

**ASSOCIATED STUDENTS UCLA  
BOARD OF DIRECTORS**

**Regular Meeting**

August 22, 2014

12:00 p.m.

Kerckhoff Hall Staterooms

**PRESENT:** Mike Anderson, John Bollard, Carly Calbreath, Kevin Eagan, CJ Gabbe, Denea Joseph, Katrina Vō, Agnes Warren, and Bob Williams, Jordan Wong, and David Zeke

**LATE:** Precious Elam

**ABSENT:** Karleen Giannitrapani and Monet LeMon

**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

**GUESTS:** Andrew Knab, UCLA Academic Planning and Budget  
Sam Hoff, Daily Bruin

**CALL TO ORDER**

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

**APPROVAL OF AGENDA**

Mr. Wong called for consent to approve the Associated Students UCLA Board of Directors August 22, 2014 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

**ELECTION OF OFFICERS**

Mr. Wong explained that because of his fall schedule which would cause him to miss multiple board meetings it would be best if Mr. Zeke was chair of the Board for the first half of the term.

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

Chair	David Zeke
Vice-Chair	Jordan Wong
Secretary	John Bollard

Mr. Wong called for a vote. The motion was approved by a vote of 10 yeas and 0 nays.

Mr. Wong passed the responsibilities of Chair to Mr. Zeke.

### **APPROVAL OF MINUTES**

Mr. Zeke called for consent to approve the Associated Students UCLA Board of Directors August 22, 2014 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

### **PUBLIC COMMENT**

There were no public comments.

### **EXECUTIVE DIRECTOR'S REPORT**

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

##### **1. July**

July financial results for the Association fell short of plan as projected but were somewhat consistent with last year's results in net income. Overall net income for the month fell short of budgeted targets by \$150,000. Due to the aggressive nature of the July budget, it is helpful to look at July results both as compared to budget and versus last year.

In July, the Store fell short of its gross income budget by over \$400,000 while only being slightly behind last year. Bearwear was off for the month in both sales and contribution and saw lower than anticipated margin percentages. E-commerce missed its aggressive targets for the month primarily in sales. The Academic Support Division was off plan in both sales and contribution. New Text and Course Readers Solutions exceeded budget in both sales and contribution but this was offset by negative variances in Used Text and the Computer Store. Part of this was due to an inventory adjustment from the prior month.

Food Service was short of its sales targets by about \$25,000 but almost made its contribution target in July. While the trend remained strong on the 1<sup>st</sup> floor, the negative impact on A-level has been lower during the summer. North Campus and Café Synapse,

while trending better than last year, continue to see shortfalls to plan and both Catering and Concessions were off plan by relatively small margins in July.

The Services Division was off in July primarily due to the complex international licensing trends which saw income down. Domestic Licensing was very close to plan and Leased Operations had a solid positive variance in Contribution. The Student Union Division was very close to plan and A & SS was off due to added PCI costs.

All areas with student employees saw some unbudgeted impact as a result of the minimum wage increase in July to \$9.00 per hour.

## 2. Year-end Results

Year-end results for the Association fell short of plan by \$116,000 in net income. These results given the number of cost and construction challenges facing the Association are solid and represent much better results than projected during the budget process where year-end estimates projected a shortfall of \$532,000. The Association saw a strong spring with some improving trends in sales combined with strong cost control management.

For the total year, the Store sales declined more than \$2 million as compared to 2012-2013. The Store contribution was \$402,000 behind last year. Most of this decline was seen in textbook and computer sales although Bearwear was down slightly and the Market was down by a sizable amount due to reduced traffic. The results in the Market also indicate a change in traffic patterns in and around Ackerman which certainly had some impact on all areas of the Store. The areas which fell below last year by significant margins were the Market, New and Used Textbooks, the Computer Store and the LuValle Commons Store. The areas with significant increase over last year include Graduation Etc, Essentials, Course Readers Solutions, Kinross, the South Campus Store, the Hilltop Shop, the Health Sciences Store and Store Operations.

Food Service had a good year in 2013-2014 versus budget with a positive variance in contribution of \$102,000. This was only \$27,000 short of the very strong performance turned in last year. As discussed throughout the year, the opening of Wolfgang Puck had a somewhat different impact on the shifting of customers than anticipated. The 1<sup>st</sup> floor in Ackerman Union became the place to eat with Wolfgang Puck exceeding first year contribution targets by \$42,301. In addition, Rubio's, Panda Express and the Greenhouse all saw sales increases. The downside of this shift was the impact on the A-level operations. The Cooperage operations and Taco Bell saw the largest declines in traffic but Carl's Jr. and Jamba Juice also suffered slower results. The Northern areas continue to make adjustments to the new customer traffic. The North Campus food area, which had a menu overhaul last year, while well below their new aggressive targets, improved over last year but some of this was offset by reductions in LuValle. The Court of Sciences Student Center results were over budget for the year as the customer shift impact was minimal and Café Synapse while somewhat improved is still a negative contributor to the Association. The Special Events areas continue to perform above

expectations with Catering and Concessions both exceeding their budgets. Catering had another fantastic year with results that fell just short of last year's record performance.

The Services Division was behind plan for the year but ahead of 2012-2013 results by a small margin. International Licensing did not experience the targeted gains. Domestic Licensing was behind plan for the year but trending positively compared to 2012-2013. Leased Income results remained on an uphill trend.

The Student Union Division saw a large positive variance for the year which was also a sizable improvement over last year. The major positive was seen in the event area which saw positive sales versus budget.

A & SS areas saw a significant positive variance in total expenses for the year. Lower than anticipated benefit and insurance costs were the largest positives. The maintenance group continues to control costs and the marketing team was able to put out an increased work load with lower costs. Utilities continue to miss plan with a negative variance of \$91,000.

3. August

August trends in the Store are close to plan. Comparisons to last year may be difficult given the change in school calendar. Food Service is off to a rough start compared to budget although it is ahead of last year. The flood has impacted both areas.

4. Flood Impact

Ackerman Union and Kerckhoff Hall locations were not impacted by the flood; however, Pauley Pavilion concessions stands and store appears to have minimal damage. The Wooden Center Energy Zone operation is currently closed and will reopen as soon as possible. The biggest impact on ASUCLA was the impact to the employees and students. There were approximately 28 employees whose cars received significant damage or were a total loss. The University has put together various programs to support these individuals. For one program, the emergency loan program, ASUCLA will be mirroring the university program with its own version.

5. UC Path

The UC Path payroll systems development team is continuing their work. This project continues to grow in complexity and ties up a great amount of IS, HR and Payroll time.

B. Campus Partnerships

1. Undergraduate Orientation

Through the first four orientation sessions, nearly 1700 first year students signed up for ASUCLA Benefits U (over 90% of all first year orientation attendees). Through three transfer student orientation sessions, nearly 1000 incoming students signed up for ASUCLA Benefits U, and nearly 100% of those students sign up for Computer Store as well.

2. Graduate Student Orientation

Through the Association of Graduate Counselors and Advisors (aka SAOs), ASUCLA is participating in academic department orientations.

ASUCLA will continue to sponsor the Graduate Student Orientation on Tuesday, September 23. Most of the events/seminars take place in Ackerman Union and Kerckhoff Hall.

3. UCLA Football

UCLA Football's exclusive season ticket holder event will be held at Drake Stadium on Saturday, August 23, 10:30-12:30 p.m. It will feature a Q&A panel discussion with Coach Mora with an autograph session to follow. The UCLA Store will open early at 10 am and there will be concessions available along with some food trucks.

C. Championship Service

1. Computer Store

The Computer Store is participating at the Residential Life Campus Resource Fair which provides their student staff training about campus resources. This year the fair will be on September 17 from 9:00-12:00 p.m. The UCLA Computer Store and UCLA Store are also participating in the Housing/Residence Life Vendor Fair, Friday, September 26 and Saturday, September 27, 9:00-4:00 p.m. The Computer Store is now taking online orders.

2. General Merchandise

There will be a second location at the Residential Life Campus Resource Fair to market the rest of the general merchandise categories that are available in the store.

3. Alumni Computer Program

The Computer Store Alumni promotion is available until December 31, with a number of marketing programs in place. For this program, Alumni of UCLA can receive the academic discount on Apple products by ordering through the UCLA Store.

4. Fall Textbook Programs

The Passport to Savings coupon booklets are being distributed at HSS and LVC for their semester/early start schools. Ackerman Union distribution will start after Labor Day. This year there is only one tier of savings, and you have to be signed up for ASUCLA Benefits U to receive the booklet.

During fall rush there will be a textbook concierge service available. Management is planning to have students in special shirts (possibly called "Textperts", similar to Computer Store Technologist program) to work the lines and aisles to assist students with our number of course material options.

5. Medical Supplies

ASUCLA was selected to provide UC-Riverside medical students with medical

equipment.

D. Your Student Association

1. Powell Cafe

Management has been in communication with the campus architect and leadership at Capital Programs to discuss the student's interest in considering a café project in Powell. Campus discussions are needed to determine next steps which could include a study of the space and including historical considerations. Management will be developing some theoretical financial sales, cannibalization and cost analysis for future considerations by the committees.

E. Building Towards the Future

1. Luskin Conference Center

Construction is moving very quickly and the store and student union are still experiencing disrupted traffic impacts as a result.

2. Engineering Construction

The first phase of the new engineering complex continues to be under construction. In addition, as part of the next phase, work is underway on the loading dock tunnel. As a result of this portion of the project, the exit from Avenue A to the south has been blocked off and a section of the Avenue A patio is closed for the summer.

3. Tsunami Project

Kikka has started work on their new space that was previously Coinz.

4. Ostin Music Cafe

Mr. Williams presented some photographs of the new café under construction.

5. Coffee House

The modification to the Kerckhoff Coffee House which will eliminate ice cream and expand coffee service is moving forward. Management is considering adding self-serve frozen yogurt to the RX candy store. Both the Finance and Services Committee are supporting the concept.

6. LuValle Food Operations

The LuValle menu and remodel are moving forward. The digital menus, equipment, and counters have been received.

F. Employee Investment

1. Employee Appreciation Days

The next Employee Appreciation event will be on September 23 & 24. Employees receive 33% off in most areas of the Store with some exceptions.

2. Chief Administrative Officer

The search for a new CAO is underway. Management has received numerous resumes that are being screened by the HR team along with Mr. Delia and Mr. Williams. Interviews will be scheduled in the upcoming weeks.

G. Board Priorities

1. Campus Engagement and Support

T-shirt design contest: total sales for 2013-2014, 1047 shirts, \$4188 donation to UniCamp. For 2014-2015, 116 shirts, \$464 donation to UniCamp.

USAC General Representative 3 has agreed to partner with ASUCLA on the 2nd Annual T-shirt Design contest.

2. Social Responsibility and Impact

Ms. Noh handed out a document at the Services Committee meeting that talked about the various sustainability and purchasing programs the Association has undertaken within the past several years. This was designed to quantify the many existing programs and set the stage for new efforts.

3. Support of ASUCLA Entities

The Finance Committee had its first joint meeting during the new Board term with members of the Communications Board to discuss some next steps. It looks like they will be close to their projected loss of \$17K for FY 13-14. The current cash forecast indicates they will likely need additional funds early next calendar year.

Mr. Williams explained that if ASUCLA wanted to have the frozen yogurt available for the start of school the Board would need to approve a capital expenditure today, so that the yogurt machines could be ordered immediately. After some discussion, the Board agreed it would like to move forward on the concept.

Ms. Calbreath made a motion, seconded by Mr. Zeke that the Associated Student UCLA Board of Directors amend the August 22, 2014 Board agenda and add a capital expenditure action item. Mr. Zeke called for a vote. The motion was approved by 10 yeas and no nays.

Mr. Zeke made a motion, seconded by Ms. Elam that the Associated Students UCLA Board of Directors approve an \$80,000 capital expenditure to purchase a frozen yogurt machine. Mr. Zeke called for a vote. The motion was approved by 10 yeas and no nays.

### **EXECUTIVE COMMITTEE REPORT**

Mr. Wong stated that the committee met on August 12 and discussed the Kerckhoff Coffee House renovation and the potential of moving ice cream. The committee also discussed the non-compliance issue with the Communications Board.

### **FINANCE COMMITTEE REPORT**

Mr. Gabbe explained that the committee met on August 14 and had a productive conversation with members of the Communications Board. The committee is hopeful that all agreements with outside contractors will be signed soon. The committee was also concerned that Student Media has \$90,000 in past due receivables, but Mr. Ward assured the committee that they would be collecting those very soon. The next steps regarding the non-compliance issue will be discussed with the Executive Committee.

### **SERVICES COMMITTEE REPORT**

Ms. Elam stated that the committee met on August 8 and also discussed the ice cream and coffeehouse project. The committee also discussed the possibility of a café in the Powell Library which will be an ongoing project. Ms. Noh also provided the committee with an overview of past sustainability projects. Mr. Boogaard from Ark Broadcasting also met with the committee to explain that his plan has changed slightly the monitors will now include student text and pictures along with the student/community videos that are already being played.

### **PERSONNEL COMMITTEE REPORT**

The Personnel Committee has not met.

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

Ms. Joseph explained that the committee met earlier today and Ms. Noh updated the committee on past surveys as well as the t-shirt design contest. The committee will start to develop an ASUCLA message and would like to invite more students to participate in the process.

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

The committee has not met.

### **FINANCE DIRECTOR'S REPORT**

#### **July Financial Statements**

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.

In terms of cash, the Association reported a book balance of \$10,881,000 at month-end. Of this balance, \$2,283,000 has been committed to capital projects, leaving \$8,001,000 in uncommitted cash; a level that is \$1,137,000 less than the Board-required cash reserve.

Mr. Delia also reported that in July, past due accounts receivable is roughly 2% of total accounts due or \$50,000; and inventory turns were at 4.2.

#### August Month-to-Date Preliminary Sales

Current month-to-date sales are positive \$146,633 to plan. The Ackerman Computer Store is positive to plan by \$39,431 as well as used text by \$9,212. Dental kits at the Health Science Store are positive to plan by \$164,723; however, this could be a timing issue.

Due to these results, management is expecting the gross margin to be approximately \$25,488 positive to plan.

The UCLA Restaurants are currently \$38,349 negative to plan due mostly to the A-level operations and concessions.

### **EXECUTIVE SESSION**

Mr. Zeke 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.

Mr. Zeke 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.

**ADJOURNMENT**

Mr. Zeke called for consent to adjourn the Associated Students UCLA Board of Directors August 22, 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.

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John Bollard  
Board Secretary and Administrative Representative