

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

September 26, 2014

12:00 p.m.

Kerckhoff Hall Staterooms

PRESENT: Mike Anderson, John Bollard, Carly Calbreath, Kevin Eagan, CJ Gabbe, Karleen Giannitrapani, Denea Joseph, Agnes Warren, Bob Williams, and David Zeke

ABSENT: Precious Elam, Monet LeMon, Katrina Vō, and Jordan Wong

MANAGEMENT: Donna Baker, ASUCLA Financial Planning and Treasury
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: Tyler Cherry, USAC President's Chief of Staff
Andrew Knab, UCLA Academic Planning and Budget
Sam Hoff, Daily Bruin

CALL TO ORDER

Mr. Zeke called the meeting to order at 12:07 p.m.

APPROVAL OF AGENDA

Mr. Zeke called for consent to approve the Associated Students UCLA Board of Directors September 26, 2014 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

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. August Financials

August was a strong first month of the new fiscal year. Overall for the month, the Association exceeded net income budget by \$58,000. The UCLA Store had the strongest results versus budget while Food Service was off to a slower start.

The Store saw a positive variance in contribution of \$75,000. The General Merchandise Division was ahead of plan by a small margin with a positive variance in BearWear being offset by shortfalls in Essentials and E-commerce. The E-commerce shortfall was due to added direct main advertising costs which are expected to yield added sales in future periods. The Academic Support Division saw a sizable positive variance versus plan with strong course reader results, partially due to timing, and a significant positive variance in the Computer Store. The LuValle Store was able to make plan while the Health Sciences Store saw a positive variance primarily due to dental kit sales timing.

Food Service is off to a slow start with shortfalls in both sales and contribution. Much of the shortfall can be attributed to a very aggressive budget of both sales and project timelines. Food Service has multiple construction projects and menu upgrades that have disrupted the normal operating and sales trends. In addition, food costs are higher than plan in several units and Concessions results are well below plan due to canceled events.

The Services Division was only slightly behind plan with slower than anticipated photography sales while the Student Union was able to make plan for the month. All other areas tracked very close to budget leading to a solid result for the month.

2. September Preliminary Sales

September sales trends are showing similar patterns to August. The Store is ahead of plan due to primarily to strong BearWear and Computer Store sales. Mr. Healey commented that the positive Computer Store numbers were due to online and alumni sales. The Store had \$80,000 in sales at the first home football game at the Rosebowl. Food Service continues to track behind plan as projects and menu adjustments are still in progress.

B. Campus Partnerships

1. Dignitary Gifts

Mr. Champawat has been working with Mrs. Block and campus officials to help put together a gift program based on the student artwork from ASUCLA's Art in the Union collection. This was an idea to use student art as one type of gift that can be given to

dignitaries when she and the Chancellor travel overseas. The Association will be working with the International Institute on producing printed facsimiles of three art pieces, as well as a package of six different notecards.

2. Graduate Student Orientation

The graduate student orientation took place on Tuesday, September 23 and had a very strong turnout. ASUCLA makes a significant catering donation to the event, providing breakfast, lunch, and snacks to all attendees. The Association was also involved in several department orientations including the medical school, law school and nursing programs.

3. Undergraduate Student Orientation

The last undergraduate orientation session took place on September 19. Overall, during orientations 7,495 students had signed up for ASUCLA Benefits U and 5,780 signed up for the Computer Store email list including both the first year and transfer students.

4. Rose Bowl Fan Zone

The Store is giving a UCLA/adidas water bottle gift with any purchase of \$75 or more at the Rosebowl. There is also a UCLA collectible Koozie offer. Fans can collect a different UCLA Koozie at each game with any purchase of \$25 or more.

C. Championship Service

1. Fall Textbook Programs

A. Textperts

The new *Textpert* squad will be available during fall rush to answer questions regarding textbook purchasing options.

B. New Printing Service

The Association will offer “printing while you wait” for those students who would like a printed copy of their materials on the Common Collaboration & Learning Environment (CCLE) website.

C. Passport to Savings Book

The new Passport to Savings coupon books are being distributed and the Textbook Price Match program is in operation.

2. Computer Store

The new Tech Zone wall featuring the technologist’s certificates of training has been installed this week.

D. Building Towards the Future

1. Luskin Conference Center

Construction is moving very quickly; however, there is still disrupted traffic impacts

effecting the Store and Student Union.

2. Engineering Construction

The tunnel is complete and the crews are rushing to try and rebuild the patio as soon as possible.

3. Kikka/Tsunami Project

There have been a few construction issues that have slowed the progress of the new Kikka operation. Tsunami will stay open until the new operation is complete.

4. Ostin Music Cafe

The equipment is installed and training will begin once management gets the certificate of occupancy from the University. It is still expected for the cafe to be open before the school term begins.

5. First Floor Patio Construction

Extensive work is underway to repair the expansion joint on a section of the first floor patio. The joint at the connection point of the old Ackerman Union and the 90's expansion has eroded over the years and during any rain, the water leaks inside both A-level and down into the main UCLA Store.

E. Board Priorities

1. Strategic Food Initiatives

A. Miscellaneous

Several food service projects, which have been in the planning process for some time and discussed with the Board at the retreat, are now coming on-line. Management will monitor the results and customer traffic patterns to determine what additional short-term adjustments are needed. Once those projects are stable, further discussions will begin on Café Powell, North Campus, and LuValle strategic plans.

B. LuValle

The new counter design including new laminate and equipment package has been completed at LuValle. The introduction of the new menu has begun and there are the expected first week hiccups, but so far there is nothing major. Customer feedback from the first day was very positive.

C. Coffee House

The new counter is in place and the new product landing station and counter wall fixtures are waiting to be installed. Once those are in place, the barista station will be moved and the additional register will be added.

D. New Coffee

The new coffee is now in all the coffeehouses. Customer feedback on the coffee and new pastries has been positive. It will be critical to track the costs and product mix

changes over the next several months.

E. Sweet Spot

The new Sweet Spot Yogurt and Candy Store is progressing well. The new yogurt machines have been delivered and will be installed today.

2. Social Responsibility and Impact

Ms. Noh is working with the current USAC Facilities Commissioner on composting. The Board has looked at the challenges and costs of this program in the past; however, management feels it is time to re-examine the program.

3. Support of ASUCLA Entities

The Finance Committee met again with Arvli Ward and members of the Communications Board at this month's meeting. Cash projections have improved through the collection of some receivables. The two groups had a good discussion regarding the new yearbook proposal and continued discussions regarding ways the two entities could partner together.

EXECUTIVE COMMITTEE REPORT

Mr. Bollard stated that the committee convened on September 9 and along with members of the Personnel Committee met with a potential candidate for the CAO position. The committee also discussed the Communications Board Advance Agreement non-compliance.

FINANCE COMMITTEE REPORT

Mr. Gabbe explained that the committee met on September 19 and heard an audit plan presentation from PricewaterhouseCoopers. The committee also discussed the internal audit of the Student Union-Events Services and Postal Service. Mr. Delia reported on the Association's financial statements as well as the Communications Boards financial statements. Members of the Communications Board were in attendance to discuss a new yearbook agreement and pending contract agreements. The committee also approved several items in Executive Session.

SERVICES COMMITTEE REPORT

Ms. Joseph stated that the Committee met on September 12 and spent most of meeting discussing and finalizing the design concept of the new yogurt and candy operation that will be called Sweet Spot. The committee also approved several items in Executive Session.

PERSONNEL COMMITTEE REPORT

Ms. Giannitrapani stated the committee has not met, but has been discussing the Executive

Director's goals for the year.

CAMPUS ENGAGEMENT AD-HOC COMMITTEE REPORT

The committee will meet on October 3 at 10:00 a.m.

STUDENT UNION SPACE INIATIVE AD-HOC COMMITTEE REPORT

Ms. Calbreath stated that a meeting is currently being scheduled.

FINANCE DIRECTOR'S REPORT

August Financial Statements

Mr. Delia reported that income for the month was positive to plan by \$58,000. Gross income for the Association as a whole was \$271,000 better than planned primarily due to a \$327,000 positive variance in the Store. The Store had a \$75,000 positive contribution variance mostly due to online computer sales.

Negative variances appeared in the Restaurants Division, where gross income was \$56,000 less than planned. Concessions were negative to plan due to a few canceled events as a result of the flood. A-level food operations continue to struggle.

Allocated expenses were \$22,000 better than planned due to an \$8,000 positive variance in utilities and \$9,000 in depreciation.

In terms of cash, the Association reported a book balance of \$11,535,000 for the month. Of this balance, \$3,158,000 has been reserved for capital projects, leaving \$7,023,000 in uncommitted cash which is \$1,435,000 less than the \$8,458,000 board-required cash reserve.

In August, past due accounts receivable were at roughly \$100,000 or 3% of total accounts. Store inventories at cost in August were \$5,300,000; while inventory turns were at 4.5, which is higher than the same period in the prior year.

September Month-to-Date Preliminary Sales

Current month-to-date sales are positive \$111,330 to plan primarily due to the Computer Store which is \$238,397 positive to plan and BearWear by \$91,342. The LuValle Store is negative to plan by \$41,625 which is a timing issue with textbooks. The Health Science Store is negative to plan by \$130,037 which is a timing issue with dental kits from last month.

Due to these results, management is expecting the gross margin to be approximately \$38,642 positive to plan.

The UCLA Restaurants are currently \$37,491 negative to plan due to the A-level operations and the delay in the Music Cafe. Construction is a large factor in the food service variances.

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 12:49 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 2:16 p.m.

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

ADJOURNMENT

Mr. Zeke called for consent to adjourn the Associated Students UCLA Board of Directors September 26, 2014 Regular Meeting. There being no objections, the meeting was adjourned at 2:17 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