia	Daily Bruin
Delara Shakib	Daily Bruin

Emily Schi	Daily Bruin
Ryan Nelson	Daily Bruin
Alexandra Taslman	Daily Bruin
Eitan Arom	Daily Bruin
Jane Nguyen	Daily Bruin
Yael Levi	Daily Bruin
Chandini Soni	Daily Bruin
Simon Zou	Daily Bruin
Byron Lutz	Daily Bruin
Sam Temblador	Daily Bruin
Jillian Beck	Daily Bruin
Loiz Hostetter	Daily Bruin
Sedra Alenc	Daily Bruin
Andrew Gerson	UCLA Radio
Nihal Satyadev	USAC
Hee Jae Choi	Daily Bruin
ARVLI WARD	STUDENT MEDIA