

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

July 25, 2014

12:00 p.m.

Charles E. Young Grand Salon

PRESENT: Mike Anderson, Carly Calbreath, Kevin Eagan, CJ Gabbe, Karleen Giannitrapani, Denea Joseph, Katrina Vö, Agnes Warren, and Bob Williams

LATE: Precious Elam and Monet LeMon

ABSENT: John Bollard, Jordan Wong, and David Zeke

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, ASUCLA Marketing Director

GUESTS: Mike Jedlicka, ASUCLA Executive Committee
Andrew Knab, UCLA Academic Planning and Budget
Amy Liu, ASUCLA Executive Committee
Joel Ontiveros, ASUCLA Executive Committee
Sam Hoff, Daily Bruin
Devin Murphy, USAC President

CALL TO ORDER

Ms. Liu called the meeting to order at 12:05 p.m.

APPROVAL OF AGENDA

Ms. Liu called for consent to approve the Associated Students UCLA Board of Directors July 25, 2014 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

ELECTION OF OFFICERS

Mr. Ontiveros stated that the Nominating Committee is recommending that the Associated Students UCLA Board of Directors approve the following officer nominations for the 14-15 term:

Chair	Jordan Wong
Vice-Chair	David Zeke
Secretary	John Bollard

Ms. Liu called for a secret ballot. The motion was approved by a vote of 8 yeas and 0 nays.

ELECTION OF STANDING AND AD-HOC COMMITTEES

Mr. Ontiveros 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 14-15 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.

David Zeke-Chair	Graduate Representative
Jordan Wong	Undergraduate Representative
John Bollard	Non-Student Representative
Bob Williams	Executive Director (ex officio)

Finance Committee:

CJ Gabbe-Chair	Graduate Representative
Carly Calbreath	Undergraduate Representative
Mike Anderson	Non-Student Representative
Agnes Warren	Non-Student Representative
Robert Williams	Executive Director (ex officio)
Rich Delia	Finance Director (ex officio)

Services Committee:

Precious Elam-Chair	Undergraduate Representative
Denea Joseph	Undergraduate Representative
CJ Gabbe	Graduate Representative
Katrina Võ	Graduate Representative
Kevin Eagan	Non-Student Representative
Monet LeMon	Non-Student Representative
Robert Williams	Executive Director (ex officio)
Roy Champawat	Student Union Director (ex officio)

Personnel Committee:

Karleen Giannitrapani-Chair	Graduate Representative
Jordan Wong	Undergraduate Representative
John Bollard	Non-Student Representative
Monet LeMon	Non-Student Representative

Student Union Space Initiative Ad-hoc Committee:

Carly Calbreath-Chair	Undergraduate Representative
Jordan Wong	Undergraduate Representative
Karleen Giannitrapani	Graduate Representative
Katrina Võ	Graduate Representative
David Zeke	Graduate Representative
Robert Williams	Executive Director (ex officio)

Campus Engagement Ad-hoc Committee:

Denea Joseph-Chair	Undergraduate Representative
Precious Elam	Undergraduate Representative
Kevin Eagan	Non-Student Representative
Mike Anderson	Non-Student Representative
Robert Williams	Executive Director (ex officio)
GSA Communications Director	

Ms. Liu called for a secret ballot. The motion was approved by a vote of 8 yeas and 0 nays.

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

EXECUTIVE DIRECTOR'S REPORT

A. Financial/Operational Items

1. May

May was a very strong month financially for the Association with a net income of \$135,000 ahead of plan. All four areas of ASUCLA with income projections (the Store, Food Service, Services and Student Union) exceeded their budgeted targets and were ahead of last year.

The Store exceeded its sales targets for the month despite slower than projected sales in Bearwear and E-commerce. Strong sales results were seen in Graduation Etc., Used Text and the Computer Store. The LuValle Commons Store and Health Sciences Store both exceeded their budgets for the month.

Food Service had a strong month exceeding both sales and contribution targets. As has been the pattern throughout the year, the Ackerman 1st floor operations all had good months. The Greenhouse, Panda Express and Rubio's saw the largest positive contribution variances. The Court of Sciences Student Center, Kerckhoff Coffee Houses

and LuValle operations were able to make plan but the North Campus Division fell short of plan while being slightly ahead of last year. The Ackerman A-level operations continue to have shortfalls led by weaker trends in Taco Bell. Concessions had good results and Catering had another fantastic month exceeding its contribution budget by \$29,185.

The Services Division had a positive variance with a strong performance in International Licensing and a smaller positive result in Domestic Licensing. The Student Union Division saw another positive month in contribution led by continued strong trends in the Events area.

A & SS areas came in better than plan while Utilities were over budget again in May. These results combined with some positive non-recurrent income led to a strong performance versus plan.

2. June

June financial results for the Association were excellent with a positive variance versus the net income budget of \$244,000. While Store sales were behind plan, all five divisions had positive variances in contribution versus budgets.

The Store sales in the General Merchandise Division were behind plan with Bearwear, E-commerce and the Market falling short of targets. Strong trends in Graduation Etc. continued from May. The South Campus Shop is gaining a portion of the lost sales from the Ackerman Market and the Hilltop Shop had another good month. The Academic Support Division was much stronger with positive variances in New Text, Used Text, the Computer Store and BookZone. The LuValle Store made plan for the month and the Health Sciences Store had very good results in Dental Kits.

The most significant impact to the Store's financial performance for the month was the results in shrinkage. Shrinkage was positive by \$106,000 versus plan.

Food Service sales results were down slightly versus plan but contribution for the month exceeded plan by \$47,487. Food Service was able to operate with additional labor and cost efficiency during June. The trends of strong Ackerman 1st floor results continued with positive variances in contribution for all 1st floor operations. North Campus main food area fell short of its aggressive plan but was well ahead of last year. Through June, the North Campus food area is more than \$90,000 ahead of last year's contribution. Court of Sciences had a good month exceeding plan by over \$10,000 and LuValle had its best month of the year versus plan with the entire Division exceeding plan by close to \$8,000. Kerckhoff Coffee House had another strong month and the A-level operations were stronger than the previous months.

The Services Division had another strong month with International and Domestic Licensing, Leased Operations and Photography all exceeding budget. The Student Union Division continued to find ways to capture additional event income and exceed budget and A & SS saw continued savings in Finance, AP/AR, Business Services, Information

Systems, and Marketing and Communication. Maintenance and Utilities expenses exceeded budget for the month although year-to-date maintenance costs are on plan.

Overall, both May and June were very strong months for the Association. Due to these results, the Association is now ahead of its original budget in net income by \$37,000 with one month to go in the fiscal year. These results will lead to year-end result much stronger than the estimates discussed during the budget process.

3. July

July trends in the Store are not as positive as May and more in line with previous months. The primary shortfall continues to be in the Computer Store. Food Service is tracking slightly ahead of plan and ahead of last year. There will be additional labor expenses as a result of the increased minimum wage.

4. 14/15 Budget

Mr. Williams received the letter from the Chancellor approving the budget. He thanked the management team and Board of Directors for our continued efforts to provide quality services despite many challenges. The letter highlights the Association's efforts to preserve the cash reserve but acknowledges the long-term challenges ASUCLA faces with rising salary and benefit costs and the changing sales dynamics in books and computers.

B. Campus Partnerships

1. T-shirt Design Contest

To-date, 986 shirts have been sold which resulted in a total donation of \$4,188 to UniCamp thus far. Due to the resignation of the general representative 2, management will approach USAC to inquire if any current office holders would like to continue with the project.

2. Orientation Activities and Support

ASUCLA's annual collaboration with New Student Orientation, "Summer in the Union" began on July 15. On the first day a barbecue and cabaret took place in Ackerman Union and later that evening the Student Union hosted an activities fair followed by "Summer in the Union-Late Night." On day three, Student Union tour guides lead orientation students through Ackerman Union and Kerckhoff Hall. During this tour students sign up for ASUCLA Benefits U.

C. Championship Service

1. Bearwear Catalog

This year's Bearwear catalog drops August 11 and will be mailed to 220,000 domestic addresses.

2. E-commerce

ASUCLA will no longer be using the outside vendor who was supporting the email

marketing. After 15 months, there was not an improvement in sales from the email campaign. Management renegotiated terms with the e-commerce consultants, who will focus on Google ad-words and retargeting campaigns.

The e-commerce team will focus on general site improvement in-house and the mobile site is close to launching.

3. Teen Choice Awards

The Teen Choice Awards show will be held in Pauley Pavilion on August 10. ASUCLA will be doing some limited concessions and will also be catering the after party on the Ackerman Union first floor.

4. LA Steel Jersey Program

Management is working with the Athletic Department and adidas in coordinating the launch of the LA Steel Alternate Jersey Program. To date, over 250 Replica Football Jerseys have been preordered.

5. Computer Store Online

The Computer Store will start online selling in August. Since there are customer restrictions management had to develop the appropriate qualifications protocol.

D. Your Student Association

1. Powell Cafe

Management is entering exploratory discussions regarding the idea of opening a café in Powell. Ms. Bolton is meeting with library officials to hear their ideas and Devin Murphy, Student Body President has initiated a meeting to introduce the players and the basic idea. Once there is a basic understanding of the scope and idea behind the plan, the proposed idea will be forwarded to both the Services and Finance Committees for their consideration.

2. ASUCLA Benefits U

ASUCLA Benefits U Store Rewards starts August 1. The rewards have been enhanced by offering a \$5.00 reward for every 300 points achieved.

E. Building Towards the Future

1. Global Viewpoint Lounge Project

Management is working with Student Affairs on funding and layout, and expects to have finalized plan within the next couple months.

2. Luskin Conference Center

Construction is underway and the Association is still experiencing traffic impacts in the Store and Student Union.

3. Engineering Construction

The first phase of the new engineering complex continues to be under construction. The next phase will include building the loading dock tunnel. As a result, the exit from Avenue A to the south has been blocked off and a section of the Avenue A patio is unavailable for the summer.

4. Tsunami Project

Coinz space has been vacated and is being prepped for Kikka's construction. Kikka's design plans have passed all checks and fire approvals.

5. Ostin Music Cafe

The project is slightly delayed; however, it is still expected to be open before the fall term begins.

F. Board Priorities

1. Strategic Food Initiative

Several ongoing projects and adjustments in the menu, layout, and facilities are underway this summer that will impact the sales and customer mix. Tsunami will be moved and renamed, Ostin Café will open, and menu adjustments will be instituted at LuValle.

2. Campus Engagement and Support

The work of last year's Student Engagement Ad Hoc is continuing with management looking into the suggestions received during the survey. The marketing team has been developing ideas for promoting the ASUCLA brand and initiatives as well as the unique student governance structure.

3. Social Responsibility and Impact

Work is ongoing in sustainability commitments and corporate responsibility work within Licensing.

4. Support of ASUCLA Entities

Projections of cash flow and signed contracts are expected from Student Media. Management is still attempting to schedule a joint Finance Committee meeting as set forth in the Advance Agreement.

EXECUTIVE COMMITTEE REPORT

Mr. Ontiveros stated that the committee met on July 16, 2014 and discussed the Chancellor's letter approving the 14-15 budget. The committee also met as the nominating committee and put forth today's election slate. Finally, the committee discussed some staff restructuring possibilities as a result of Mr. Delia's pending retirement.

FINANCE COMMITTEE REPORT

Ms. Warren explained that the committee met on July 16, 2014 and heard both a Finance Director and Executive Director Report. The committee also discussed the Communications Board financials and approved the GSA and USA 14-15 budgets which were forwarded to the Board for approval today.

SERVICES COMMITTEE REPORT

Ms. Elam stated that the committee did not meet in July due to a lack of quorum.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani explained that the Executive Director's evaluation was presented to the Executive Director which was signed and forwarded to ASUCLA Human Resources.

FINANCE DIRECTOR'S REPORT

May Financial Results

Mr. Delia reported that the Association showed a \$135,000 positive variance to plan in terms of net income.

He explained that in May, gross income for the Association as a whole was \$148,000 greater than planned, with positive variances appearing in all divisions. These results were supported by a \$51,000 positive variance in wages and benefits and together these results offset a \$23,000 negative variance in other controllable expenses, such that contribution for the Association as a whole was \$85,000 greater than planned.

A \$15,000 positive variance in Administrative & Support Services offset a \$13,000 negative variance in utilities; and maintenance division costs and depreciation were less than planned such that allocated expenses for the month were \$23,000 less than planned.

In terms of cash, the Association reported a book balance of \$11,952,000 at month-end. Of this balance, \$2,283,000 has been set aside for capital projects, leaving \$8,295,000 in uncommitted cash, a level that is \$564,000 less than the \$8,859,000 Board-required cash reserve.

In May past due accounts receivable fell to roughly \$49,000 or 1% of total accounts due, a level that is lower than both the prior year and FY 11/12.

In May Store inventories at cost fell to roughly \$4,500,000 which is the lowest point in three years, while inventory turns rose slightly, to just over 4.3.

June Financial Results

In June, gross income for the Association was \$136,000 less than planned, due primarily to a \$168,000 negative variance in sales from the Store, and a \$13,000 negative variance in sales from the Restaurants Division. These negative variances were partially offset by positive variances in Services, where income was \$25,000 greater than planned; and in the Student Union Division which was \$20,000 greater than planned.

For the month, wages and benefits were \$134,000 less than planned but controllable expenses were \$24,000 greater than planned, such that contribution for the Association as a whole was \$171,000 greater than planned. Mr. Delia called the Board's attention to an \$88,000 positive variance in contribution from the Store, which is a result from improved shrinkage, which was \$106,000 less than planned for the year.

Administrative & Support Services expenses and depreciation were less than planned, by \$35,000 and \$13,000 respectively; however maintenance was \$24,000 greater than plan as well and utilities expenses were \$22,000 greater than planned.

Together these results allowed for net income that was \$244,000 greater than planned for the month.

July Preliminary Sales

To-date in July, Store sales were \$450,322 less than planned, due primarily to a \$450,332 negative variance Academic Support. In addition, the Ackerman General Merchandise reported a \$56,008 negative variance to plan due primarily to a \$24,088 negative variance in sales of Bearwear. Mail, Telephone and Web sales were \$16,401 less than planned.

Based upon these results, management anticipated that gross margin for the Store would be \$36,611 less than planned by month-end.

To date in July, Restaurant sales were \$14,889 greater than planned, due to strong performances by third party operators as well as smaller, but significant variances in ASUCLA operated areas.

APPROVAL OF GRADUATE STUDENTS ASSOCIATION FY 14/15 BUDGET

Mr. Williams made a motion, seconded by Mr. Gabbe that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the Graduate Student Association FY 14/15 Budget. Ms. Giannitrapani called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

APPROVAL OF UNDERGRADUATE STUDENTS ASSOCIATION FY 14/15 BUDGET

Mr. Williams made a motion, seconded by Ms. Warren that the Finance Committee is recommending that the Associated Students UCLA Board of Directors approve the Undergraduate Students Association FY 14/15 Budget. Ms. Giannitrapani called for a vote. The

motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE SESSION

Ms. Giannitrapani 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 1:39 p.m.

Ms. Giannitrapani 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 2:57 p.m.

Mr. Eagan made a motion, seconded by Mr. Gabbe that the Associated Students UCLA Board of Directors approve all actions taken in Executive Session. Ms. Giannitrapani called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

ADJOURNMENT

Ms. Giannitrapani called for consent to adjourn the Associated Students UCLA Board of Directors July 25, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 2:58 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.

John Bollard
Board Secretary and Administrative Representative