

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

August 30, 2013

12:00 p.m.

Kerckhoff Hall Staterooms

PRESENT: Precious Elam, Karleen Giannitrapani, Mike Jedlicka, Robert Kurtzman,
Monet LeMon, Joel Ontiveros, Adam Swart, Dorothy Wiley, Bob Williams,
Jordan Wong and David Zeke

ABSENT: John Bollard and Amy Liu

LATE: Agnes Warren

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: Erin Donnelly, Daily Bruin
Lid Shah, Daily Bruin
John Joanian, USAC President
Donte Miller, Alpha Phi Alpha
Kateisha Menefield, Afrikan Student Union
Devin Murphy, USAC President's Office
Maryssa Hall, USAC External Vice President's Office
Kamilah Moore, Afrikan Student Union
Shayla McClelland, Afrikan Student Union/USAC External Vice President

CALL TO ORDER

Mr. Ontiveros called the meeting to order at 12:06 p.m.

APPROVAL OF AGENDA

Mr. Ontiveros made a motion, seconded by Ms. Giannitrapani that a Public Comment section be added to the agenda before the Executive Director's Report.

Mr. Ontiveros called for consent to approve the Associated Students UCLA Board of Directors August 30, 2013 Regular Meeting Agenda as amended. There being no objections, the motion was approved by unanimous consent.

PUBLIC COMMENT

Ms. Moore, Afrikan Student Union Chair read a statement that ASU sent to ASUCLA.

The Afrikan Student Union at UCLA was formed in 1966 to promote, protect and serve the interests of those who identify as being a part of the Afrikan Diaspora. Currently, ASU at UCLA continues to serve students' needs while creating social, intellectual, and political opportunities for students through community outreach, social networking, and political engagement while working to defeat problems that impact our communities.

As some know, "The Black Experience" Mural was created in the aftermath of the UCLA student riots following the Kent State shootings of 1970. The mural was an attempt to positively express the campus' efforts for social justice and depicts key figures and events in African American history. "The Black Experience" was once prominently seen at UCLA's Ackerman Student Union. Seven students — the people who originally painted the mural — are depicted. Key moments in black history are juxtaposed with the artists' faces.

The Afrikan Student Union at UCLA hopes to work with Associated Students of UCLA to find ways to uncover and preserve this work given our belief that "The Black Experience" Mural deserves to be seen in its entirety by UCLA students, faculty, staff, and community members. Thus, we are requesting for the mural to be exposed by October 4th, 2013. This date marks the beginning of Afrikan Student Union's 'Black Bruin Welcome Week'. It is our mission to ensure that all students of Afrikan descent feel welcome and are fully aware of UCLA's rich history of social activism and how Afrikan people have contributed to it.

It has been established in the few meetings that we have had with Roy Champawat, the Director of the UCLA Student Union, that exposing "The Black Experience" Mural in its entirety is entirely feasible. It has also been established that Panda Express is willing to take up a considerable amount of the costs to complete this project. Now, it is time for ASUCLA, Panda Express, and ASU at UCLA to work together to ensure "The Black Experience" Mural is exposed before October 4th, 2013. We are aiming to celebrate the creativity of UCLA students and the resilience of the human spirit, which should always be deemed more valuable than monetary gains or losses for ASUCLA.

Thus, we are requesting for ASUCLA to be fully responsive to our demands:

1. Expose the mural in its entirety by October 4th, 2013. While it has been stated that the community is pleased and intrigued by the opening of two sections of the mural for viewing,

along with the full reproduction for context, we believe that the mural in its entirety should be exposed as it was more than 20 years ago.

2. Incorporate UCLA's Black Alumni Association (UBAA) into the decision-making process. Given that the seven artists are now alumni, and are a part of UBAA, we seek for UBAA to be a part of the discussion and the decision-making process.
3. Work with ASU at UCLA to formally commemorate the artists of "The Black Experience" Mural in the Ackerman Student Union. We aim to reach out to Neville Garrick, along with the other living artists and their families and friends to formally commemorate their contributions to UCLA's campus. We aim to work with UBAA and ASUCLA to see this come into fruition.

In all, the Ackerman Student Union was created to be a space for students. Thus, as current student leaders on UCLA's campus, we aim to ensure that the work of seven prolific UCLA students, which has been hidden for more than 20 years, is exposed in a prompt and effective manner for UCLA students, faculty, staff and community members of all backgrounds to enjoy and engage with for years to come.

Mr. Williams and Mr. Champawat explained that the delay in revealing the mural is due to the conservator's schedule. The conservator should be present to help facilitate the removal of the wall to assure that there is no further damage incurred to the mural.

Mr. Murphy addressed the Board and suggested that ASUCLA become a more cultural student union to insure all students feel welcome.

Ms. Giannitrapani stated that ASU and ASUCLA are in solidarity and should continue to work together to plan a celebration.

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. 2012-2013 Year-end Results

Year-end results for the Association's 2012-2013 fiscal year showed a net income of \$59,000 which exceeded the budgeted plan by \$429,000 and was ahead of 2011-2012 results by \$322,000. In addition, the cash reserve position has been strengthened significantly due to these net income results along with careful execution of capital expenditure investments. ASUCLA's cash balance was \$11.5 million at year end which was \$1.3 million higher than the ending balance last year. These represent solid results and required a significant effort on the part of the entire ASUCLA management team and the Board of Directors.

All areas of the Association with the exception of the UCLA Store saw increased gross income over 2011-2012 results. The Store had a 1% decline over last year which is better than many trends in the retail industry but also felt a shifting of sales. The Apparel Division saw sizable increases in sales both in-store and web sales. This increase offset sales

declines in both computers and academic materials. Contribution was positively impacted by labor restructuring throughout the Store and improved margin mix.

Food Service had a very positive year financially with a 9% positive increase in gross income over 2011-2012 results. This added income of \$1,268,000 led to an increase in contribution over last year of \$423,000 which was also ahead of plan by \$228,000. The Catering and Concessions operations had near record results and the third party and coffee houses performed well. Food Service results in the higher capital and labor units did not fair as well but menu adjustments and support of the Healthy Campus Initiative should yield better results this coming year.

The Services Division led by Trademarks and Licensing while short of aggressive budget targets for the year continued to show a steady upward trend exceeding last year's results.

The Student Union Division had a very good year with a positive variance in contribution of \$62,000 which was also better than 2011-2012 results.

Overall, operational unit contribution showed a major increase in contribution over 2011-2012 of \$548,000. This increase was somewhat offset by expected increases in A & SS costs and increased depreciation from capital investment. Utility costs were higher than anticipated and are being studied for potential operational adjustments.

Overall, despite significant ongoing challenges in the retail sector of the Association, the year-end results were solid.

2. August

Sales trends in August are behind plan in both the Store and Food Service. Traffic in the Store has been down this summer and management is trying to determine if the closing of the Lot 6 Turnaround has had an effect or if there are fewer groups on campus. These trends are consistent with what is being seen in the general retail marketplace. Top retailers like Target and Walmart are pulling back on sales projections. Computer sales continue to lag although construction of the space may have been a contributing factor. Food Service is slightly ahead of last year but behind a more optimistic summer budget.

B. Our Independent Bookstore

1. Store Academic Materials Discount

A store discount is given to faculty and support staff when they submit their textbook requisitions on time. The store management team has developed a new discount card to help identify these individuals at the point of purchase where ASUCLA can offer additional services.

2. Dorm Textbook Pickup

The store is planning to offer a dorm pickup for textbooks during move-in weekend. For the three days, Friday through Sunday, textbooks will be dropped off in front of the Hilltop Shop. This option will be marketed on the website starting this weekend.

3. Score Big

The Score Big promotion will begin this Tuesday both online and in the Store. The program gives 5% off for each touchdown the UCLA football team scores up to a maximum of 25% off.

4. Television Ads

ASUCLA will be airing television ads during the Pac-12 Playbook show on the Pac-12 Network in Los Angeles.

5. Radio Reads/Ads

The store will have live reads on the post-game shows highlighting the Score Big promotions or shop.uclastore.com.

6. UCLABruins.com

The Store will begin advertising on the UCLABruins.com website starting in September.

C. Campus Partnerships

1. Enormous Activities Fair

On Monday, September 23, ASUCLA will support the Enormous Activities Fair with the “A Taste of UCLA Restaurants” sample tents, a new larger Computer Store tent, and the ASUCLA Cool Zone. The t-shirt design contest will be launched at the fair.

2. Arts in the Union

On Tuesday, September 24 in conjunction with the Student Committee for the Arts, the third annual Arts in the Union Festival will be presented. The event will have key performances by some of UCLA’s best student acts across four stages in Ackerman Union. A surprise DJ set from a very special guest headliner will close the show.

3. UCLA Store after Hours Sale

Tuesday, September 24 will be the annual “Store after Hours Sale-A-Bration.” Students will get their first major sale opportunity with 20% discounts on UCLA Bearwear, clothing, accessories, general books, posters, computer supplies and accessories, school and art supplies, plush gifts, sporting goods, and dorm essentials.

4. UCLA Job Fair

Wednesday, September 25 is the ASUCLA Job Fair. As the largest employer of UCLA students on campus it is a great opportunity for potential student employees to meet the managers and more importantly the key student leaders of the units and find out what jobs are available at the many ASUCLA facilities.

5. Techzone Prize Wheel

On Thursday there will be a TechZone prize wheel in front of the Store where students can spin the wheel to win a prize from ASUCLA.

6. GSA Orientation

ASUCLA will be funding the GSA Orientation box lunches again this year and providing other informational and support as well as doing ASUCLA Benefits U signups. The

ASUCLA Healthy Benefits U program and the new Wolfgang Puck will be marketed with the free lunches.

7. Bruin Kids' Club

ASUCLA is an associate sponsor for the Bruins Kids' Club program through the Athletic Department. Membership in the club will include a \$5 UCLA Store gift card.

8. Hospital Food Service

Mr. Williams and Ms. Bolton met with representatives from the hospital to see if there are any opportunities in food service where ASUCLA could work with them to help service students. It was just a preliminary brainstorming meeting but was also a good opportunity to reach out and create some new partnerships. Mr. Williams will be suggesting next steps to the committees next month.

D. Championship Service

1. Passport to Savings

Passport coupon books will be distributed next week in the Ackerman Union Store. LuValle and Health Sciences stores are already distributing them to their students.

2. Compute Store Plan

In addition to the remodeling of the Computer Store space, management is moving forward on the Tech Zone enhancements. Current plans call for our tech support students to be called "Computer Store Technologists." Computer Store students who pass certifications will wear a new gold polo shirt with a "Technologist" logo to distinguish them on the sales floor. The plan is to pair up a customer with their own "technologist" for follow up inquiry or questions.

There is a new Computer Store marketing plan with the Daily Bruin. The Computer Store will run a 2/3 page color ad once a week highlighting hardware, supplies, gadgets, and service.

3. Health Sciences Computer Store

The new Health Sciences Store computer outlet operation is moving forward. The area has been remodeled and fixtures have been installed. Management will be merchandising computer supplies and installing demo hardware shortly.

4. Food Service Initiatives

The Food Service team is trying to finish up several menu changes.

5. Fusion Menu

The new Fusion chicken line is being served today for lunch. Management will also be adjusting hours of the Bistro and Fusion to gain greater product consistency and efficiency.

6. Healthy Commissary Items

Food services is going to roll out some prepared packaged produce (fresh cut apple, orange,

celery, carrot, grapes & egg) a smaller fruit cup, a smaller yogurt parfait, Greek yogurt parfait, new packaging on the Curbside plates w/ slightly lower portion, new protein plate in Curbside, new packaging for vegan rolls Curbside sandwiches.

7. Pauley Pavilion Concessions

Management is looking at some new products for the traditional menu, adding some more of the Curbside items into the Marketplace and adding frozen yogurt to the coffee stand.

Subway is planning to make some changes and will have an express line for premade subs and a made to order line, adding the full line of condiments found in the stores and using traditional Subway bread, etc. Management is also getting close to finalizing a plan with a new caterer for the Pavilion Club.

8. LuValle Menu

Proposed changes to the LuValle menu line up and storefronts have not been approved yet and require some additional financial analysis.

E. Your Student Association

1. The Black Experience Mural

ASUCLA still continues to work with Panda Express in determining when the construction can take place.

2. ASUCLA Benefits U

a. Summer Orientation

This year's sign-up rate for ASUCLA Benefits U is going very well. ASUCLA is averaging 400 sign-ups at freshman events, and 300 sign-ups at the transfer student events. 80% of students are also signing up for the Computer Store list which means that 3,400 names have been added to the Computer Store list. By the end of the summer, the existing Computer Store list will have doubled. Approximately 250 parent emails have been collected for the Computer Store in preparation for fall promotions.

b. Emails

The store is going to change the look of their email designs to match an industry shift towards a more clean design that requires scrolling (i.e. the entire email is not visible in one screenshot.) For Welcome Week, the store will send out more emails but each will have a focused/ featured message as opposed to one email with many messages.

c. Social Media

There are now two Instagram pages (@asucla and @uclastore) and a Pinterest page (<http://pinterest.com/uclastore/>). Based on feedback the "UCLA Store" Facebook page will be retired next week. Management is also changing the timing of posts from the various pages so they don't seem repetitive or too close together.

F. Building Toward the Future

1. Global Viewpoint Lounge

Student Affairs is using the Global Viewpoint Lounge for its admission orientation meetings during the summer. Management is moving forward with plans to add a door at the entrance as soon as is possible. In addition, the use of the space is being monitored to see whether additional layout and capital improvement options might exist.

2. Computer Store Expansion Project

This project is moving forward with a high return capital approach. Computer hardware has been shifted out toward the isle, but the project is far from complete. The signage, marketing, table and product placement, and new carpet needs to be completed before school begins in a few weeks.

3. Wolfgang Puck

The Wolfgang Puck project is progressing and the Services Committee was able to get a tour at their last meeting. They are still expecting to complete construction in a couple weeks but additional preparation, inspection, and licensing details will still need time to be completed.

4. Luskin Conference Center

The demolition of lot 6 has begun. The ASUCLA loading dock will remain accessible.

5. Jamba Juice

Jamba Juice has delayed their remodeling project.

6. Terasaki Cart

The Skylark coffee cart is currently being retrofitted and will be relocated to the courtyard at the Terasaki building.

7. Student Space Projects

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

8. Kinross Student Store

The last day of operation for the Kinross Store was Friday, August 23.

9. Student Engagement

The first Student Engagement Ad Hoc Committee meeting was today and the committee set goals for the coming year. The first goal of the committee is the handling of the t-shirt design contest. ASUCLA is moving forward with an aggressive campaign to maximize entries/submissions for the contest. Management formalized a partnership with Unicamp in which proceeds from sales of the winning t-shirt will benefit Unicamp. The committee is working with USAC General Representative 2 on a big campaign kick-off at Enormous Activities Fair.

G. Board of Director Priorities

1. E-Commerce/Licensing

a. Email/Wpromote

The website has an increase in visits to the site through email, but there is no dramatic sales spike. Management is tracking all the new concepts with Google Adwords and Wpromote and wants to get through the first football game to sort out traffic sources and ROI.

b. Website

Management has agreed to move the word “Football” up in Google Adwords so that it appears as a top-level category. This will stay in place throughout the football season. Checkout pages have been cleaned up and the buttons match product page buttons. All new catalog items have been loaded with a larger product image and copy (for search purposes).

E-commerce/Licensing effort is continuing with added critical analysis of return on our current agreements. Ms. Holmes attended the meeting of Pac 12 Licensing Directors and ASUCLA will be considering various strategies.

2. Student Media Support

Management will be scheduling the student media/services and enterprises summit as soon as the communications board membership is in place.

3. Long-term Viability

Mr. Williams will be introducing various challenges and concepts for discussion and consideration during all committee meetings to begin discussions on potential future actions.

4. Campus Partnerships

Mr. Williams has been initiating conversations with administration regarding outside commercial marketing and activity on campus as it relates to ASUCLA delegations and financial impact. Discussions about the beverage contracts are ongoing with the various campus units and Healthy Campus Initiatives are still moving forward.

5. Social Responsibility/Sustainability

ASUCLA has signed an agreement to have three “Save Me Battery” kiosks in Ackerman Union. The kiosks will be in place before fall quarter.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee had a conference call on August 13 and discussed the Board goals and initiatives for the coming board term.

FINANCE COMMITTEE REPORT

Mr. Zeke stated that the committee met on August 23 and heard both an Executive Director and Finance Director reports. The committee also discussed the using of outside marketing sponsors to support on campus events. The USAC stipend increase was also discussed and the committee approved two action items that are on today's board agenda.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on August 16 and heard a presentation to ban bottled water on campus. There are several issues regarding this topic including the financial impact, the demand for bottled water, and contractual obligations. The committee did agree to support the effort in other ways including educating the campus on the potential hazards of plastic water bottles and promote reusable bottles and the water filling stations. The committee also toured the new Wolfgang Puck restaurant.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani stated the committee met on August 28 and laid out their goals and processes for the Executive Director's evaluation and compensation.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

Mr. Wong stated the committee met early today, August 30 and heard an overview of past student engagement endeavors and set goals for the committee.

FINANCE DIRECTOR'S REPORT

July Financial Results

Mr. Delia reported that in July net income for the Association as a whole was \$371,000 less than planned for the month but \$429,000 greater than planned for the year.

Gross income from all operations was \$963,000 less than planned due primarily to a \$724,000 negative variance in sales from the Store that resulted from decreased sales in the Computer Store. The Restaurants and Student Union division sales were less than planned by \$150,000 and \$104,000 respectively.

Gross income for the year was \$3,952,000 less than planned due primarily to a \$4,199,000 negative variance in sales from the Store, which was partially offset by positive variances in the Restaurants Division, where sales were \$347,000 greater than planned and \$1,268,000 greater than the prior year; and in the Student Union Division, where sales were \$131,000 greater than planned and \$62,000 greater than the prior year.

Mr. Delia called the Board's attention to a \$306,000 negative variance in Administrative & Support Services expenses in July that resulted from the accrual of the Incentive Compensation Program.

In terms of cash, the Association reported a book balance of \$11,541,000 at year-end. Of this balance, \$3,885,000 has been allotted to capital projects, leaving \$7,333,000 in uncommitted cash; a level that is \$582,000 greater than the \$6,752,000 Board-required cash reserve.

Past due accounts receivable rose sharply from the prior month. Mr. Delia explained that this increase resulted entirely from the timing of receipt of \$90,000 in invoices from Panda, Follett and the University and that this past due percentage would decrease to previous levels in August.

In keeping with historical trends for July, store inventories at cost rose from the prior month, to \$5.5 million, however those levels remained less than the same period in both the prior year and FY 10-11. In contrast, inventory turns remained relatively flat at 4.5 for the month of July.

August Preliminary Sales

To-date in August Store sales are \$280,666 less than planned due primarily to decreased income in the Computer Store, where sales are \$295,627 less than planned. Used text in Ackerman Union also is showing a negative variance to plan of \$33,459. These negative variances are partially offset by an \$113,406 positive variance in the sales of Dental Kits (that resulted from timing); and a \$35,396 positive variance in sales of Bookzone in the Health Sciences Store.

Based upon these results management anticipates that the Store will report a \$36,280 negative budget variance in gross margin, by month end.

To-date in August sales in the Restaurants Division is \$44,059 less than planned. Sales in the Cooperaage are \$12,106 less than planned as well as Catering by \$13,221. Several third party operations were less than plan including, Jamba Juice- \$11,326, Carl's Jr. - \$8,388, and Sbarro-\$4,410.

CORPORATE CREDIT CARD

Mr. Zeke explained that management would like to obtain four corporate credit cards with a \$50,000 credit limit. These cards will be available for key executive managers to purchase books, supplies, ecommerce services, and other services. Currently managers are using their personal credit cards for these purchases.

Mr. Zeke made a motion, seconded by Mr. Swart that the Associated Students UCLA Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a Wells Fargo Resolution to obtain four corporate credit cards. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

WELLS FARGO SIGNATORY UPDATE

Mr. Zeke explained that it was recently discovered by Wells Fargo that the ASUCLA Resolution

they had on file was outdated in that it still had the previous Executive Director listed as a signatory.

Mr. Zeke made a motion, seconded by Mr. Wong that the Associated Students UCLA Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a Wells Fargo Signatory Resolution. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE SESSION

Mr. Ontiveros 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 1:36 p.m.

Mr. Ontiveros 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 1:55 p.m.

ADJOURNMENT

Mr. Ontiveros called for consent to adjourn the Associated Students UCLA Board of Directors August 30, 2013 Regular Meeting. There being no objections, the meeting was adjourned at 1:56 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