

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

October 25, 2013

12:00 p.m.

Kerckhoff Hall Staterooms

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

ABSENT: Dorothy Wiley

LATE: Precious Elam

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

GUESTS: Angus Beverly, UCLA Student
Maryssa Hall, USAC
Leanna Huynh, USAC
Ryan Krebs, UCLA Alumni
Yael Levin, Daily Bruin
Shayla McClelland, ASU and USAC
Devin Murphy, USAC
Dan Peel, UCLA Alumni
Ramanneer Virk, UCLA Student
Janay Williams, UCLA Student

CALL TO ORDER

Mr. Ontiveros called the meeting to order at 12:05 p.m.

APPROVAL OF AGENDA

Ms. Giannitrapani made a motion, seconded by Mr. Swart that the Associated Students UCLA Board of Directors add a public comment section before the Executive Director's Report on the October 25, 2013 Regular Meeting Agenda. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and no nays.

Mr. Ontiveros called for consent to approve the Associated Students UCLA Board of Directors October 25, 2013 Regular Meeting Agenda as amended. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Ontiveros called for consent to approve the Associated Students UCLA Board of Directors September 27, 2013 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

PUBLIC COMMENT

Angus Beverly, a UCLA student stated that since he is a commuter student he is very interested in ASUCLA securing Sleep Pods. He went on to explain that sleep is very important for students to perform well and feels that the sleep pods can provide a safe and secure environment for students to nap.

Dan Peel, a recent UCLA graduate, reiterated Mr. Beverly's comments and Ryan Krebs, recent UCLA graduate explained that when he was a Resident Assistant the most asked question from students was "where can we nap?"

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. September

Overall, the Association financial results in September were behind plan in net income by \$60,000. The primary shortfall continues to be in a few specific areas of the Store. The General Merchandise Division had a strong month led by Bearwear which had a positive variance in both sales and contribution as compared to both budget and last year. The Market was surprisingly off plan which could partially be due to lower traffic and construction impacts. E-commerce sales were up significantly over both plan and last year. The results in the Academic Supplies Division were less positive. Continued decline in book sales along with lower Computer Store sales led to sluggish results. Computer Store construction during the month and lower CPU price points impacted sales. Now that the unit remodel is complete and the new advertising campaign has started, there should be

some rebound. The LuValle Store was off plan due to lower book sales as was the Health Science Store which saw the reverse of the early dental kit sales.

The Food Service division had much better results exceeding both sales and contribution. Contribution for the month was \$33,725 over budget but this was primarily due to a sizeable positive variance in catering contribution of over \$60,000 as compared to plan. Some of the ASUCLA full menu operations struggled against plan including North Campus, LuValle, Cooperage, Taco Bell and Café Synapse. Traffic patterns slowed during the last few months of the summer and this year's budget is more aggressive than previous year's. In addition, management continues to need to respond to changes in traffic patterns by making scheduling and product adjustments to maximize efficiency.

The Services Division was a little behind plan but equal with last year. Domestic Licensing is lagging behind plan but management believes it will pick up as fall quarter results lead to reorders. The Student Union fell back short of plan in September but year-to-date is still well ahead of plan. Savings were seen in A & SS and Maintenance as well as Depreciation while Utilities still show a negative variance. Year-to-date the Association remains close to its aggressive budget.

2. October

Trends are much stronger in October in the Store with solid results in General Merchandise and somewhat better trends in the Academic Division. The new Computer store is gaining sales momentum and the advertising campaign and technologist program is now going strong. Food Service is seeing good results tracking very close to plan and well ahead of last year's trends. Sales patterns have been impacted by the opening of Wolfgang Puck as expected. October should be a relatively good month for the Association.

B. Campus Partnerships

1. Parents Weekend

ASUCLA will support Parent's Weekend during November 1-3 by providing a 20% off UCLA Store coupon in the program guide.

2. Optometry Store

The occupancy agreement has been signed for the optometry store with an effective date of January 1, 2014 and a projected opening date of May or June 2014. The store team is working on the reconfiguration of parts of the BookZone and Market areas to move in key products from the gift area of the store to accommodate the optometry store.

3. Faculty and Staff Appreciation

The UCLA Store's Faculty and Staff Appreciation Sale will take place on December 3-5. There will be special Apple pricing for faculty and staff on December 4. Store hours will be adjusted to accommodate the sale.

4. Beverage Contract

The new campus beverage contract has now been signed with an effective date of September 1, 2013. The specifics of the contract changed very little for the Association.

C. Championship Service

1. Monster Sale

The Monster Sale, which is typically the store's largest sale of the year, was held on Thursday, October 24. There was over \$400,000 in sales; however, it was behind last year.

2. Health Sciences Computer Store

On November 6 there will be a grand opening event to highlight the new computer store outlet at the Health Sciences Store. There will be special pricing on Apple product along with raffles and presentations from 11:00 a.m.-2:00 p.m.

3. International Collection

ASUCLA's International Licensing has licensees who sell products and operate stores around the world. The clothing is often a different style more suited to the specific market. The store plans to have set up a temporary shop in the center/women's area of the store to highlight products from the European Collection. The international collection pop-up shop is scheduled to open Tuesday, November 5 and remain in place through Sunday, November 24.

D. Your Student Association

1. The Black Experience Mural

The kickoff event on October 4 was very successful with two of the original artists in attendance. ASUCLA along with the art conservator was able to take down a few sections of the wall. The next phase will be the coordination of the Panda Express remodel along with scheduling the remainder of the wall removal.

2. T-shirt Design Contest

The t-shirt design contest is now underway. As of Tuesday, October 22 there were nine entries total, 6 undergraduates and 3 graduate students.

There will be a public event to display all entries and get student feedback on November 14. The Student Engagement Committee will review designs and public feedback to choose up to 20 finalists on November 15. Voting will take place from 8:00 a.m.-5:00 p.m. November 18 through November 22.

3. ASUCLA Benefits U

The ASUCLA Benefits U list is now at 33,500 including just over 6,300 graduate students (at this time last year there were 4000 graduate students). This increase is due mostly to the REWARDS program (customer swiping also helped keep the database updated). Based on the first few emails of the year, the view and click rates have increased by a substantial amount. View rates for emails so far range between 24-33%. Last year, the view rates ranged from 14-30%.

Comparing Monster Sale emails:

- This year- 33,500 total list with 28% view rate;
- Last year- 26,500 with 17% view rate.

Management will continue with email design refinements and targeted emailing.

E. Building Towards the Future

1. Global Viewpoint Lounge

The permanent door is scheduled to be installed after finals week.

2. Computer Store Expansion Project

The Computer Store project is close to completion. New fixtures for the PC's have been installed and they will continue to upgrade and improve the signage.

3. Wolfgang Puck Express

The patio planters still need to be installed and once they are in place it will improve the patio ambiance.

4. Terasaki Cart

The cart is now open; however, sales are very sluggish.

5. Student Space Projects

Discussions regarding space projects will continue within the committees.

F. Employee Investment

1. Employee Appreciation

The next store employee appreciation event will be November 22-27 where employees receive 33% off on the normal list of discountable items.

G. Board of Director Priorities

1. E-Commerce/Licensing

Facebook ad campaigns were planned around the last two away games, Utah and Stanford. The two campaigns yielded about \$500 in sales and about 100 new page likes. Management is waiting for all the demographic data to come in to see how the store performed with specific age groups, gender, and geographic areas (San Diego seems to have a very high conversion rate) to see if there is any value to future Facebook advertising.

2. Student Media Support

The ASUCLA S&E and Communications Board Summit is scheduled for November 15 from 1:00-2:30 p.m. in the Kerckhoff Hall Staterooms. Although the meeting is for both Finance Committees, members from both Boards are encouraged to attend.

3. Long Term Viability

Analysis is ongoing including the consideration of additional factor of the new minimum wage and current sales and wage trends. Mr. Williams and Mr. Delia are developing an interactive budget projections process which they hope to use as part of the mid-year retreat.

4. Social Responsibility/Sustainability

Management is looking to modify and improve the reusable mug program.

EXECUTIVE COMMITTEE REPORT

Ms. Liu stated that the committee met on October 11 and discussed the following items:

- possibility of updating the Statement of Understanding
- creating a philanthropy policy
- the idea of offering free parking with store purchase
- if the bylaws allow for non-student BOD members to be on standing committee
- possible lease space for the Blackstone Group
- preparation for the JOC meeting

FINANCE COMMITTEE REPORT

Mr. Zeke explained that the committee met on October 18 and heard both an Executive and Finance Director reports. The committee also reviewed the Communication Board financial statements and discussed the audits for LuValle and Trademarks and Licensing. Finally, the committee discussed the sleep pod action item and chose to table the item until there was a better cost analysis provided.

SERVICES COMMITTEE REPORT

Mr. Swart stated that the committee met on October 11 and heard an Executive Director's report. The committee also heard from Bruins for Israel regarding their stance on the Hewlett Packard social responsibility violation allegation. The committee voted to table the issue indefinitely. Finally, the committee voted to approve management to purchase up to 11 sleep pods to be installed on the Ackerman Union third floor.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani stated that the personnel committee will be meeting immediately after today's board meeting.

STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT

Mr. Wong explained that the committee did not meet in October and will meet again on November 15.

FINANCE DIRECTOR'S REPORT

September Financial Results

Mr. Delia reported that in September gross income for the Association as a whole was \$397,000 less than planned and \$644,000 less than the prior year. He explained that the most significant negative variance appeared in the Store, where sales were \$442,000 less than planned and \$715,000 less than the prior year, due primarily to decreased income from textbooks and course readers.

In addition, sales in the Computer Store were \$126,000 less than planned and sales of dental kits were \$95,000 less than planned.

These negative variances in the Store were partially offset by an \$87,000 positive variance in sales from the Restaurants Division that resulted primarily from strong results in Catering, where sales were \$132,000 greater than planned.

Gross income in the Services Division was \$34,000 less than planned due to decreased sales and timing in Licensing; and gross income in the Student Union Division was less than planned due to fewer Orientation events.

For the month both wages and benefits and other controllable expenses were very close to plan such that contribution for the Association as a whole was \$96,000 less than planned. This negative variance was partially offset by allocated expenses, which were \$35,000 less than planned due to a \$22,000 positive variance in Administrative & Support Services expenses.

In terms of cash, the Association reported a book balance of \$13,211,000 at month-end, a level that is about \$2 million greater than the same period last year. Of this balance, \$3,941,000 has been set aside for capital projects, leaving \$7,213,000 in uncommitted cash; a level that is \$775,000 greater than the Board-required cash reserve.

Past due accounts receivable rose to 6%, up from 4% of total accounts due in the prior month. Mr. Delia explained that this increase in accounts past due resulted entirely from one item related to textbooks that was received shortly after the ledger closed for the month. In September Store inventories at cost rose from the prior period, to roughly \$6.6 million and inventory turns fell slightly from the prior period, to just below 4.6.

October Preliminary Sales

To date in October Store sales are \$234,095 less than planned. Sales in Ackerman Academic Support are \$226,708 less than planned due to decreased sales in the Computer Store, where sales are \$175,879 less than planned and new text is \$36,020 less than plan. BookZone sales are \$19,487 greater than planned.

These negative variances were partially offset by strong results in Mail, Telephone and Web, where sales are \$62,876 greater than planned which is 93% better than last year.

Based upon these results management anticipated that gross margin for the month of October would be \$20,747 less than planned.

To-date in October the Restaurants Division is reporting a \$2,435 negative variance to plan. Catering sales are \$20,056 greater than planned and Wolfgang Puck sales are \$44,967 greater than planned.

SLEEP PODS

Mr. Swart stated that the Services Committee approved to forward to the Board that 11 sleep pods be purchased for the Ackerman Union third floor lounge. The Committee felt that the sleep pods would provide a great service for students and would like to have a pilot program.

Mr. Zeke explained that the Finance Committee had many questions regarding the installation of the sleep pods which including the following:

1. Are there any UCLA policies regarding sleeping in public buildings?
2. Are there any health laws or permits?
3. Are there any lodging laws or permits?
4. Are there any liability issues?
5. Has a risk analysis been studied?
6. What type of sleep pod?
7. What is the cost of each sleep pod?
8. What are the operating costs of the sleep pods?

Discussion continued about the above questions and although most of the Board was in favor of the sleep pods they felt it would be wise to have a proper financial analysis before going forward.

Mr. Kurtzman made a motion, seconded by Mr. Zeke that the Associated Students UCLA Board of Directors postpone the motion to install up to 11 sleep pods in Ackerman Union until a more comprehensive analysis is completed. Mr. Ontiveros call 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 1:38 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 2:29 p.m.

ADJOURNMENT

Mr. Ontiveros called for consent to adjourn the Associated Students UCLA Board of Directors October 25, 2013 Regular Meeting. There being no objections, the meeting was adjourned at 2:30 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