

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

March 14, 2014

12:00 p.m.

Kerckhoff Hall Staterooms

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

LATE: Adam Swart

ABSENT: Karleen Giannitrapani

EARLY DEPARTURE: John Bollard and Adam Swart

MANAGEMENT: Cindy Bolton, ASUCLA Director of Food Operations
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
Lisa Perez, ASUCLA Marketing Director
Neil Yamaguchi, UCLA Store General Manager/Director of
Academic Support

GUESTS: Jillian Beck, Daily Bruin
Neil Bedi, Daily Bruin
John Cavender, Daily Bruin
Maryssa Hall, USAC EVP
Katherine Hafner, Daily Bruin
Harrison Liddiard, Daily Bruin
Devin Murphy, USAC
Amanda Schallert, Daily Bruin
Lawrence Turner Jr., Afrikan Student Union/Black Coalition

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 March 14, 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 February 28, 2014 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. February

Sales for the Association were below budget for the month but were ahead of last year's results. Strong margin results and good management of wages and other controllable costs led to only a slight negative variance of \$16,000 in net income for the month.

The Store continues to face challenges versus the plan, but for February sales were up from last year. In the General Merchandise Division, Bearwear had a solid month but continues to see unusually slow traffic patterns and sales in the Market. E-commerce fell below plan for the month and management will continue to evaluate various marketing approaches. The Academic Support Division exceeded plan for the month. New and Used Text was behind plan but saw positive results in Course Readers and the Computer Store. The LuValle Store was slightly behind plan and is also seeing slowing market sales. The Health Sciences Store was ahead of plan due to added dental kit income. Overall, the Store Division made its contribution plan for the month despite missing its sales plan.

The Food Service Division missed plan for the month but is still well ahead of budget for the year. North Campus was behind plan for the month but the contribution was significantly ahead of the same month last year. Similar results were experienced at LuValle where contribution totals were behind plan but ahead of last year. Catering exceeded plan for the month but not by as large a margin as in previous periods. Concessions missed plan for the month primarily due to game schedule timing and lower attendance than anticipated.

The Services Division missed plan due to the continuing volatility of Domestic and International Licensing patterns and timing. The Student Union Division had a good month exceeding its contribution budget with good results in the Post Office and wage savings. Savings in A&SS costs and depreciation helped lead to a good month overall.

2. March

March sales trends are similar to previous months in the Store. Computers sales continue to fall behind plan and Market sales continue to be a challenge. Both Bearwear and E-commerce sales are below expectations. Food Service sales are ahead of plan when the timing on the basketball games is factored out for concessions.

3. FY 14-15 Budget Process

The budget process is moving on schedule. Management will be meeting next week to go over preliminary five-year forecast numbers.

B. Our Independent Bookstore

1. LA Times Festival of Books

The BookZone will be participating in LA Times Festival of Books at USC on April 12 and 13.

C. Campus Partnerships

1. Coffee Mug Contest

The food service team was able to work with the vendor to produce two mugs with the top two designs. As soon as the mugs arrive, Armen Hadjimanoukian (USA Facilities Commissioner) and his staff will work to promote sale of the mugs to the student population.

2. Nursing/Public Health Class

The Nursing/Public Health class presented its final report on healthy eating options at UCLA. Their recommendation focused heavily on more healthful late-night eating options in the residence halls and on educational seminars for incoming students. Their main recommendations to ASUCLA were: (1) expand healthful options to as many restaurants as possible (2) offer tips and information for healthful eating through social media and signs/table tents.

D. Your Student Association

1. The Black Experience Mural

Restoration is moving along well and nearing completion. The team is now beginning to focus on ways to preserve the mural and looking at several approaches.

2. T-shirt Design Contest

The Association has sent \$1,272 to UCLA UniCamp for t-shirt contest sales from January and February.

3. International Licensing

The main international licensing group that does the UCLA Clothing line around the world was on campus this week doing a photo shoot and talking to students on campus.

They did a great presentation on where the product and stores are headed in the coming years. They also talked about their new store in Australia and showed some images of other locations.

E. Building Towards the Future

1. Global Viewpoint Lounge

Management has been in ongoing discussions with Student Affairs regarding potential space partnerships. There will be projections for three different approaches to the space to determine the most cost effective approach.

2. Wolfgang Puck Express

Patio heaters have been installed.

F. Employee Investment

1. ASUCLA Employee Appreciation Sale

The employee sale will end today, March 14.

G. Board of Director Priorities

1. Student Media Support

The Advance Agreement has been modified to reflect the changes in the last meeting. Management received additional requests from Student Media to clarify some of the language and to remove some redundant items. An updated version was reviewed by the Finance Committee and sent to the Communications Board for consideration.

2. Campus Partnerships

The Association received a letter from interested faculty and students asking for a progress report on the LuValle plans especially in relationship to menu changes in support of the Healthy Campus Initiative. Ms. Bolton and her team have been continuing to adjust the plan to fit with the HCI and in light of the results and challenges at North Campus.

3. Social Responsibility/Sustainability

UCLA will be changing their recycling signs again and will work with ASUCLA in advance to ensure that both the UCLA signs and the ASUCLA signs are comparable.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee met on March 7. Mr. Williams gave an Executive Director's report and the committee discussed the philanthropy policy. The committee also reviewed the letter regarding LuValle and created today's meeting agenda.

FINANCE COMMITTEE REPORT

Mr. Zeke explained that the committee met on March 7 and discussed the Student Media Advance Agreement. The committee also approved and forwarded to the Board the FY 14-15 Final Budget Assumptions.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on March 7 and briefly discussed the student sleeping chairs. Miiveh, a fruit company, presented their business plan to operate a fruit cart(s) on campus, which is an action item on today's agenda.

PERSONNEL COMMITTEE REPORT

The Personnel Committee did not meet.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

The Student Engagement Committee did not meet.

FINANCE DIRECTOR'S REPORT

February Financial Results

Mr. Delia reported that in February Services & Enterprises reported a \$16,000 negative variance to plan in terms of net income. Gross income as a whole was negative by \$356,000 which was broken down to the following: Store was negative to plan by \$126,000, Restaurants by \$106,000, Services by \$95,000, and the Student Union by \$29,000.

However, these negative variances were partially offset by wages and benefits, which were \$64,000 positive to plan; and by other controllable expenses, which were \$81,000 positive to plan; such that contribution for Services & Enterprises as a whole was only \$78,000 negative to plan.

In terms of cash, the Association reported a book balance of \$10,496,000; of which \$2,283,000 has been reserved for capital projects, leaving \$7,867,000 in uncommitted cash, a level that is \$623,000 less than the Board-required cash reserve.

Past due accounts receivable fell from the prior month, to just 1% of total accounts due; Store inventories at cost fell to roughly \$5,000,000 and inventory turns are at 4.2.

March Preliminary Sales

Mr. Delia reported that to date in March, Store sales are \$189,702 negative to plan, due primarily to decreased sales in Computer Store, which are \$101,345 negative to plan; and decreased sales in Bearwear, which are \$25,711 negative to plan in Ackerman Union and \$8,737 negative to plan from mail, telephone and web transactions.

Significant variances also appeared elsewhere in Ackerman Union Academic Support which is \$117,779 negative, as sales of course readers are \$19,441 negative to plan, however this variance was offset by sales of new text which are \$17,006 positive to plan.

Given these results, management anticipated that gross margin would be \$46,819 negative to plan by month-end.

In the Restaurants Division month-to-date sales are \$33,513 negative to plan due primarily to decreased concessions sales, which are \$35,074 negative to plan as the result of decreased attendance at basketball games and timing of the game schedule. In addition, sales in catering are \$11,947 negative to plan; sales at North Campus are \$13,047 negative to plan; sales from LuValle Commons are \$10,017 negative to plan. A-level as a whole is \$19,499 negative to plan (Carls Jr. \$3,807, Taco Bell \$5,123 and Cooperage \$10,569)

APPROVAL OF FY 14-15 FINAL BUDGET ASSUMPTIONS

Mr. Zeke explained that there were only two changes to the tentative assumptions which was a result of the new AFSME contract and the minimum wage increase.

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 13/14 Final Budget Assumptions. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and 0 nays.

NOTICE OF PHILANTHROPY POLICY

Ms. Liu explained that the Executive Committee took everyone's comments and revised the policy. The policy will provide a guideline to assist the Executive Director's Office with the substantial amount of requests it receives.

Mr. Zeke was in favor of the new policy, but would recommend including a sentence that states "there will be no direct cash donations." The majority of the Board members were in favor of this addition and it will be added and brought to the next Board meeting as an action item.

FRUIT CART CONCEPT-MIIVEH

Mr. Swart explained that the Services Committee approved to recommend to the Board the approval of a pilot fresh fruit cart operated by Miiveh. Miiveh conducted a small survey of which 74% of the respondents said there was not enough access to fresh fruit on campus. The fresh fruit cart will also support the Healthy Campus Initiative.

Discussion ensued about whether or not ASUCLA should be operating the cart(s) and if using an outside vendor would take away student jobs. Management explained that it would be difficult for ASUCLA to operate the carts and it would be a better service for the students if Miiveh ran the operation. Student employment was of concern to some Board members; however, many thought it wasn't an issue since it would only be one or possibly two employees.

Board members were also concerned why the action item did not go to the Finance Committee first, so that the financial implications could be analyzed prior to it coming to the full Board. Mr. Williams explained that the Services Committee only approved the actual concept. The contract with Miiveh still needs to be negotiated at which time it will then go to the Finance Committee for approval.

Mr. Swart made a motion, seconded by Mr. Kurtzman that the Associated Students UCLA Board of Directors approve a pilot fresh fruit cart operated by Miiveh assuming terms can be negotiated with Management. Ms. Liu called for a vote. The motion was approved by a vote of 5 yeas, 0 nays, and 5 abstentions.

STUDENT MEDIA ADVANCE AGREEMENT

Mr. Zeke made a motion, seconded by Mr. Ontiveros that the Associated Students UCLA Board of Directors approve the revised Advance Agreement between the Communications Board and ASUCLA Services and Enterprises. Ms. Liu called for a vote. The motion was approved by a vote of 10 yeas and 0 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 2:10 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 3:18 p.m.

ADJOURNMENT

Ms. Liu called for consent to adjourn the Associated Students UCLA Board of Directors March 14, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 3:18 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