

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Finance Committee

August 14, 2014

9:00 a.m.

Kerckhoff Hall 152

PRESENT: Mike Anderson, Carly Calbreath, Rich Delia, CJ Gabbe, Agnes Warren, and Bob Williams

MANAGEMENT: Donna Baker, Financial Planning and Treasury Director
Cindy Bolton, Food Service Director
Sandi Gillespie, Association Affairs Manager

GUESTS: Justin Boogaard, Ark Broadcasting
Arvli Ward, Student Media Director
Josh Levine, Alumni Representative, Communications Board
Justin Kumar, Graduate Representative, Communications Board
Hossain Albgal, Undergraduate Representative, Communications Board

CALL TO ORDER

Mr. Gabbe called the meeting to order at 9:00 a.m.

APPROVAL OF AGENDA

Mr. Williams made a motion, seconded by Ms. Calbreath to move agenda item VI.A, Communications Board Discussion to agenda item IV.

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Director's Finance Committee, August 14, 2014 Agenda as amended. There being no objections, the motion was approved by unanimous consent.

APPROVAL OF MINUTES

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Directors Finance Committee July 16, 2014 Minutes. There being no objections, the motion was approved by unanimous consent.

COMMUNICATIONS BOARD & SERVICES AND ENTERPRISES DISCUSSION

Members of the Communication Board were present to discuss their current financial situation and non-compliance of the Advance Agreement. Mr. Ward presented a *Summary: A of Strategic Framework for Recovery* presentation for the committee. The summary had four strategies including:

1. Right-size: finding a model that meets their mission and is fundable within available revenues.
2. Share the Mission: find strategic partners to help meet their mission to the UCLA community.
3. Build New Relevance: replace declining print distribution by creating new ways to distribute media and monetizing their content.
4. Empower our Students: create new ways in which students can contribute.

The committee discussed the summary at length and there were many suggestions on how both the Communications Board and the ASUCLA Board of Directors could collaborate on the initiatives.

The committee also discussed the current non-compliance to the Advance Agreement, specifically the unsigned vendor contract and the non-formation of the Communications Board and orientation this summer. Mr. Ward stated that the contracts have been reviewed by both parties and all terms have been agreed upon. Mr. Ward is uncertain why the vendor has not signed the contract and will contact them to stress the importance of having the contract signed.

Mr. Ward explained that Student Media has signed a contract with a Friesens to produce the Bruin Life yearbook which will free student media from the cost of printing and providing marketing support. Mr. Williams and Mr. Delia explained that as a covenant of the Advance Agreement, any new commitment or expenditure exceeding \$15,000 to any outside contractor will need prior written approval by both the Communications Board and ASUCLA Services and Enterprises Finance Committee. Mr. Ward stated he would provide the committee with a copy.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams updated the committee on the following:

1. July financials were below plan but were consistent with last year's results in net income.
2. DWP water main break flood caused no damage to Ackerman Union or Kerckhoff Hall. There was damage to the Energy Zone in the Wooden Center which remains closed. Concession stands and the store in Pauley Pavilion are being inspected and may have some minor damage. Employees were the most effected with the damage and loss of approximately 28 vehicles. ASUCLA will mirror the University's emergency loan program to provide assistance to those affected.
3. The Finance Committee discussed the current food strategies which include expanding the

Kerckhoff Hall Coffee House and relocating ice cream. Management is pursuing the concept of a self-service frozen yogurt in the RX candy store. Kikka is moving forward with their relocation to the vacated Coinz space. Café Powell will be a complicated and slow moving project due to the architectural issues regarding the historical nature of the building.

4. There will be a new POS system for the restaurants and store that will be installed this summer. The Kronos time clock system will also be updated so it can be integrated into the new UCPATH program.
5. The Hilltop Shop will be updated and the Kerckhoff patio will be waterproofed.

FINANCE DIRECTOR'S REPORT

Communications Board June 2014 Financial Statements

Mr. Delia explained that in June, Student Media was \$16,549 positive to plan in terms of net income . YTD actual net income was \$7,141 worse than planned. Other income is higher than plan due to more Bruin Life photos. Mr. Ward explained that when Graduation Etc. stops accepting appointments Student Media has a photographer to take pictures for the yearbook.

In terms of cash, the Communications Board reported a book balance of \$73,000. Past due/receivables are at \$90,000; however, Mr. Ward is confident that those invoices will be paid soon.

Services & Enterprises July and Year-end Preliminary Results

July Financial Statements were not available; therefore, Mr. Delia reported on the income and loss summary.

Overall, net income for the month fell short of budgeted target by \$150,000. Gross income for the Association as a whole was \$516,000 less than planned primarily due to a \$418,000 negative variance in the Store. However, negative variances also appeared in the Restaurants Division, where gross income was \$19,000 less than planned and in the Services Division gross income was \$77,000 less than planned due to International Licensing.

These negative variances were partially offset by wages and benefits which were \$41,000 better than planned for the month, such that contribution for the Association as a whole was \$174,000 less than planned.

Allocated expenses were \$5,000 better than planned due to a \$23,000 positive variance in the maintenance division. Utilities were close to plan as well as depreciation.

Year-end results for the Association fell short of plan by \$116,000 in net income which is better than the year-end estimates that predicted a shortfall of \$532,000.

August Month-to-Date Preliminary Sales

Current month-to-date sales are negative \$16,700 to plan primarily due to the LuValle Store which is \$60,087 negative to plan. The Ackerman Computer Store is positive to plan by \$45,241 as well as used text by \$9,796. Dental kits at the Health Science Store are positive to plan by \$32,862; however, this could be a timing issue.

Due to these results, management is expecting the gross margin to be approximately \$15,944 negative to plan.

The UCLA Restaurants are currently \$28,796 negative to plan due to the A-level operations and catering. The catering loss is in part due to the flood which caused relocation of the Teen Choice Awards from Pauley Pavilion. Catering was contracted to provide the food for a VIP event following the awards in Ackerman Union.

EXECUTIVE SESSION

Mr. Gabbe called for consent for the Associated Students UCLA Board of Directors Finance Committee to enter into Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee entered into Executive Session at 10:37 a.m.

Mr. Gabbe called for consent to exit the Associated Students UCLA Board of Directors Finance Committee Executive Session. There being no objections, the motion was approved by unanimous consent.

The Committee exited Executive Session at 10:42 a.m.

ADJOURNMENT

Mr. Gabbe called for consent for the Associated Students UCLA Board of Directors Finance Committee to adjourn the August 14, 2014 Meeting. There being no objections, the meeting was adjourned at 10:42 a.m.