

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Regular Meeting**

February 27, 2015

12:00 p.m.

Kerckhoff Hall Staterooms

**PRESENT:** Mike Anderson, John Bollard, Carly Calbreath, Kevin Eagan, CJ Gabbe, Monet LeMon, Katrina Vō, Bob Williams, Jordan Wong, and David Zeke

**LATE:** Precious Elam and Denea Joseph

**ABSENT:** Karleen Giannitrapani and Agnes Warren

**MANAGEMENT:** Donna Baker, ASUCLA Financial Planning and Treasury  
Cindy Bolton, ASUCLA Director of Food Operations  
Roy Champawat, ASUCLA Student Union Director  
Sandi Gillespie, ASUCLA Association Affairs Manager  
Patrick Healey, UCLA Store General Manager/Director  
Apparel/Accessories/LuValle Commons/Health Sciences Store  
Kamran, Mehdian, ASUCLA Information Services Director  
Karen Noh, ASUCLA Special Projects Director  
Lisa Perez, ASUCLA Marketing Director  
Neil Yamaguchi, UCLA Store General Manager/Director of  
Academic Support

**GUESTS:** Eliza Blackorby, Daily Bruin  
Sam Hoff, Daily Bruin  
Nasia Turner, Afrikan Student Union  
Janay Williams, Afrikan Student Union

**CALL TO ORDER**

Mr. Wong called the meeting to order at 12:08 p.m.

**APPROVAL OF AGENDA**

Mr. Wong called for consent to approve the Associated Students UCLA Board of Directors February 27, 2015 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

## **APPROVAL OF MINUTES**

Mr. Wong called for consent to approve the Associated Students UCLA Board of Directors January 30, 2015 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Williams updated the Board of the following topics:

### February Financial Summary

Overall results for the Association in January were not as strong as prior periods. The shift in the school calendar continues to lead to some misalignment of budgets versus actual sales. Overall; however, sales trends continue to be solid in most income areas and many of the Association's initiatives are moving forward.

### Festival of Books

The BookZone team will again be participating at the Festival of Books at the USC campus April 18 and 19.

### T-Shirt Design Contest

The winning design has sold 143 shirts so far. This is about half the total compared to last year's shirt.

### Art in the Union

The *Art in the Union* program is now open for submissions; the deadline for this art program is April 17.

### Ackerman Solar Panels

The Ackerman Union solar panels now have a portal that shows real time information, as well as month-to-date information. The information is displayed on the digital screens throughout the Union and can also be accessed via Internet. This was provided to the Association by the SMERC research center in the Engineering School and gives them real time data for their research on smart power grids.

### UCLA Student Union

The Union's quarterly *24-hour Study Lounge* starts Wednesday of 10<sup>th</sup> week with designated quiet study space and group study space available, free coffee after 9:00 p.m. and van service available after 1:00 a.m.

### Finals-Food Trucks

Management has been meeting with the undergraduate IVP to solidify details for food truck availability during winter quarter finals. The trucks will be scheduled for Sunday, March 16 through Tuesday, March 17 from 10:30 p.m.–1:30 a.m.

### Budget Process

The budget process is progressing and the Board will be looking at the tentative assumptions today. In addition, there is some initial indication of the challenges for next year, which will again be substantial and difficult to overcome given the new retail realities and increasing labor and facilities costs.

### Global Viewpoint Lounge Project

Mr. Williams and Mr. Champawat will be meeting with the leadership in Admissions in an effort to finalize a Global Viewpoint Lounge strategy. Management will be asking the Board to approve a capital expenditure for this project to move forward if a favorable outcome can be reached.

### Student Space Projects

In coordination with the Space Committee, management continues to look at various space projects to better utilize the textbook space and find other income generating possibilities. Management has recommended to the Finance Committee that the capital expenditure for the A and B level project be canceled and specific subprojects be included as part of the budgeting process.

### Engineering Construction

The project is progressing and A-level should have better traffic when the Portola steps reopen (possibly in May or early June). As part of the budget process, estimates and plans are being developed for the restructuring of the loading dock functions based around the tunnel.

### Kikka Project

New engineering drawings have been approved and construction is progressing.

### All-Gender Restroom

The Space Committee project for an all-gender restroom has made progress. Management is working on final drawings and firm costs to bring through the committees and to the Board.

### Café Powell

In March, the food service team will be showing theoretical sales, costs, and cannibalization projections for the committees to consider. This will be an important first step in developing a clear understanding of the level of financial commitment the Board is comfortable with for this potential project.

### LuValle Roof

The roof of LuValle will be painted in the coming months. This will be a fairly expensive project, \$44,000 and will have to be expensed leading to a negative variance in maintenance costs in the coming months.

### Employee Appreciation

The next *Employee Appreciation Sale* is March 11 through 13. During that sale, employees get 33% off on the items normally discounted at 20%.

### Campus Engagement and Support

Representatives from the Board of Directors did a great presentation about ASUCLA's governance structure, operating formula, and challenges at this month's Student Affairs Director's meeting.

Two "Straight from the Board" videos have been posted to the Association's YouTube channel, ASUCLAsince1919. The first video has 216 views and the second video has 161 views in the first three days plus an additional 40 on Facebook. The third video will be distributed with the Week 10-ASUCLA Benefits U email.

### Social Responsibility and Impact

Management has developed a presentation regarding composting options, costs, and challenges that will be reviewed with the Services and Finance Committees next month.

### ASUCLA Long-Term Plan

Long-term planning is ongoing with a great deal of focus centering on succession planning for several of the key managers. In addition, the budgeting process will be prepared with a focus on securing the necessary staff and expertise required for the next phase of ASUCLA operational challenges.

### Support of ASUCLA Entities

The Finance Committee met with the Communications Board Finance Committee to discuss the current cash flow situation, which is now worse than expected. As a result, management will be seeking support from the Board to defer some A&SS charges for the next few months while new strategies are being considered.

## **EXECUTIVE COMMITTEE REPORT**

Mr. Zeke state the committee met on February 17 heard an Executive Director's Report. The committee also recapped the Mid-year Social and discussed the June Orientation Retreat.

## **FINANCE COMMITTEE REPORT**

Mr. Gabbe stated the committee met on February 20 and had a joint discussion with the Communications Board which led to an action item on deferment which will be discussed later on the agenda. The committee also approved to recommend many of today's agenda items including FY 15-16 Tentative Budget Assumptions, Food and Store POS systems, Hill Top Shop Remodel, and Global Viewpoint Lounge Remodel.

## **SERVICES COMMITTEE REPORT**

Ms. Elam stated the committee met on February 20 and heard a presentation from the Students for Justice in Palestine (SJP) regarding Hewlett-Packard's alleged violation of the ASUCLA

Social Responsibility Policy. The committee could not come to a consensus that HP violated ASUCLA's policy; however, the committee agreed to draft a letter to HP to inquire about their social responsibility policies. The committee will also invite Bruins for Israel to address the committee if they so desire. The committee also discussed the donation box and approved the Hill Top Shop remodel.

### **CAMPUS ENGAGEMENT AD-HOC COMMITTEE REPORT**

In absence of Ms. Joseph, Ms. Calbreath stated that the committee met on February 6 and viewed the YouTube videos, Org Rap Cards, and discussed the CSAD presentation.

### **STUDENT UNION SPACE INIATIVE AD-HOC COMMITTEE REPORT**

Ms. Calbreath stated the committee met on February 27 and discussed the all-gender restroom and the a-level textbook space as well as the Global Viewpoint Lounge space.

### **JOINT OPERATING COMMITTEE REPORT**

Mr. Wong stated the committee met on February 4 and discussed ASUCLA's current financial statements, the Communications Board, and possible space initiatives.

### **FINANCIAL STATEMENTS**

#### **January 2015 Services & Enterprises Financial Statements**

Gross income for the Association was \$73,000 positive to plan primarily due to textbooks. Gross margin was negative to plan by \$68,000 and contribution was negative by \$84,000. Net income for the Association as a whole was negative to plan by \$153,000 due to timing and added allocated expenses.

Gross income for the UCLA Restaurants was \$59,000 negative to plan and contribution was \$56,000 negative to plan due to timing of the basketball games.

In terms of cash, the Association reported a book balance of \$11,400,000 for the month. Of this balance, \$3,149,000 has been reserved for capital projects, leaving \$7,054,000 in uncommitted cash which is \$2,132,000 less than the board-required cash reserve. Mr. Williams and Ms. Baker explained to the Committee that the Ackerman B and A Level Remodel will be removed from the capital expenditures and replaced by smaller upcoming projects.

Past due accounts receivables were at roughly \$230,000. This balance is higher than prior month and some of this is due to timing. Store inventories at cost were \$6,400,000; while inventory turns were at 4.6.

### February Month-to-Date Preliminary Sales

Current month-to-date sales are \$100,260 positive to plan primarily due to new and used textbooks and the Computer Store. The LuValle Store is positive to plan by \$13,078 and the Health Science Store is negative to plan by \$54,458 which could be a timing issue with dental kits. Hilltop Shop is positive to plan by \$25,477 and E-commerce is positive to plan by \$4,147.

Due to these results, management is expecting the gross margin to be positive by \$33,780.

The UCLA Restaurants are currently positive to plan by \$172,586 primarily due to Concessions and Catering. All third party operations are close or better than plan for the month.

### **APPROVAL OF FY 15-16 TENTATIVE BUDGET ASSUMPTIONS**

The Board briefly discussed the tentative assumptions noting the following items:

1. Capital expenditures will be scrutinized during the budget planning
2. Minimum Wage Increase
3. Catering/Concession for Special Olympics World Games events on campus

Mr. Gabbe made a motion, seconded by Mr. Zeke that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the FY 15-16 Budget/Five-year Forecast Tentative Assumptions.

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

### **FOOD SERVICE POS**

Management has received proposals from three vendors to provide an upgraded POS that will meet all regulations. Additionally, a new POS offers features for both customers and operators that will improve efficiency and the customer experience.

Additionally, management has also looked into alternative register models. Another price quote was obtained for the most up to date version of the NCR model that is currently in use in the Restaurants. With a significant discount given by the vendor, the one-time purchase cost for this model is almost equivalent to the tablet model. However, this does not include the costs for certain peripheral accessories (i.e. printers) and the annual license expense is slightly higher. Furthermore, management anticipates that the ongoing individual replacement cost for the tablets will be theoretically less expensive than the NCR model because the bases won't need replacing, but this is not yet proven.

With all these considerations in mind, either option of register will be operationally suitable but management recommends purchasing the tablet model.

Mr. Gabbe made a motion, seconded by Mr. Bollard that the Finance and Services Committees are recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$350,000 to replace and upgrade the Food Service POS System.

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

### **STORE POS**

Upgraded POS registers for the UCLA Store will obviate the need for Store employees to handle customer credit and debit cards and for ASUCLA systems to store encrypted credit card information locally, eliminating two major security weaknesses in credit card transactions. Additionally, this enables ASUCLA to comply with new PCI requirements and EMV standards, allowing acceptance of credit cards with embedded chip technology.

Mr. Gabbe made a motion, seconded by Mr. Zeke that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$150,000 to upgrade the POS register in the Store to allow for credit card transaction through a PIN Pad Device.

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

### **HILL TOP SHOP REMODEL**

Current fixtures and flooring in the Hill Top Shop are part of the original 1992 store design and build-out. This project provides for the replacement of fixtures and flooring to improve overall aesthetic and appearance of the store while modernizing and creating a more effective and cohesive use of space for today's product assortment. The project should take 4-6 weeks to complete and will begin in August 2015.

Mr. Gabbe made a motion, seconded by Ms. Calbreath that the Finance and Services Committees are recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$150,000 to remodel the Hill Top Shop.

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

### **GLOBAL VIEWPOINT LOUNGE**

Management proposes to expand this partnership with Student Affairs on the use of Global Viewpoint as a performance and presentation space, in part because it will provide a mid-sized performance and event space in the evenings for student groups, while providing income during daytime admissions presentations. As a part of this expanding relationship Enrollment Management has rented offices adjacent to GVPL for supporting functions and these offices are nearing the end of construction.

Cost to complete build-out of the theater/performance space would be shared with Student Affairs/Enrollment Management. Management proposes to no more than \$300,000 to renovate and furnish this presentation space and make adjustments to the area outside Tsunami (which will soon vacate its space) to allow for a pre-function lounge.

Mr. Gabbe made a motion, seconded by Ms. Võ that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a capital expenditure of \$300,000 to renovate the Global Viewpoint Lounge.

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

### **STUDENT MEDIA DEFERMENT**

While the LCD class action settlement is being examined the Finance Director has been directed to transfer the funds into a separate account, which now has left Student Media with a low cash situation. In order to get through the next few months in terms of cash flow, it will be necessary to defer Student Media's administrative and support services payments. This deferment is contingent upon the Communications Board developing alternate editorial and administrative operating models to be presented at the March Finance Committee meeting.

Mr. Gabbe made a motion, seconded by Mr. Zeke that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve a deferment of Student Media's administrative and support services payments for a maximum of \$100,000 until April 30, 2015. This shall be contingent upon the Communications Board developing alternate editorial and administrative operating models to be presented at the March Finance Committee meeting.

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

### **EXECUTIVE SESSION**

Mr. Wong called for consent for the Associated Students UCLA Board of Directors to enter into Executive Session and include Donna Baker and Sandi Gillespie. There being no objections, the motion was approved by unanimous consent.

The Board entered into Executive Session at 1:41 p.m.

Mr. Wong 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 2:41 p.m.

**ADJOURNMENT**

Mr. Wong called for consent to adjourn the Associated Students UCLA Board of Directors February 27, 2015 Regular Meeting. There being no objections, the meeting was adjourned at 2:42 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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John Bollard  
Board Secretary and Administrative Representative