

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Regular Meeting**

December 6, 2013

12:00 p.m.

Kerckhoff Hall Staterooms

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

**ABSENT:** Dorothy Wiley

**LATE:** Karleen Giannitrapani and Adam Swart

**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:** John Cavender, Daily Bruin  
Maryssa Hall, USAC External Vice President  
John Joanino, USAC President  
Devin Murphy, USAC President's Office  
Nicole Ngaosi, Chairperson of the Asian American and Pacific Islander Studies Undergraduate Association  
Napoleon Pempena, Pilipino Transfer Student Partnership  
Lawrence Turner, Afrikan Student Union  
Janay Williams, Afrikan Student Union

**CALL TO ORDER**

Mr. Ontiveros called the meeting to order at 12:03 p.m.

## **APPROVAL OF AGENDA**

Mr. Ontiveros made a motion, seconded by Mr. Swart that the Associated Students UCLA Board of Directors add a public comment section after the Committee Reports on the December 6, 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 December 6, 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 October 25, 2013 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

## **EXECUTIVE DIRECTOR'S REPORT**

### **A. Financial/Operational Items**

#### **1. October**

Overall Association financials for October came in very close to plan. The Store was off its sales plan by \$255,251 but saw good margin results, a positive variance in other income and savings in wage expenditures. These savings offset much of the sales shortfall so that contribution for the month was only off plan by \$22,111 and was ahead of last year's results for October.

Food Service results were only slightly behind their budget in both sales and contribution. Wolfgang Puck is performing ahead of expectations and most first floor Ackerman Union food operations are also doing well. On the down side, the initial redistribution of customers has had the greatest impact on A-level where we are experiencing shortfalls in the Cooperage, Carl's Jr., Jamba Juice and Taco Bell. The North Campus Student Center continues to see stronger sales and contribution results as compared to last year but much of this is offset by slower trends at LuValle. The Court of Sciences Student Center is slightly off plan but ahead of last year's results for the month. Catering had another stellar month while Concessions was off plan primarily due to game scheduling.

The Services Division was off plan for the month primarily due to slower than budgeted results in licensing. Economic conditions continue to be tough in the international markets and domestically the Association is expecting reorders to bump results later in the year. The Student Union Division had a strong October exceeding its contribution plan by over \$20,000. Student Union event income was strong for the month with a positive sales variance of \$23,377. Savings were seen in A&SS, Maintenance and

Depreciation although Utilities continue to be higher than budget. In fact, the year-to-date negative variance in Utilities accounts for the majority of the shortfall in ASUCLA contribution through October.

2. November

November financial trends are somewhat stronger than the previous few periods. The Store is showing a positive variance in sales for the month. The general merchandise areas had a solid month with the highlight being the trend in e-commerce. Although e-commerce sales were behind its aggressive plan for the month, they continue to track ahead of last year's record breaking pace. The Academic Division had its strongest month this year with good results in most areas including textbooks. The Computer Store trends are stronger than past months, much of which can be attributed to new Apple products which may mean that this upswing is a temporary bump. It is also likely, however, that the new store layout and marketing is also playing a role.

Food Service saw mixed results in November. Sales in ASUCLA operations are behind plan most notably on A-level in Ackerman, Kerckhoff Coffee House, and LuValle. The third party operations on A-level also missed plan but the first floor had stronger results led by the high sales levels in Wolfgang Puck. Catering continues to exceed both budgeted expectations and last year's record results. Concessions show a positive sales picture in November as results of more games occurring during the month than planned. However, per game sales are behind plan lowering potential financial returns.

The other areas should follow the patterns seen in the past few months with the exception of Licensing. Management expects Domestic Licensing income to be over budget in November. November should be a strong month for the Association.

B. Our Independent Bookstore

1. Paper Bags

As a result of the Los Angeles ordinance banning plastic bags, the new store paper bags will be introduced January 2. The Store is depleting the stock of all plastic bag designs including the core value bags. Marketing is finalizing signage that will explain the paper bag program and the Association's efforts to support the reduction in plastic bag usage.

C. Campus Partnerships

1. Optometry Store

Construction is scheduled to begin during winter break. The Store is beginning to reposition products per the plan that was discussed at the Services Committee meeting in November.

2. Alumni Appreciation Sale

UCLA Alumni appreciation in-store promotion will be on December 14. Alumni members save 20% in Bearwear and BookZone.

3. Alumni Apple Promotion

Apple has granted ASUCLA permission as part of a pilot program to sell to UCLA Alumni from December 7-22 at the academic pricing.

D. Championship Service

1. International Collection

Of the \$50K (926 units) in merchandise received, the Store sold approximately \$15K (281 units). The balance of the collection will be available on the website through the holidays.

2. USC Football Game

The store is carrying a range of items touting the back to back victory against USC. In addition, the buyers are working with key vendors for potential bowl merchandise. Bowl announcements will be made Sunday, December 8, 2013.

E. Your Student Association

1. The Black Experience Mural

Management met with Panda Express today to discuss their remodeling project and management will be developing next scheduling steps for the mural project. It appears that Panda has completed their plan check and have all necessary building approvals.

2. T-shirt Design Contest

The t-shirt design contest winner is Michael Drell. A mockup of the t-shirt along with Mr. Drell's picture is displayed in the Store. Both men's and women's t-shirts will be sold at \$20 beginning January 6.

F. Building Towards the Future

1. Global Viewpoint Lounge

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

2. Beautique Area

The new flooring for the Beautique area will be installed over the winter break.

3. Wolfgang Puck Express

The patio is complete but there are some leak issues on A-level. Wolfgang Puck is also looking at some additional improvements they want to consider such as patio heaters.

G. Employee Investment

1. ASUCLA Employee of The Year

The Employee of the Year Awards will be on December 19 in the Grand Salon.

## H. Board of Director Priorities

### 1. E-Commerce/Licensing

Management has received a report from the consultant analyzing the current licensing practices including some suggestions. Management is reviewing the data and will report at a future meeting.

### 2. Social Responsibility/Sustainability

USAC Facilities Commissioner has pitched an idea for a new refillable mug option for ASUCLA Coffeehouses. The proposed plan would be to let the campus community vote on a new mug during winter quarter which will be ready to sell in spring. The libraries will need to be included in the project to make sure all options are acceptable for use inside libraries.

### 3. Student Media Support

The Student Media Summit was held on November 15. This meeting was required as part of the Board's approval of the Student Media's FY 13-14 budget. The discussions centered on their current cash shortage and ways the two areas of the Association can work together to enhance efficiencies and increase income.

### 4. Long-Term Viability

Analysis and discussions are ongoing in various committees regarding several longer term ideas in the areas of space, new business development, and business restructuring.

## **EXECUTIVE COMMITTEE REPORT**

Ms. Liu stated that the committee met on November 22 and Mr. Williams gave an Executive Director's report. The committee also discussed the committee reassignments and the election of officers. Also on the agenda was the development of a philanthropy policy and how Board members should handle press inquiries. Finally, the committee discussed possible space projects and created the December 6 Board agenda.

## **FINANCE COMMITTEE REPORT**

Mr. Zeke explained that the committee met on November 15 and had a report from the external auditor. The auditor had two areas of concern, the Communications Board financials and Informational Technology (IT) security. The committee also discussed the minimum wage increase and Mr. Champawat provided an analysis of utilities.

The Sleep Pod action item was not approved and it was recommended that a further cost analysis and alternatives be researched. Finally, the committee approved to forward the capital expenditure increase for the Ostin Music Café as well as an Executive Session item to the Board.

### **SERVICES COMMITTEE REPORT**

Mr. Swart stated that the committee met on November 22 and Mr. Williams provided an overview of the 2011 Brailsford and Dunlavy Space Utilization Gap Analysis and the 2012 Ackerman Union Renovation Study.

USAC President, John Joanino, also spoke to the committee regarding a matching donation for the typhoon relief efforts in the Philippines. The committee also discussed the sleep pods and will be reviewing other concepts. There was one Executive Session item that has been forwarded to the Board.

### **PERSONNEL COMMITTEE REPORT**

Ms. Giannitrapani stated that a meeting will be scheduled in January.

### **STUDENT ENGAGEMENT AD HOC COMMITTEE REPORT**

Mr. Wong explained that the committee met on November 22 and narrowed down the 80+ t-shirt design submissions to 20 finalists. Overall, the 20 designs were a good representation of both graduate and undergraduate students.

The Committee agreed that 50% of the net proceeds would be donated to UniCamp. Mr. Wong asked the Board if they were comfortable with the donation percentage and there were no objections.

Lastly, the committee discussed implementing short surveys that would be sent out throughout the winter and spring quarter in order to gauge students' interests and continue interacting with the student body. The sleep pod project was one suggestion on being a potential first survey sent out.

### **PUBLIC COMMENT**

John Joanino, Napoleon Pempena, and Nicole Ngaosi addressed the Board regarding Typhoon Haiyan/Yolanda. The group is asking ASUCLA to consider matching the amount of donations raised by students up to \$15,000.

The Board raised questions regarding other fundraising partnerships and which charity the funds would be directed to. The Typhoon Relief Committee is diligently researching charities that are committed to long-term efforts and has narrowed their search to four potential nonprofit organizations. The relief committee has established fundraising partnerships with UCLA Student Affairs and UCLA Recreation.

## **FINANCE DIRECTOR'S REPORT**

### October Financial Results

Services & Enterprises showed a \$340,000 negative variance to plan in terms of gross income. This variance resulted primarily from decreased income from the Store, where sales were \$233,000 less than planned due to a \$197,000 negative variance in the sale of computers; as well as decreased sales of textbooks in LuValle Commons and the Health Sciences Store. In addition, the Services Division reported an \$85,000 negative variance to plan that resulted from decreased licensing income due to international licensing as well as slower growth in domestic licensing income.

The Restaurants Division also reported a negative variance to plan, of \$43,000. This resulted from decreased income in LuValle Commons, where sales were \$19,000 less than planned; decreased concessions sales, which were \$15,000 less than planned; and decreased sales in the Cooperage, which were \$12,000 less than planned. These negative variances were partially offset by another strong performance by Catering, where sales were \$21,000 greater than planned.

In terms of allocated expenses, utilities costs were \$21,000 greater than planned, however Administrative & Support Services expenses and Maintenance costs were less than planned by \$22,000 and \$12,000 respectively.

Together these results allowed for a net income of \$328,000 for the month of October, which is \$19,000 less than planned.

Year-to-date net income is \$52,000 less than planned and \$213,000 less than the prior year; due primarily to decreased gross income, which is \$1,023,000 less than planned and \$888,000 less than the prior year. Contribution for the Association as a whole is \$183,000 less than planned and \$135,000 less than the same period in the prior year.

In terms of cash, Services & Enterprises reported a book balance of \$12,577,000 at month end, of which \$3,349,000 has been reserved for capital projects, leaving \$7,006,000 in uncommitted cash; a level that is \$7,000 less than the Board-required cash reserve.

Mr. Delia reported that past due accounts receivable decreased from the prior month, to roughly \$240,000 or 6% of total accounts due; and Store inventories at cost also decreased from the prior month while inventory turns rose slightly, to just over 4.4.

### November Preliminary Sales

To-date in November Store sales are \$88,707 greater than planned, due primarily to increased sales in the Computer Store, Ackerman New Text, and Health Sciences Store Dental Kits.

Based upon these results, management anticipated that gross margin for the Store as a whole would be \$20,435 greater than planned by month-end.

To-date in November Restaurants sales are \$71,876 better than planned, with positive variance from Wolfgang Puck of \$71,018. As a result of the opening of Wolfgang Puck, Avenue A sales has decreased. Catering was positive to plan by \$36,143 and concessions by \$38,034.

### **OSTIN MUSIC CAFE**

Mr. Zeke explained that management has been informed by Capital Programs that their original estimate for the music café has been revised and will require more capital to build. They indicated that some of the reason for the cost increase was due to inflation. The Finance Committee has approved to forward to the Board that the capital expenditure for the music café be increased from \$200,000 to \$300,000.

Mr. Zeke made a motion, seconded by Mr. Bollard that the Associated Students UCLA Board of Directors approve a capital expenditure increase from \$200,000 to \$300,000 for the Ostin Music Café. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and no nays.

### **STUDENT MEDIA DEFERMENT**

Mr. Delia explained that in order for Student Media to get through the next six months in terms of cash flow, it will be necessary to defer payment of three months of S&E charges of approximately \$180,000 and hence management is asking the Board to approve that the Finance Director be allowed to do so.

The Board discussed whether or not the deferment should have any concessions. The Board agreed that the deferment should not and that if the Communications Board approached Services and Enterprises for a loan that an agreement including terms would be necessary.

Mr. Zeke made a motion, seconded by Mr. Bollard that the Associated Students UCLA Board of Directors allow the Finance Director, on a one time basis, to defer three months of reimbursement from Student Media to Services and Enterprises a maximum of \$180,000 until January 31, 2014. Mr. Ontiveros called for a vote. The motion was approved by a vote of 8 yeas and 1 nay.

### **TYPHOON RELIEF**

The Board discussed at length whether or not the Association should be donating money to a charity since it is a non-profit organization that collects student fees. The Board also discussed the Philanthropy Policy that the Executive Committee is developing and whether or not there should be a category for natural disasters. The Board also discussed what type of donations were provided for past natural disasters none of which were a direct financial donation. They included the following:



Hurricane Katrina:

ASUCLA was involved with the Hurricane Katrina relief efforts by collecting cash donations at the Store and Restaurant registers. Direct support from ASUCLA included Store gift certificates to the displaced college students from Louisiana to help them purchase school supplies.

September 11:

Patriotic merchandise was available in the Store. Flag pins, hats, and t-shirts were sold with 100% of the proceeds going to the American Red Cross. The vendors of the t-shirt and hats donated their proceeds to the American Red Cross.

2004 Tsunami:

For one week, 30% of the sales from the Tsunami eatery were donated to OXFAM. In addition, customers had the option to make a donation in increments of \$1 or \$5 to their purchases in the Store and at all UCLA Restaurants locations, this money was also donated to OXFAM.

The Board agreed to work with the Typhoon Relief Committee to support them on an alternative fundraising plan.

Mr. Swart made a motion, seconded by Mr. Zeke that the Associated Students UCLA Board of Directors support the Typhoon Relief and work together with the various student groups to develop a fundraising plan. Mr. Ontiveros called for a vote. The motion was approved by a vote of 7 yeas and 2 nays.

**RECESS**

Mr. Ontiveros call for consent for the Associated Students UCLA Board of Directors take a five minute recess. There being no objections, the motion was approved by unanimous consent.

**SLEEP PODS**

Mr. Swart made a motion, seconded by Mr. Zeke that the Associated Students UCLA Board of Directors send the Sleep Pod project back to the Services Committee for further review. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and no nays.

**STANDING COMMITTEE REASSIGNMENTS**

Ms. Liu explained that the Executive Committee recently realized that Monet LeMon had not been placed on a standing committee; therefore the nominating committee is recommending that she be removed from the Student Engagement Committee and replace Michael Jedlicka on the Services Committee.

Ms. Liu made a motion, seconded by Mr. Swart that the Associated Students UCLA Board of Directors remove Monet LeMon from the Student Engagement Committee and replace Michael

Jedlicka on the Services Committee. Mr. Ontiveros called for a vote. The motion was approved by a vote of 9 yeas and no nays.

### **ELECTION OF OFFICERS**

Ms. Liu stated that the Nominating Committee is recommending that the Associated Students UCLA Board of Directors approve the appointment of Amy Liu as Board Chair and Joel Ontiveros as Board Vice Chair effective at the end of the December 6, 2013 Board meeting. Mr. Ontiveros called for a secret ballot vote. The nominations were approved by a vote of 9 yeas and no 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 2:38 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 3:03 p.m.

Mr. Bollard made a motion, seconded by Mr. Zeke, that the Associated Students UCLA Board of Directors approve all actions taken in Executive Session. Mr. Ontiveros call for a vote. The motion was approved by a vote of 9 yeas and no nays.

### **ADJOURNMENT**

Mr. Ontiveros called for consent to adjourn the Associated Students UCLA Board of Directors December 6, 2013 Regular Meeting. There being no objections, the meeting was adjourned at 3:04 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.

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Michael Jedlicka  
Board Secretary and Alumni Representative