

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

April 25, 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 and Dorothy Wiley

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

GUESTS: Jillian Beck, Daily Bruin
Nina Drucker, GSA Internal Vice President
Jenna Fasone, LuValle Task Force
Yael Levin, Daily Bruin
Scarlettah Schaefer, Food Law Society/LuValle Task Force
Amanda Schallert, Daily Bruin
Freya Tillem, LuValle Task Force

CALL TO ORDER

Ms. Liu called the meeting to order at 12:05 p.m.

APPROVAL OF AGENDA

Ms. Liu called for consent to approve the Associated Students UCLA Board of Directors April 25, 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 March 14, 2014 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

PUBLIC COMMENT

Ms. Schaefer, Ms. Tillem, Ms. Drucker, and Ms. Fasone from the LuValle Task Force/Food Law Society briefly addressed the Board regarding suggested changes to the LuValle food offerings. The group would like to see healthier options at this location. Mr. Williams and Ms. Bolton explained that updating the menu at LuValle has been a priority; however, due to complexity of the location's layout they were not able to complete this before fall quarter. Management is currently working on new concepts and is hopeful to implement the changes over the summer. The Board encouraged the group to attend the Services Committee meetings, so that they can participate in the process.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. March

March financial results for the Association show sales below plan and last year but overall net results are solid due to strong cost control. Overall, the Association was off its net income plan by \$34,000 primarily due to the Store and Maintenance.

The Store in March continued to face challenges in the key areas and fell short of budgeted contribution for the month by \$63,404. In the General Merchandise Division, Bearwear fell short of plan and was behind last year but overall results remain fairly consistent. The exception would be the Market which continues to see slowing results, a lot of which is due to decreased foot traffic from the construction in the surrounding area. E-commerce sales were ahead of both plan and last year but contribution results missed plan due to added wage and professional services costs. The Computer Store continued to face both sales and contribution challenges versus both budget and as compared to last year.

The Food Service Division was ahead of plan in sales when you include both AS operated units and third party operations. This combined with solid cost control led to a positive variance in contribution of \$19,090 for March. Patterns continue to be similar to previous months with the Ackerman 1st floor remaining strong and A-level suffering. North Campus continues to fall behind its budgeted expectations but is well ahead of last year's trends. Café Synapse while ahead of last year continues to be a negative contributor to ASUCLA. LuValle was closer to plan than in some previous months but still has room to improve. Kerckhoff Coffee House exceeded plan for the month but Taco Bell continues to be challenging. Catering exceeded budget for the month but could

not hit last year's record results and Concessions exceeded budget by over \$15,000 for the month.

The Services Division missed planned contribution by \$4,820. Licensing was off primarily domestically but much of this shortfall is offset by cost control and commissions savings. The Student Union saw a positive variance of almost \$13,000 for the month versus plan as a result of added event income. A & SS was close to plan with Maintenance coming in negative due to an accounting adjustment from a previous month. Savings were seen in Utilities and Depreciation leading to a reasonable month.

2. April

April sales in the Store are slow in several key areas including Bearwear, Textbooks and Computers. Food Service sales are close to plan and ahead of last year. April will be a very difficult month from a financial perspective.

3. FY 14-15 Budget Process

The budget meeting will take place on May 9 at 1:30 p.m.

B. Our Independent Bookstore

1. LA Times Festival of Books

The BookZone team was at the Festival of Books at USC on April 12-13 and had approximately \$23,000 in sales.

2. Apple Marketing Meeting

Management met with Apple representatives to discuss new marketing, service and online sales opportunities. The Computer Store is looking at ways to expand and enhance the online buying options.

3. Computer Trade-in

The Computer Store has signed an agreement with a company to take computer hardware trade-ins. Trade-ins will be credited with UCLA Store gift card.

C. Campus Partnerships

1. Student Affairs Space

Management continues to work with Admissions regarding space partnerships.

2. T-shirt Design Contest

The T-Shirt Design winner sold well on Bruin Day to bring total unit sales to 641. (To-date there has been a \$2,564 donation to UCLA UniCamp).

3. Mug Contest

The two new Coffeehouse mugs went on sale April 22 to coincide with Earth Day. USAC Facilities Commissioner will help promote new mug sales.

4. Healthy Campus Initiative

A lot of the discussion has been focused on the UC Food Initiative from President Napolitano. UCLA is ahead of the curve and many campuses will be talking to the HCI Group regarding what has been implemented so far.

5. Bruin Day

Bruin Day went smoothly and there were positive sales in Food Service and in the Store. Both areas report increases in total sales versus last year.

6. Football Kickoff Event

The Store will be out selling product at this year's Football Kickoff Event which is being held at the StubHub Center in Carson Saturday, April 26.

D. Championship Service

1. Sizzlin' Summer Sale

The storewide Sizzlin' Summer Sale will be held on Wednesday, May 21. This is the last big sale of the school year. There will also be a faculty and staff one-day Apple promotion in conjunction with the sale.

2. International Shop

The spring version of the UCLA Clothing International Shop in-store program will be in operation from May 12-June 1. The Store will feature the very successful internationally licensed program and highlight the Spring/Summer 2014 line.

3. Melbourne Store

The first UCLA store in Australia has opened in Melbourne continuing the effort of making UCLA a worldwide brand. Mr. Williams provided pictures of the new store.

4. Sleep Chairs

The sleep chairs are now available for use in the Kerckhoff 3rd floor lounge.

E. Your Student Association

1. Art in the Union

There were 24 pieces submitted this year and they are being displayed in the Kerckhoff Art Gallery. The reception for winning artists will be on Wednesday, April 30 at 3 pm. in the Kerckhoff art Gallery.

2. ASUCLA Benefits U

ASUCLA Benefits U rewards have already issued more rewards than for all of 2012-2013, due mostly to increased initiative on the part of cashiers. However, redemption rates continue to hover around 13%.

F. Building Towards the Future

1. Ostin Music Café

The Café is under construction and is projected to be completed in July. Once the café is turned over to ASUCLA it should take a few weeks to complete.

F. Employee Investment

1. ASUCLA Employee Service Awards

The annual Employee Service Awards ceremony was held on Thursday, April 24. At this event, Mr. Yamaguchi was presented with an award for his 35 years of service.

2. ASUCLA Exceptional Student Performance Awards

The Exceptional Student Performance Awards ceremony will be on Tuesday, May 13 in the Charles E. Young Grand Salon.

G. Board of Director Priorities

1. Long-term Viability

The JOC was briefed on the draft budget projections which opened a discussion regarding some space opportunities most of which are not currently in the initial budget. All details and strategies will be discussed at the upcoming Finance Committee Budget meeting.

2. Campus Partnerships

A. UC Path

The HR team continues to put in a tremendous amount of extra time and travel to keep ASUCLA involved in the development and training for the UC Path changes.

B. Revenue Agreement

Management is beginning discussions with DIA regarding the Associations revenue sharing and marketing agreement.

3. Social Responsibility/Sustainability

As briefly reported at the last Board meeting, the two big campus initiatives that will impact ASUCLA are: (1) revamping campus-wide recycling signage to improve consumer compliance and (2) expanding composting to ASUCLA. Nurit Katz (Facilities Sustainability Coordinator) and Jeff Averill (Campus Architect) will spearhead the campus effort with input from all areas. On composting, ASUCLA will begin with a cost assessment. Management expects the bulk of the cost to be in compostable food packaging.

In relation to UC initiatives, ASUCLA's main focus will be to include third-party operations' sustainable food procurement information into our annual reporting. This report goes to the UC President every August.

The Student Union team has been moving through the meeting rooms, restrooms, offices and public spaces to complete the LED tube lighting retrofit, having completed the 3rd floor of Ackerman and other spaces to date. This will bring down electricity consumption; benefit both the environment and the cost of utilities to operate the Union.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee met on April 11 and discussed the revisions to the Philanthropy Policy and scheduling the Spring Social. The Committee also discussed moving the May 23 meeting to May 30, so it would not occur on Memorial Day weekend.

FINANCE COMMITTEE REPORT

Mr. Zeke explained that the committee met on April 18 and approved a Tsunami capital expenditure which is on the agenda today. The committee also approved several other items in Executive Session. Mr. Zeke explained that he was disappointed that only two Communications Board members were present at the meeting.

The Board entered a discussion about when and how the Communications Board will be able to payback the \$200,000 line a credit. Various Board members were very concerned about the future of Student Media and expressed how deeply frustrated they were. The Board agreed that it needed to help the Communications Board find alternatives to their business model to help generate income or help them secure subsidized funds.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on April 11 and heard a proposal from the Student Food Collective regarding space they would like to acquire for their food buying club. Management will work with the group to find alternate options. The Committee also approved several items in Executive Session.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani will give her report in Executive Session.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

Mr. Wong explained that the committee met today and discussed a possible donation box which is a charity for other charities, raising awareness and money for different causes. Each month, money is raised by putting coins in the “box” for a charity the students vote for. The committee will develop a concept to present to the Board. The committee also discussed the survey results which resulted in a discussion with the Board regarding a possible printer/computer lab.

FINANCE DIRECTOR'S REPORT

March Financial Results

Mr. Delia reported that in March, the Association had a \$34,000 negative variance to plan in terms of net income. He explained that this variance resulted from a \$404,000 negative variance in gross income that was offset partially by savings in wages and benefits, that were \$59,000 less than planned, and other controllable expenses that were \$48,000 less than planned.

This negative variance in gross income resulted primarily from a \$348,000 negative budget variance in the Store that was composed primarily of a \$222,000 negative variance in sales from the Computer Store; as well as a \$38,000 negative variance in sales of used textbooks; a \$37,000 negative variance in sales from The Market; and a \$21,000 negative variance in sales in Graduation Etc.

Given these results, contribution for the Association as a whole was \$35,000 less than planned, with the Store and Services divisions showing negative variances that were partially offset by positive variances in Restaurants and the Student Union.

In March, allocated expenses were very close to plan, with positive variances in utilities and depreciation that were \$20,000 and \$16,000 less than planned respectively, offsetting negative variances in Administrative & Support Services and maintenance expenses, that were \$9,000 and \$29,000 greater than planned respectively.

In terms of cash, the Association reported a book balance of \$10,020,000 at month-end. Of this balance, \$2,283,000 has been committed to capital projects, leaving \$6,754,000 in uncommitted cash; a level that is \$1,797,000 less than the Board-required cash reserve.

Mr. Delia also reported that in March, past due accounts receivable fell slightly from the prior period, to roughly 2% of total accounts due; and Store inventory at cost rose from the prior period in preparation for Spring Rush while inventory turns remained very close to the prior period, at 4.2.

April Preliminary Sales

To-date in April Store sales are \$522,613 less than planned, due primarily to negative variances in sales from Academic Support which is negative to plan by \$456,921. However, Bearwear is positive to plan by \$56,933.

Given these results, management anticipates that the Store will report a \$147,633 negative variance in terms of gross margin by month-end.

In the Restaurants Division month-to-date sales are \$8,243 less than planned, primarily due to negative variances in sales from Catering as well as other smaller variances across the division that were partially offset by positive variances in third party sales, as well as sales from the Greenhouse and South Campus Student Center.

Third party operation are doing well with sales from Wolfgang Puck which are \$36,815 greater than planned as well as Panda Express which is \$19,568 greater than planned.

APPROVAL OF ASUCLA DONATION POLICY

Ms. Liu made a motion, seconded by Mr. Kurtzman that the Executive Committee is recommending that the Associated Students UCLA Board of Directors approve the ASUCLA Donation Policy. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

APPROVAL OF TSUNAMI CAPITAL EXPENDITURE

Mr. Zeke and Mr. Swart made a motion, seconded by Mr. Ontiveros that the Finance and Services Committee are recommending that the Associated Students UCLA Board of Directors approve the \$75,000 Tsunami Capital Expenditure. Ms. Liu called for a vote. The motion was approved by a vote of 9 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 1:37 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 2:15 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 9 yeas and 0 nays.

ADJOURNMENT

Ms. Liu called for consent to adjourn the Associated Students UCLA Board of Directors April 25, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 2:16 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