

**ASSOCIATED STUDENTS UCLA
BOARD OF DIRECTORS**

Regular Meeting

February 26, 2016

12:00 p.m.

Kerckhoff Hall Staterooms

PRESENT: Patrick Adler, Mike Anderson, Carly Calbreath, JC De Vera, Kevin Eagan, CJ Gabbe, Kirk Koenig, Arielle Mokhtarzadeh, Apsara Perera, Katrina Vö, Bob Williams, and Christine Wilson

ABSENT: Denea Joseph and Agnes Warren

MANAGEMENT: Donna Baker, Finance Director
Cindy Bolton, ASUCLA Food Service Director
Roy Champawat, Student Union Director
Sandi Gillespie, ASUCLA Association Affairs Manager
Patrick Healey, UCLA Store General Manager/Director
Apparel/Accessories/LuValle Commons/Health Sciences Store
Michelle Moyer, ASUCLA Director of Business and Legal Affairs
Karen Noh, ASUCLA Special Projects Director
Lisa Perez, ASUCLA Marketing Director
Neil Yamaguchi, UCLA Store General Manager/Director of
Academic Support

GUESTS: Jodutt Basraw, Daily Bruin
Sam Hoff, Daily Bruin
Alejandra Reyes, Daily Bruin
Sonia Wilmarth, Office of Academic Planning & Budget

CALL TO ORDER

Mr. Gabbe called the meeting to order at 12:09 p.m.

APPROVAL OF AGENDA

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Directors February 26, 2016 Regular Meeting Agenda. There being no objections, the motion was approved by unanimous consent.

Approved: March 11, 2016

APPROVAL OF MINUTES

Mr. Gabbe called for consent to approve the Associated Students UCLA Board of Directors January 29, 2016 Regular Meeting Minutes. There being no objections, the motion was approved by unanimous consent.

EXECUTIVE DIRECTOR'S REPORT

Mr. Williams updated the Board on the following topics:

Overall Results and Trends

January results continue in the same pattern as the past few months. Sales have slowed some in the Store. The greatest variance is seen in the Computer Store along with some timing issues in LuValle and the Health Sciences Store. The market is down a bit probably because of reduced traffic on rainy days. Food Service is being impacted in several areas by rain and there was the Southern Lights issue in January.

February Trends

February month-end sales trends in the Store are much closer to plan. In Food Service, overall results in cash operations are solid when you factor out Southern Lights but there is a shortfall in both Concessions and Catering.

Budget Process

The budget process is now well underway and is taking up a big portion of management's time and focus. Management is beginning to get a clearer picture of year-end estimates and is beginning the process of putting together all unit level budgets based on the tentative assumptions. The single biggest new impact to all the budgets will be the increase in minimum wage.

Textbook Customer Service

Management continues to analyze the winter quarter textbook programs and will report to the Services Committee in March.

Bruin Reflection Space

Two attempts were made at installing a movable wall in the new Bruin Reflection Space but both options presented challenges. Management decided to build a permanent wall that does not go to the ceiling but creates a more private and stable space.

Student Media

The Finance Committee and the Board have been continuing their efforts to support Student Media in several ways. In addition to the \$200,000 loan, the Finance Committee has been authorizing ASUCLA management to cover Student Media bills at various times during the year when the Student Media cash is not sufficient to cover these payments. In addition, the Board continues to help support Student Media in many other ways including offering to offset their maintenance and utility charges by utilizing some of their space for a rental opportunity. If this program is successful, it will make the cost for the remaining space used by student media to be virtually free of any costs. The Daily Bruin has won several awards this year and is regarded as

one of, if not, the best student newspaper in the country.

Gmail Update

Gmail view rates for all emails (primarily BearWear and ASUCLA Benefits U email) declined last spring and summer. Management worked with the email service provider and that rate has quadrupled and is now better than view rates from one year ago. The deliverability rating with Google is also improved (from "Medium" to "High") which means that they consistently deliver ASUCLA emails to Gmail users. Google continues to change Gmail features, so this is something that will need to be watched closely.

Art in the Union

The yearly Art in the Union program is starting its process. This is the program that leads to all the student art that can be seen throughout Ackerman Union and Kerckhoff Hall. The call for entries is going on now; submissions are due by April 15.

24-Hour Study Lounge

March 9 thru March 17 will be the quarterly 24 hour study lounge program where the dining rooms and meeting rooms are open for students studying for finals. Free coffee and fruit will be available for students as well.

T-Shirt Design Contest

Sales of this year's shirt are at 130 which is very close to last year's total.

Global Viewpoint Lounge

The project is still progressing and should be completed this quarter.

Ackerman Union Project

Estimates for the wayfinding plans have been received and will be considered as part of a larger master plan. The facilities design team is meeting with ASUCLA on February 29 to begin work on the 1st floor dining area based on the previous design work they completed a few years ago.

Kerckhoff Patio

Management is waiting on the quotes to do the repair work on the Kerckhoff Hall patio moat area and the second area where further work is needed to control leaks.

Pharmacy

The Services and Finance Committees will be reviewing plans and budget for the office remodeling required for the pharmacy project in March.

Employee Appreciation Sale

The next Employee Appreciation sale will be March 9–11 in the UCLA Store.

EXECUTIVE COMMITTEE REPORT

Ms. Calbreath stated the committee met on February 9 and finalized the mid-year retreat agenda. The committee also discussed several topics in Executive Session.

FINANCE COMMITTEE REPORT

Mr. De Vera stated the committee met on February 19 and approved the FY 16-17 tentative budget assumptions. The committee also discussed the Communications Board's financial statements and approved another Student Media deferment which is also on today's agenda. Mr. Hoff, Daily Bruin Editor in Chief, explained Student Media's plan to run a fee referendum.

SERVICES COMMITTEE REPORT

Mr. Adler stated the committee met on February 5 and discussed the composting video and t-shirt contests. The committee also heard a presentation from members of the USAC Office of the President and the Student Food Collective regarding their concept to have a space for a food co-op distribution center (Grocery Coop) which would be a 200 square foot space for storing perishable goods as well as dry storage. The space would also be a small lounge and provide information for food security and nutrition.

PERSONNEL COMMITTEE REPORT

Ms. Võ stated that the committee did not meet this month.

REVENUE ENHANCEMENT AD-HOC COMMITTEE REPORT

Mr. Adler stated that the committee met earlier today, February 26 and was held in executive session.

FINANCIAL STATEMENTS

Services & Enterprises January 2016 Financial Statements

Gross income for the Association was \$451,000 negative to plan with \$342,000 coming from the Store.

Gross margin was negative to plan by \$133,000 and contribution was negative by \$92,000. Net income for the Association as a whole was negative to plan by \$49,000; however, year-to-date the Association was better than plan by \$355,000 and \$336,000 better than last year.

Course Reader Solutions were below plan due to higher royalty costs from third party digital sales and LuValle Books were below plan due to lower law school textbook sales over last year coupled with their late start date. In the Restaurants, the Court of Sciences Student Center was negative to plan due to the closing of Southern Lights. Internationally Licensing was below plan mostly due to the poor performances in Europe.

In terms of cash, the Association reported a book balance of \$11,659,000 for the month. Of this balance, \$3,489,000 has been reserved for capital projects, leaving \$7,769,000 in uncommitted cash which is \$2,474,000 less than the board-required cash reserve.

Past due accounts receivables were at roughly \$102,000 or 3% of total accounts. Store inventories at cost were \$5,700,000; while inventory turns were at 4.5.

February Month-to-Date Preliminary Sales

Current month-to-date sales are negative \$79,728 to plan primarily due to Books and BearWear. The LuValle Store is negative to plan by \$12,226 and the Health Science Store is negative to plan by \$3,295 which is due to slower medical supplies. Hilltop Shop is negative to plan by \$10,690 and E-commerce is negative to plan by \$1,065.

Due to these results, management is expecting the gross margin to be negative by \$23,870.

The UCLA Restaurants are currently negative to plan by \$85,847 due to catering, concessions, and the closure of Southern Lights.

APPROVAL OF FY 16-17 TENTATIVE BUDGET ASSUMPTIONS

Mr. De Vera made a motion, seconded by Mr. Eagan that the Associated Students UCLA Board of Directors approve the FY 16-17 Tentative Budget Assumptions. Mr. Gabbe called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

STUDENT MEDIA DEFERMENT

Mr. Adler made a motion, seconded by Mr. Eagan that the Associated Students UCLA Board of Directors approve a deferment of Student Media's administrative and support services payment for a maximum of \$250,000 until May 31, 2016. Mr. Gabbe called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

EXECUTIVE SESSION

Mr. Gabbe 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 1:09 p.m.

Mr. Gabbe 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 2:25 p.m.

Mr. Adler made a motion, seconded by Ms. Wilson that the Associated Students UCLA Board of

Directors approve all actions taken in Executive Session. Mr. Gabbe called for a vote. The motion was approved by a vote of 9 yeas and 0 nays.

ADJOURNMENT

Mr. Gabbe called for consent to adjourn the Associated Students UCLA Board of Directors February 26, 2016 Regular Meeting. There being no objections, the meeting was adjourned at 2:26 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.

Agnes Warren
Board Secretary and Administrative Representative