

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

July 26, 2013

12:00 p.m.

Kerckhoff Hall Staterooms

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

ABSENT: Jake Ferrari, Joel Ontiveros 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: Maryssa Hall, USAC External Vice President
Shayla McCleeland, ASU External Vice President
Amanda Schallert, Daily Bruin
Janay Williams, USAC, External Vice President's Office

CALL TO ORDER

Ms. Giannitrapani called the meeting to order at 12:00 p.m.

APPROVAL OF AGENDA

Ms. Giannitrapani called for consent to approve the Associated Students UCLA Board of Directors July 26, 2013 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

ELECTION OF OFFICERS

Ms. Thornton stated that the Nominating Committee is recommending that the Associated Students UCLA Board of Directors approve the following officer nominations for the 13-14 Board term:

Chair	Joel Ontiveros
Vice-Chair	Amy Liu
Secretary	Mike Jedlicka

Ms. Giannitrapani called for a secret ballot. The motion was approved by a vote of 9 yeas and 0 nays.

ELECTION OF STANDING AND AD-HOC COMMITTEES

Ms. Thornton stated that the Nominating Committee is recommending that the Associated Students UCLA Board of Directors approve the following standing and ad-hoc committee nominations for the 13-14 Board term:

Executive Committee:

The newly elected officers of the Associated Students UCLA Board of Directors were appointed as members of the Executive Committee by virtue of their positions as outlined in Bylaw 4.5.

Amy Liu-Chair	Graduate Representative
Joel Ontiveros	Undergraduate Representative
Michael Jedlicka	Non-Student Representative
Bob Williams	Executive Director (ex officio)

Finance Committee:

David Zeke-Chair	Graduate Representative
Jordan Wong	Undergraduate Representative
John Bollard	Non-Student Representative
Agnes Warren	Non-Student Representative
Robert Williams	Executive Director (ex officio)
Rich Delia	Finance Director (ex officio)

Services Committee:

Adam Swart-Chair	Undergraduate Representative
Precious Elam	Undergraduate Representative
Robert Kurtzman	Graduate Representative
Amy Liu	Graduate Representative
Mike Jedlicka	Non-Student Representative
Dottie Wiley	Non-Student Representative
Robert Williams	Executive Director (ex officio)
Roy Champawat	Student Union Director (ex officio)

Personnel Committee:

Karleen Giannitrapani-Chair	Graduate Representative
Adam Swart	Undergraduate Representative
Michael Jedlicka	Non-Student Representative
John Bollard	Non-Student Representative

Student Engagement Ad-hoc Committee:

Jordan Wong-Chair	Undergraduate Representative
Precious Elam	Undergraduate Representative
Joel Ontiveros	Undergraduate Representative
Karleen Giannitrapani	Graduate Representative
David Zeke	Graduate Representative
Dottie Wiley	Non-Student Representative
Monet LeMon	Non-Student Representative
Robert Williams	Executive Director (ex officio)
Karen Noh	Special Projects Director (ex officio)
Lisa Perez	Marketing Director (ex officio)

Ms. Giannitrapani called for a secret ballot. The motion was approved by a vote of 9 yeas and 0 nays.

In the absence of Mr. Ontiveros, Ms. Giannitrapani passed the responsibilities of Chair to Ms. Liu.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. May

May financial results for the Association were ahead of plan by \$13,000 in terms of net income and ahead of last year by \$72,000. The Store continues to be the division seeing the greatest challenge. Overall, Store sales for the month fell behind budget by a significant margin due primarily to a Computer Store budget that was too aggressive. Store sales for the month were very close to last year's results which is a better indication of the trend.

The Apparel Division had a fairly good month with Bearwear slightly behind plan but close to last year and Graduation Etc. and Campus Photo showing positive variances. The Supply Division had the greatest negative variance versus plan but contribution for the Computer Store was higher than last year due to a commission payment. The textbook area was on plan for the month with a small shortfall in book sales offset by a positive variance in the course reader solutions area. The LuValle and Health Sciences Store were both close to plan.

The Food Service Division continues to show very strong results with a positive variance in both sales and contribution. Overall for the month of May, Food Service saw a positive variance in contribution of \$36,229 and is ahead of plan for the year by \$260,695 and ahead of last year through May by \$428,343. Most operations were very close to plan with some

positive variances seen in the Kerckhoff Coffee House, Rubio's, Greenhouse, Court of Sciences Student Center, and Café 451. The big positive variances for the month were in Catering and Concessions. Catering had a record breaking month with a net contribution of over \$72,000 which was \$47,000 ahead of plan. Concessions also had a very strong month with a positive variance of \$15,835 and is having a record breaking year overall.

The Services Division was on plan in May with all areas tracking very close to budget. The Student Union had a positive variance for the month of over \$9,000 in contribution. These results were due to added event income and rebalancing of the Student Programming Fund. A& SS was on plan for the month and there was savings in Maintenance and Depreciation; however, these savings were offset by continued higher utility costs.

2. June

June financial results are very strong in net income and net income from operations. Net income from operations is \$69,000 higher than budget and net income (after non-recurring items) was \$453,000 higher than budget mainly due to the refinancing of the Store debt. Year-to-date net income is \$799,000 higher than budget and \$629,000 higher than last year.

The Store continues to see lower sales than budget but fairly close to last year. Sales were short of their overly aggressive budget by \$683,000 but they only missed their contribution target by \$22,000. Excellent margin results, labor savings, and low shrinkage led to this result. The Apparel Division was off plan by \$13,337 in contribution but these results are \$29,206 ahead of last year.

E-commerce results, while not as strong as earlier in the year, continue to track ahead of plan in both sales and contribution. In the Supply Division, the Computer Store continues to lag behind plan and behind last year although to a lesser degree. The Hill Top Shop continues to have a strong showing. The Academic Materials Division had a slow start to the summer missing plan by almost \$48,000 in contribution. New and Used Texts were behind plan while Course Readers and BookZone exceeded their targets. The LuValle Store was off plan primarily in books while the Health Sciences Store, despite being off plan in books, had additional dental income and lower costs to help bring it in above plan for the month.

Food Service had another strong month exceeding both sales and contribution. All Ackerman first floor operations exceeded plan along with the Court of Sciences Student Center. Several coffee house/café operations saw great results including, Untitled, Northern Lights, and Café 451. North Campus results were not where management had thought with costs associated with the new menu start up coming in too high. Café Synapse also continues to have a negative contribution although results for the month were up slightly from last year. Catering continues to break records with another fantastic month where they exceeded their contribution plan by over \$20,000.

The Services Division had a very good month exceeding budget in Domestic and International Licensing, Leased Operations, and Photography. The Student Union exceeded plan by \$24,521 in terms of contribution with additional event income and continued stable results in the Post Office. A & SS costs came in better than plan while utilities continue to run over budget.

Overall, June was a strong month for the Association and year-to-date results are solid despite the challenges in some of the retail divisions.

3. July

Initial July trends continue to be behind plan in the Store but a good portion of this is due to the aggressive budget in Computers. Trends versus last year are also negative but to a much lesser degree. Food Service is seeing a change in sales trends for the month. Sales below budget in several units including Panda Express and Carl's Jr which are trailing last year. In Services, Domestic Licensing should be close to plan for the month but International Licensing will be behind plan due to issues in Korea. July will be a more difficult month financially than the previous two months.

B. Our Independent Bookstore

1. Textbook Passport Program

Passport to Savings coupon books will be distributed with Health Sciences Store and Lu Valle textbook purchases beginning in August. Ackerman Union passport coupons books will begin distribution with fall rush.

C. Campus Partnerships

1. Budget Approval

The Chancellor's letter approving the 2013-2014 Budget and Five-year Forecast was received on June 14. The letter reflects the key challenges that were described as part of the budget narrative.

2. Real Madrid

The Real Madrid soccer team will be on campus this month and the Store has increased its quantity of soccer balls and Sharpies for fans to secure autographs. In addition, the Store will be making arrangements for a shopping event to enable the players to purchase UCLA products.

D. Championship Service

1. Computer Store Marketing

The Computer Store continues to market to first year students with a follow up postcard highlighting an Apple and Dell bundle offer. Planning work is progressing on the new Computer Store marketing campaign. A new expanded product line up and specials are being developed as well as work on the Computer Store Tech "agents" support program to be ready for Fall.

There is a "Summer in the Union" raffle promotion for email sign ups this year. During "Summer in the Union" tours students are entered to win a MacBook Pro when they sign up for the Computer Store email list. Parents are entered into an iPod shuffle raffle when they sign up as well. There will be follow up emails deployed to new sign ups acknowledging their entry and current promotions at the UCLA Computer Store.

2. UCLA Bruin Bundle Deal
Purchase of any Mac or Windows computer with a UCLA laptop sleeve, SafeWare Warranty, Microsoft Office 365, and either the Apple or Dell Back to School promotion for significant savings. Savings varies according to hardware selection.
3. Back to School Apple Promotion
Buy a qualifying Mac and receive a \$100 App Store Gift Card / buy any iPad and receive a \$50 App Store Gift Card.
4. Back to School Dell Promotion
Buy a select Dell PC and get a \$200 Promo eGift Card.
5. Textbook Orientation Meeting
Textbook tours are continuing as part of the orientation. ASUCLA Benefits U cards are being linked in the textbook areas as well as gathering parent emails for future marketing.
6. Bearwear Catalog
The Fall 2013, Bearwear catalog will be delivered to homes the week of August 9-15. The in-house production of this catalog has long been one of the biggest yearly efforts for the Store and marketing team.

E. Your Student Association

1. ASUCLA Graduate Student Brochures
The school specific Graduate Student Brochures are ready for distribution as follows:

Medical and Nursing – late July
School of Law and Anderson - early August
TFT and School of Dentistry – early September
GSA version in packets for Graduate Student Orientation on September 19

2. Social Media/Summer in the Union
To see photos from ASUCLA's "Summer in the Union" tours, log in to <http://asucla.ucla.edu/student-union> and click on the Instagram feed.
3. ASUCLA Benefits U
Efforts during the summer for ASUCLA Benefits U are focusing on new students sign-ups. A new email sign-up effort has been implemented at orientation. In the first orientation session, the sign-ups for Computer Store emails totaled 305 of about 400 total students. Last summer, Computer Store email sign-ups for the entire summer totaled 330. ASUCLA Benefits U sign-ups totaled 380 which is typical. All summer email messages to new students and their parents will focus on Computer Store deals and service.

F. Building Toward the Future

1. Global Viewpoint Lounge
Student Affairs is using the Global Viewpoint Lounge for their orientation meetings during the

summer. There have been some minor upgrades to the space but the room is being utilized in its original format. This will be a good test of the space to see whether a capital investment in the space is warranted.

2. Pop-up Lounge Project

Management has developed several versions of the pop-up book lounge only to face obstacles with scheduling, space, and expenditures that make the project difficult. Management has also begun to consider what impact not having the book area visible throughout the quarter. It potentially could lead to lower book sales. There will be additional analysis and more long-term planning before making a recommendation.

3. Computer Store Expansion Project

This project is on the agenda today for Board approval. If approved, renovation will begin on August 5. Computers are currently being added to the Health Sciences Store.

4. Wolfgang Puck

The Wolfgang Puck project is progressing although they are falling behind their aggressive schedule but are still ahead of the fall opening date. Work has been delayed on several occasions due to events in the Ballroom. There also have been several small additional project requirements that may impact the budget. Management will be meeting with Wolfgang Puck to analyze the budget.

5. Luskin Conference Center

The demolition of parking lot 6 is underway. The loading dock access will remain useable.

6. Jamba Juice

Jamba Juice has delayed their renovation project.

7. Terasaki Cart

Skylark coffee cart is being retrofitted and will be set-up in the courtyard at the Terasaki building.

8. Student Space Projects

ASUCLA is working in coordination with both Student Affairs and Capital Programs to consider future space projects. Internal Ackerman Union design and space projects require additional Board input and long-term planning.

G. Board of Director Priorities

1. Student Engagement

Management has several ideas and projects to discuss with the ad hoc committee including the t-shirt design content and a potential new mug project. The committee membership and leadership is scheduled to be set at today's meeting. Karen Noh will be organizing the group from the management team.

2. E-Commerce/Licensing

Various approaches in the licensing area are still being studied and refined. Management is talking to two consultants to provide some outside analysis and comparison work.

E-commerce efforts continue to focus on split testing changes to the site, one page check out, and organic search. In addition, the new email campaign with WPromote is now underway and two emails have been sent out so far. Immediate click through rates are higher (525 vs. 375). There have been sales conversions from the emails, but the results are muddled by the College World Series results. Management is tracking results and making adjustments. There are scheduled emails for the following two Mondays (7/29 and 8/5) and then there will be the catalog launch email on August 12.

3. Student Media Support

A Communications Board and ASUCLA Board meeting/summit will be scheduled near the end of the summer when the new Communications Board is in place. ASUCLA continues to help monitor their cash reserves and is making adjustments to payment timing to help with their cash flow.

4. Social Responsibility

The two new solar powered patio tables and power stations are now in place and operational on the first floor patio. New recycling/trash signs will be posted on all recycling/trash bins in dining and common areas.

EXECUTIVE COMMITTEE REPORT

Ms. Thornton stated that the Committee met on July 1 and evaluated the retreat. The Committee also met as the Nominating Committee and put forth today's officer and committee slate.

FINANCE COMMITTEE REPORT

Mr. Kurtzman stated that the Committee met on July 19 and approved to forward the Graduate Students and the Undergraduate Student Associations 13-14 budgets to the Board. The Committee also approved multiple actions items that are on the Board agenda for today.

SERVICES COMMITTEE REPORT

In the absence of Mr. Ferrari, Mr. Swart stated that the Committee met on July 12 and heard an Executive Director's Report. The Committee also had several action items that are also being forwarded to the Board today for approval.

PERSONNEL COMMITTEE REPORT

Mr. Weismeyer stated that he would give his report in Executive Session.

FINANCE DIRECTOR'S REPORT

May Financial Results

Mr. Delia reported that net income at May month-end was \$13,000 greater than planned and \$72,000 greater than the prior year, primarily due to savings in AS&S and improved depreciation calculations that resulted from postponed capital projects.

Mr. Delia explained that gross income for the Association as a whole was \$509,000 less than planned due to negative variances in the Store, where sales were \$578,000 less than planned due to decreased sales of Bearwear and in the Computer Store; and in the Services Division.

These results created a net loss of \$87,000 for the month, against a budgeted loss of \$100,000, thus creating a \$13,000 positive variance to plan.

June Financial Results

Mr. Delia reported that in June, net income for the Association was \$453,000 greater than planned and \$799,000 greater than planned year-to-date; despite a \$582,000 negative variance in gross income for the month and a \$2,989,000 negative variance year-to-date.

He explained that the negative variance in gross income resulted from the Store, where sales were \$683,000 less than planned due primarily to decreased sales in the Computer Store and Textbooks. This negative variance was partially offset by strong performances in the Restaurants Division, where sales were \$63,000 greater than planned; in the Student Union Division, where sales were \$29,000 greater than planned; and in the Services Division, where sales were \$9,000 greater than planned.

As in prior months, significant savings was seen in wages and benefits as the result of no merit increases and staff restructuring: Wages and Benefits for the month of June were \$91,000 less than planned, thus raising the positive variance to plan year-to-date to \$827,000.

Despite this, contribution for the Association as a whole was \$40,000 greater than planned and Allocated Expenses were \$29,000 lower than plan, mostly from the \$40,000 savings in Administrative & Support Services. Non-recurring income included the refinancing benefit that occurred due to the reduction in debt offset by the write-off of the Ackerman Union Study. Thus net income was higher than plan by \$453,000 for the month and \$799,000 year to date.

In terms of cash, the Association reported a book balance of \$11,486,000 at June month-end, which represents an increase in cash of \$385,000 from May. Of this balance \$4,298,000 has been reserved for capital projects, leaving \$7,188,000 in uncommitted cash, which is \$795,000 greater than the \$6,393,000 Board-required cash reserve.

In June past due accounts receivable fell again compared to the prior month, to roughly \$27,000, or 1% of total accounts due; Store inventories at cost fell as well, to just above \$5,000,000; and inventory turns rose slightly, to just below 4.6.

July Preliminary Sales

To-date in July Store sales were \$729,582 less than planned, due primarily to decreased sales in Ackerman Union, where sales were \$790,818 less than planned as the result of decreased sales in the Computer Store, where sales were \$700,519 less than planned; and due to a negative variance in Apparel, where sales were \$87,789 less than planned, due to a \$61,361 negative variance in sales of Bearwear. New text in Ackerman Union was positive by \$29,785 and used text by \$1,576.

This negative variance in Ackerman Union was partially offset by strong performances in Mail Telephone and Web, where sales were \$23,524 greater than planned; in Hilltop Shop, where sales were \$16,434 greater than planned; and in the Health Sciences Store, where sales were \$10,781 greater than planned.

Given these results and the mix of products sold, management anticipated that gross margin would be \$87,385 less than planned by month-end.

To-date in July Restaurants sales were \$119,468 less than planned primarily from the relocation of the tennis tournament.

APPROVAL OF GRADUATE STUDENT ASSOCIATION FY 13/14 BUDGET

Mr. Kurtzman made a motion, seconded by Mr. Bollard that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the Graduate Students Association FY 13/14 Budget. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

APPROVAL OF UNDERGRADUATE STUDENT ASSOCIATION FY 13/14 BUDGET

Mr. Kurtzman made a motion, seconded by Mr. Swart that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the Undergraduate Students Association FY 13/14 Budget. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

ACKERMAN UNION GRAND BALLROOM DRAPE REPLACEMENT

Mr. Kurtzman made a motion, seconded by Mr. Swart that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$150,000 for the Grand Ballroom Drapery Replacement and Sound Paneling.

Mr. Champawat explained that replacing the drapes was put on hold in 2010-2011 due to the Ackerman Union planning with the architects which may have resulted in the reconfiguration of the ballroom. As stated in the original justification of the project, the drapes are old, faded, and stained and are in need of replacement.

Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

KINROSS STUDENT CENTER STORE

Mr. Kurtzman made a motion, seconded by Mr. Bollard that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the closure of the Kinross Fitness and Graduate Student Center Store effective September 1, 2013. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

“THE BLACK EXPERIENCE” MURAL

Mr. Williams explained that since the Services Committee there was a change to the capital expenditure as a result in Panda Express’s willingness to contribute to the project leading to a lower capital expenditure that the Finance Committee approved (\$45,000). Mr. Williams then explained that there is now a third option that will need to be discussed in Executive Session since there are contract negotiations involved.

Mr. Swart made a motion that the Services Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$65,500 for the restoration of the “Black Experience” Mural.

Mr. Giannitrapani moved to postpone the motion indefinitely. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

Mr. Kurtzman made a motion that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$45,000 for the restoration of the “Black Experience” Mural.

Mr. Giannitrapani moved to postpone the motion indefinitely. Ms. Liu called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

COMPUTER STORE REDESIGN

Mr. Kurtzman made a motion, seconded by Mr. Swart that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of up to \$175,000 to redesign the Ackerman Union Computer Store and Essentials Area. 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 1:30 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 3:06 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 July 26, 2013 Regular Meeting. There being no objections, the meeting was adjourned at 3:09 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