

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
JUNE 9, 2014
GRAND SALON
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 12:35 p.m. by Chair Collin Johnson.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Shelley Ruelas-Bischoff (<i>left at 2:26 p.m.</i>)	Jaclyn Kietzman	Jenny Cai	Talar Alexanian
Kandee Bracero	David O'Neill	Jimmy Francis	Amber Bynum
Tiffany Castellanos	Gavan Rathje	Kristie Godfrey	Joseline Cubas
Sharon Eichten	Nicole Riley	Joe Illuminate	Barbara Gross
Jorge Guzman	Tonee Sherrill	Chris Jensen	Shahtaj Khan
Debra Hammond		Bernetta Johnson	Jesus Martinez-Ramirez
Collin Johnson		Sharon Kinard	Josue Najera
Diana Madueno		Shannon Krajewski	Asia Wheaton
Demontae Thompson		Kingson Leung	Karina Winkler
Perlita Varela (<i>joined via Skype at 1:54 p.m.</i>)		Samantha Liu	Tanesha Young
Ivor Weiner		Chris Marshall	
Christopher Woolett		Carol Nardini	
		Jonathan Navarro	
		Michael Niles	
		Kristen Pichler	
		Jack Raab	
		Thomas Sekayan	
		Jenny Soto	
		Steven Wein	

III. Approval of Agenda

M/S/P (T. Castellanos/D. Thompson) Motion to approve the agenda of June 9, 2014.

Motion passed 9-0-0.

IV. Approval of Minutes

M/S/P (D. Thompson/J. Guzman) Motion to approve the minutes of the May 5, 2014 meeting.

Motion passed 9-0-0.

V. Open Forum

None

VI. Chair Report

Chair Johnson proceeded to report on the status of the board goals.

No. 1 - The USU BOD will assist in completing the development and opening of an innovative technologically advanced study space utilizing the former computer lab space. The board voted last month to keep the second floor lounge space as a quiet study lounge and to purchase new furniture during the 2014-15 fiscal year. Completed.

No. 2 - The USU BOD will do a complete review and revision of our Bylaws to address any required or desired changes. The board voted to approve the revised Bylaws at its October 21, 2013 meeting. Completed.

No. 3 - The USU BOD will continue to assist in the development and design of the Wellness Center. The schematic design documents will be put out to bid in June and construction will begin in mid-fall, 2014. The project is on schedule to begin in the fall 2014. In progress.

No. 4 - The USU BOD will assist in the promotion and development of a closer affiliation between students and CSUN athletic programs. USU Events continues to promote athletic events by working on special events such as Matador Madness and Red Rallies and assisting with social media marketing. Student members were encouraged to go to an athletic game in order to assess changes already implemented. In progress/on-going.

No. 5 - Determine the feasibility of renovating the games room to compliment the interior design of other new USU facilities and promote an engaging student friendly environment. Staff has conducted various site examinations to determine the feasibility of renovating the space. USU staff has surveyed various organizations on campus to gather input on what changes students would like to see in the games room. In progress/on-going.

Johnson said he is amazed at what the USU will accomplish within the next year. The opening of the Wellness Center and Eastern Conference Center will provide another sparkplug to the visibility of the USU as the heart of the campus. He talked about his personal learning outcomes, one of which was the value of StrengthsQuest. He said when strengths are maximized in the work place, the job becomes enjoyable. It has been a pleasure and honor to serve as chair of the board. He emphasized the importance of relationships among board members and staff. It is where personal and professional development occurs. All the new board members will one day be in the same spot and moving into their professional careers and he wished them the best of luck.

VIII. Vice Chair Report

Chair Johnson read Vice Chair Varela's report. Varela congratulated those who graduated and also those who completed another year. She apologized for not physically attending the meeting today but will join the board later via Skype. She appreciated the opportunity to serve the board this year. She looks forward to the upcoming year and getting to know the new board members.

IX. Executive Director's Report

D. Hammond referred to her report saying that Physical Plant Management (PPM) estimated the USU's electric meter for a six month period last year which resulted in a retroactive billing of approximately \$122,000. It was paid in May 2014. PPM apologized for the oversight and provided a detailed explanation as to why the error occurred. Borzou Afshar recently accepted the USU's offer of regular employment, but was then offered a position by NBC. His job will be reposted soon. USU Computer Labs began developing a project called Lab Maps Public Access consisting of LCD screens that will inform patrons of computer availability before they enter the computer lab. The project will begin during the summer and will be operational for the fall semester. Commencement was handled differently this year. Assistance was requested from all departments, and 10 USU staff members participated which mitigated potential problems. Matt Eickhoff was named Advisor of the Year for his advisement of Acasola, the CSUN a capella singing group. At the Annual Staff & Recognition Awards, Sarina Loeb was the first recipient of the CSUN Excellence in Diversity & Inclusion Award. She was recognized for her involvement in the development of the Veterans Resource Center and Pride Center, as well as outreach and advocacy efforts through providing LGBTQ Awareness trainings across campus.

X. A.S. Report

Christopher Woollett said that he is now a "student at large" and is not receiving hundreds of emails as the President of A.S. It was a fantastic year and he was very happy to serve the CSUN campus. He thanked all the current board members for a good year. He welcomed the new board members and wished them the best.

XI. Year-End Committee Reports

- Facilities & Commercial Services Committee: Chair, Diana Madueno, reviewed the goals of the committee.

No. 1: Conduct site visits and assessment to determine appropriate recommendations for the use of the Sol Center 2nd floor study lounge space. Possibilities will include converting the space into a high technology collaborative study lounge, retain as a quiet lounge or a combination of both. This goal was completed at last month's board meeting. The board voted to keep the Sol Center 2nd floor lounge space as a quiet study lounge, and to purchase new furniture during 2014-2015 fiscal year.

No. 2: Conduct research for the development of a draft Long-Range Development Plan (LRDP) for USU facilities. The goal will be in two parts: 1) Conduct needs assessments of existing space, 2) prepare a draft of long-range recommendations for the future expansion and development of all USU facilities. The goal was removed at the beginning of the spring semester due to the future contracting of an outside agency to conduct a comprehensive facilities assessment during the 2014-15 academic year. Future committee members will revisit this goal once the assessment has been completed.

No. 3: *Examine current USU RES policies and procedures, draft revisions to reflect current and future operations, prepare draft policies for presentation and consideration of the Board of Directors.* The goal was revised and discussed by the committee. It will be presented as an action item at a future Facilities & Commercial Services Committee meeting.

No. 4: *Determine feasibility of renovating the games room to compliment the interior design of other new USU facilities and to promote an engaging student friendly environment.* The goal is an ongoing project. The committee discussed this goal during the semester, but decided to continue the research for the upcoming year.

Madueno thanked the board for the opportunity to experience the development of serving as the chair of this committee. She thanked all the committee members for keeping open minds and voicing their comments and concerns during the meetings.

- Finance Committee: Chair, Demontae Thompson reviewed the goals of the committee:

No. 1: *Determine the feasibility of delaying the \$2.00 operational fee increase and \$2.00 inflation adjustment scheduled to take effect July 01, 2014.*

No. 2: *Determine the feasibility of using non-student fee revenue to make donations to CSUN students; 501 (C) (3) organizations; or CSUN campus departments.*

No. 3: *Revise or create the following policies and procedures: a) USU Reserves Policy (revise); b) USU Hospitality Policy (create); and c) USU Public Relations Policy (create).*

Thompson reviewed the committee's accomplishments:

- *Reallocation of Capital Outlay funds for the purchase of a chemical storage unit and chain link fence;*
- *Increase in USU co-sponsorship funding by \$15,000;*
- *A donation of \$4,950 to victims of Typhoon Haiyan via the Red Cross;*
- *Transfer of \$6.5 Million from the USU's operating fund to the USU's revenue fund;*
- *Transfer of operational control of the Satellite Student Union to Student Housing;*
- *The committee determined, based on the long-term budget, that we would not be able to delay the \$2.00 operational fee increase and \$2.00 inflation adjustment;*
- *The First Quarter and Second Quarter 2013-14 Budget Report;*
- *The revision of the USU Reserves Policy; and*
- *The revision of the 2014/15 Operating, Reserves and Capital Outlay Budget.*

Thompson thanked everyone involved with the Finance Committee. He also thanked the board and the USU, especially the continued mentorship and guidance from Joe Illuminate, Executive Secretary, and Director Hammond. He is looking forward to the upcoming year.

- Personnel Committee: Chair, Gavan Rathje was not at the meeting.
- Retirement Committee: Chair Johnson said that Perlita Varela had not yet joined the meeting. He read her Retirement Committee Chair's Report to the board. The committee had one goal: *To determine the feasibility of selecting a new retirement plan service provider in order to lower fees for USU plan participants.* The committee held their last meeting on June 3 where they discussed the decision to stay with The Standard as a plan service provider. It was also decided that the committee will continue to monitor fees every six months. It was a pleasure to work with the committee members throughout the year. She thanked Joe Illuminate, Associate Director, Finance & Business Services, and Jonathan Navarro, Accounting Manager, for taking the time to help her understand retirement plans. She could not have asked for a better learning experience and thanked everyone for being fully present and engaged at the meetings.

XII. Action Items

A. BOD Appointments

M/S/P (T. Castellanos/J. Guzman) Motion to approve the appointment of two student board members: Jesus Martinez-Ramirez and Josue Najera, both terms to end in 2015, and to take effect with the seating of the 2014-2015 USU BOD, immediately following the transition ceremony.

Chair Johnson said he sat on the panel to interview both candidates. They were dynamic and personable and he urged the board to approve their appointments.

Josue Najera introduced himself to the board and said he is majoring in Real Estate and Finance. He is very excited to be on the board. He wants to expand his network with the leaders on campus and grow professionally.

Jesus Martinez-Ramirez introduced himself to the board and said he is in his fourth year and majoring in Political Science and minoring in Business Law. He was an A.S. Senator. He is excited to learn more about the campus and is interested in reaching all students. He believes it will be a very fulfilling experience.

Motion passed 9-0-0.

B. Faculty Representative Appointment

M/S/P (T. Castellanos/D. Madueno) Motion to approve the appointment of the Faculty Representative, Barbara Gross, a Professor in the Marketing Department, to the USU BOD whose term will end in June 2016, and to take effect with the seating of the 2014-2015 USU BOD, immediately following the transition ceremony.

Chair Johnson introduced Barbara Gross. Dr. Gross introduced herself to the board and said she is a professor in the Marketing Department. She has been at CSUN since 1994. In January 2014, she returned to teaching after working in the President's office as the Chief of Staff. She attended orientation and said she felt she would be working with the best and brightest students that CSUN has to offer. Johnson remarked that Dr. Gross has an extensive resume and is eager to pass on her knowledge.

Motion passed 9-0-0.

C. Human Resources Policy – General Salary and Merit Increases for Regular Employees

Motion from the Personnel Committee to approve the Human Resources Policy entitled General Salary and Merit Increases for Regular Employees.

Kristen Pichler, Human Resources Officer, said that the current student union procedure stipulates that regular employees may be eligible for a performance salary adjustment based on long-term meritorious performance as demonstrated via the annual review process. However, because of state budget constraints employees had not received an increase in six years. Last year the USU followed the campus' lead and provided eligible employees a 1.34% general salary increase. A formalized policy was needed expanding the types of increases that could be provided. Fiscal impact will be determined annually depending on availability of funds. Pichler was asked if inflation or cost of living is a factor in determining increase amounts. She indicated that at present it is not as the USU typically follows the University's lead.

Motion passed 9-0-0.

D. USU Employee Handbook Updates

Motion from the Personnel Committee to approve the changes to the USU Employee Handbook.

Ms. Pichler said the USU Employee Handbook is reviewed and updated annually. The handbook applies to all employees. The summary of changes is outlined on the attachment. Most changes this year are minor and intended to provide clarification of policy.

Director Ruelas-Bischoff thanked Pichler for keeping with current legislation which requires transparency.

Motion passed 9-0-0.

E. Cash Transfer to the Revenue Fund

Motion from the Finance Committee to transfer \$6,500,000 from the USU operating fund to the USU revenue fund.

Demontae Thompson stated that the recommendation is to transfer \$6.5 million prior to the end of the current fiscal year from the USU operating fund to the USU revenue fund for the following reasons:

- Have sufficient funding to renovate the Satellite Student Union (SSU) for the purpose of transferring operational control to Housing
- A more efficient use of cash by earning higher rates of return
- Have sufficient net assets to pay for current and future projects
- Have sufficient net assets to meet the financial obligations of the revenue fund

The main driver for the cash transfer is the \$4,729,000 SSU renovation project. The USU would fund the renovation upfront in order to facilitate the transfer of control to Housing. Housing would reimburse the renovation cost over a seven year period at a 3% rate of interest. Without the cash transfer, there would be insufficient net assets to complete the SSU renovation.

The USU must have sufficient net assets in the revenue fund to pay for current and future projects totaling \$15,630,700 and to meet the entire financial obligations of the revenue fund. Obligations of the revenue fund include having reserves set aside for annual debt service; major repair and equipment replacement; construction and renovation projects; and transfer of student fees to the operating fund to provide programs and services to students.

Demontae noted that the approval of this action item is not contingent upon the approval of the transfer of operational control of the SSU to Housing since earning higher rates of return on USU cash is a compelling reason to approve the cash transfer. Cash in the revenue fund is invested by banking professionals hired by the CSU system. These professionals are able to generate higher rates of return than the USU. This is because the USU's Investment Policy states that safety of principal and liquidity are a higher priority than the rate of return which allows only for ultra-safe investments that are currently paying less than one tenth of one percent.

The challenge of the cash transfer is that the USU would record a multimillion dollar reduction in net assets which would be reported on the USU Statement of Activities for the 2013-14 external audit report. The maximum amount of the reduction is estimated to be between \$5.2 million to \$5.6 million based on the most recent financial data available.

Demontae emphasized that this reduction in net assets would be due solely to the transfer of cash to the revenue fund and not to any financial challenges or difficulties. The transfer of cash can be compared to transferring money from one checking account to another e.g. the balance of cash increases in one checking account and decreases in the other account by the same amount; however, the overall cash balance between the two checking accounts remains the same.

This large reduction in net assets has been vetted with campus officials such as Sharon Eichten, Dr. Watkins, Dr. Ruelas-Bischoff, and Colin Donahue, the campus Chief Financial Officer. We have had conversations with the campus controller, Deborah Wallace and the Assistant Director of Financial Accounting, Margo Dutton, on how to properly record the transaction in the USU's revenue fund.

We also have had conversations with our external audit firm, NSBN, about how to properly present the reduction in net assets in the Statement of Activities in the audit report. The presentation of the reduction was also an Audit Committee discussion item on April 30, 2014. Per NSBN's instruction, the USU will prepare a detailed footnote to the financial statements of the audit report explaining the rationale for the cash transfer.

Chair Johnson stated that it was a good presentation and thanked Director Thompson and Mr. Illuminate.

Motion passed 9-0-0.

F. Transfer of the Satellite Student Union to Housing

Motion from the Finance Committee to approve the transfer of operational control of the Satellite Student Union to Student Housing contingent upon a viable Student Housing financial plan, administrative approval from the University and approval from the CSU Chancellor's Office.

Director Thompson said that one of the USU's strategic priorities for the 2013-14 fiscal year was to examine and develop alternate uses for the Satellite Student Union with the transfer of operational control being a viable option. Housing needs more space for administrative offices as Housing's services continue to grow due to the construction of more residence halls. The USU would save an estimated \$300,000 per fiscal year in operating expenditures.

The USU has seen a dramatic increase of student usage at its main facility over the past several years while experiencing decreases in usage at the SSU. This is primarily due to additional services being provided at the USU's main campus facilities including the addition of the Student Recreation Center, Pride Center, Veteran's Resource Center, and the expansion of the Computer Lab. The USU is supportive of the proposal to remodel the Northern part of the SSU. The USU has proposed paying for the remodeling costs to help facilitate the transfer of control of the facility, with Housing repaying all remodeling construction costs over a seven year period with a 3% interest rate. The cost to remodel the SSU, to Housing's specifications is \$4,729,000, based on cost information provided by a consultant and the campus Capital, Design, Planning, & Construction Department.

The long-term financial plan assumes the renovation loan is paid back over a ten year period without any interest in order to be conservative. Assuming the \$6.5 million cash transfer is made, there would be sufficient funds or net assets in the revenue fund to complete the renovation in 2014-15 and still have sufficient reserves or net assets in the revenue fund at the end of each fiscal year through 2023-24.

Discussion ensued and Thompson was asked if Housing would be able to request additional changes later on. Director Hammond said that Form 2-7 was prepared by the Campus Facilities Planning and Design and that only those changes included in the plan can be done. Additional changes would be outside the scope of the project. Monthly budget meetings are held and if Housing wants more changes, they will have to pay for them. Director Ruelas-Bischoff stated that Housing has already incorporated the payments into their budget and it will be closely watched.

Motion passed 9-0-0.

G. 2014-15 Capital Outlay Budget Proposal

Motion from the Finance Committee to approve the University Student Union 2014-2015 fiscal year capital outlay budget proposal in the amount of \$156,660.

Director Thompson explained that the capital outlay budget authorizes the purchase of fixed assets. Fixed assets are defined as a single item with a unit price greater than \$5,000 that will be used in a productive capacity for more than one year. The USU is proposing purchases in the amount of \$156,660 for the 2014-15 fiscal year. The total capital outlay budget for 2013-14 was \$112,488, which is a \$44,172 increase over the previous fiscal year. Each capital outlay purchase includes a contingency equal to 5% of the cost to allow for changes in scope or price increases.

Jack Raab, Associate Director, Operations & Services, read through the requests as follows:

- 1) **Online Reporting Software Application:** This application allows a universal Building Manager report, ISSP shift report, universal lost and found log, building count report, universal messaging board, and video surveillance report submission. This is a completely mobile solution and will maximize the use of iPads.
- 2) **Visix-Digital Signage Software:** This software allows the USU to create digital signage that can be delivered across the USU network. Multiple displays will be installed across the USU. Funding of these multiple displays will be requested through the TSS operating budget.
- 3) **Data Storage Unit:** This data storage unit serves as an immediate backup system to prevent loss of data during a server failure. This will also bring the USU in compliance with the Business Continuity and Disaster Recovery Plan.
- 4) **Northridge Center Camera Package:** This camera package allows lectures and events in the Northridge Center to be recorded. Included in the package are three remote controlled cameras, mixers, joysticks, and a control center.
- 5) **Northridge Center Lecture Capture Server:** The Lecture Capture Server allows the Northridge Center to record lectures and events. The three remote controlled cameras mentioned in justification #4, will be connected to the server.

Raab then introduced Joe Illuminate, Associate Director, Finance & Business Services, to review Capital Outlay Request No. 6. Illuminate read the following:

- 6) **Budget Preparation Software:** The current budget is built using Excel spreadsheets which do not automatically consolidate and aggregate individual department budget data. Specialized software would aggregate and consolidate data every time a change is made eliminating the need to work with multiple spreadsheets. This software would also eliminate the need to convert individual budgets into PDF files since the software would automatically create a consolidated budget binder for presentation to the Finance Committee. The \$75,000 is an estimate as no price quotations have been received. The USU is collaborating with the campus to choose the appropriate software package.

Discussion was held and questions fielded by Raab. Director Weiner asked if the Camera Package included sound, or would it only record. Sound will be part of the package and Weiner encouraged them to require a fee for recording privileges which would be an avenue to recoup fees. Raab said that the USU Technology Department will consider discussing the matter with the University IT Department.

Motion passed 9-0-0.

Vice Chair Varela joined the board at 1:54 p.m. via Skype.

H. 2014-15 Reserves Budget Proposal

Motion from the Finance Committee to approve the University Student Union 2014-2015 fiscal year reserves budget proposal in the amount of \$817,229.

J. Illuminate explained that reserves are provided to meet the potential and anticipated business needs of the USU per the USU's Reserves Policy. The USU is requesting designated reserves in the amount of \$354,229 and unallocated working capital reserves in the amount of \$463,000 for a combined total of \$817,229.

Designated reserves are allocated for payroll-related expenditures such as staff bonuses, salary reclassifications, merit increases, and vacation advances. Unallocated working capital reserves are unallocated funds to be utilized principally for unanticipated financial and economic events, unexpected price increases, or to fund new student programs and services.

He explained that the reserves budget proposal does not include administrative contingencies which are included in the operating budget proposal

Motion passed 10-0-0.

I. 2014-15 Operating Budget Proposal

Motion from the Finance Committee to approve the University Student Union 2014-2015 fiscal year operating budget proposal with projected revenues and expenses in the amount of \$13,208,040.

Director Thompson explained that the budget proposal assumes that operational control of the Satellite Student Union is transferred to Student Housing. Also, the budget proposal is prepared in accordance with the USU's long-term financial plan. The USU will only propose an operating budget in which the revenues and expenses are in alignment with the corresponding revenues and expenses in the plan. The plan forecasts revenues and expenses through June 30, 2024 for both the local operating fund and the revenue fund.

The Debt Service Coverage Ratio (DSCR) in the plan is greater than \$1.25 for each fiscal year in the plan. A \$1.25 DSCR is the minimum ratio that the Chancellor's office will accept. A \$1.25 DSCR indicates that there must be at least a \$1.25 of student fee revenue for \$1.00 of annual debt service,

The long-term financial plan also includes \$15.6 million of construction and renovation projects: the East Conference Room renovation, the Wellness Center, and the SSU renovation.

Student fee income is based on the most recent student headcount forecast made available by the campus budget office. This is important since 85% of the USU's operating revenue is derived from student fees. The projected fall/spring headcount is 35,990 and the projected summer headcount is 6,000 both of which are in line with data provided by the campus budget office. Fall/spring headcount and summer headcount is projected to remain flat through 2023/24 at 35,900 and 6,000, respectively. Any decreases in student headcount below what has been projected could have an adverse impact on student fee revenue. Any reductions in student fee revenue would be offset by a corresponding decrease in operating expenses during a quarterly budget review in the 2014-15 fiscal year.

Included in the budget proposal is a request for five new staff positions. When the Student Recreation Center (SRC) began operation, a decision was made to assess the need for additional professional staff after the first two years of operation. The additional staffing is required to provide additional administrative support as a result of the increase in workload attributable to the SRC as well as to the workload impacts of the Veterans Resource Center and Pride Center. The budget proposal is projected to be breakeven signifying that total revenues equal total expenditures and that the projected net surplus or change in net assets is zero. A breakeven budget implies that all revenues received will be expended on student programs and services with the exception of unallocated working capital reserves.

Revenues are projected to increase by 3.4% or \$428,326. Expenditures are projected to increase by 9.1% or \$1,102,540. Salaries and benefits are 59.3% and operating expenses are 40.7% of the expenditure budget.

Motion passed 10-0-0.

J. Third Quarter (9 & 3) Budget Report

M/S/P (J. Guzman/D. Thompson) motion to accept the 2013-14 Third Quarter Budget Report as presented.

Jonathan Navarro, Accounting Manager, said that the USU does a thorough budget review every quarter. The Third quarter budget report is for the quarter ended March 31, 2014. The term 9 & 3 signifies nine months of actual data and three months of projected data. He reviewed the report with the board.

Director Ruelas-Bischoff left at 2:26 p.m.

Navarro said that there was an increase in total revenues by \$103,939 and a reduction in total expenses by \$92,472 resulting in an increase in net assets of \$196,409 during the quarter. The budget for the change of net assets is now \$870,621, which is \$227,568 less than the actual change in net assets of \$1,098,189.

The actual change in net assets is higher than anticipated. The variance is attributable to the fact that actual revenues have been consistently higher than budget and actual expenditures have been consistently lower than budget.

During the budget process, department managers make conservative assumptions about future expenditures based on the latest information available. This benefit of conservative budgeting over the years has resulted in surpluses that have increased the ending net asset balance from \$50,000 in 2004 to \$7,540,000 today. This

healthy net asset balance will allow the USU to transfer \$6.5 million from its operating fund to its revenue fund in order to facilitate the transfer of operational control of the SSU to Housing.

Statement of Activities: Revenues

Net budget revenue is projected to increase by 0.8% or \$103,397 and is within the operating range at 74.9%. The Student Recreation Center has been very successful so revenue has exceeded expectations.

Statement of Activities: Expenditures

The total expenditure budget was reduced by 0.8% or \$92,472 when compared to the 6&6 expenditure budget. Total expenditures are slightly under the operating range at 71.2%.

The three expense line items that accounted for the largest reductions were staff salaries, student wages, and administrative contingencies which were offset by increases in program costs, professional services, building supplies, and expendable furniture and fixtures.

The Staff Wages budget was reduced primarily as a result of staff vacancies in the following positions:

- Assistant Director, Facilities & Maintenance;
- HVAC Technician
- Veterans Resource Center Coordinator

The Student Wages budget was reduced because students typically do not work all of their scheduled hours. For example, an analysis of student hours revealed that projected student hours for the 2013-14 fiscal year would be 242,474 based on actual student hours worked for eight months. The total approved hours in the budget for students to work were 269,850 hours (which are 27,376 more hours than the projected hours of 242,474).

General Operating Expenses (68.9%) are slightly below the operating range because Program Food Costs (58.7%), Recruitment (57.8%), and the Dues (65.8%) expense line items are below the operating range. The balance of Program Food Costs will be expended when Sunny Days Camp commences in June 2014.

Supplies & Services (66.6%) are below the operating range because the Office Supplies, Program Costs, Operational Supplies, Professional Services, and Legal Services expense line items are all below the minimum 70% operating range. The Program Costs line (59.3%) item is the major contributor as to why the Supplies & Services category is below the operating range. The costs for Matador Nights, Year-End Celebration, and Crunch Time will be recorded in the fourth quarter.

Travel (65.8%) is below the operating range because the costs for both NIRSA and ACUI conferences will be recorded in the fourth quarter.

Repairs and Maintenance (66.9%) – every expense line item in this category is below the 70% minimum operating range with the exception of Custodial Services. This expense category is projected to remain below the minimum operating for the remainder of this fiscal year.

Fees and Charges (68.1%) are below the operating range. The Merchant Charges expense line item is 66.3% of the operating range as actual fees have been less than projected.

Reserves (33.2%) are below the optimal range because there is still \$95,050 of unallocated reserves remaining. Also, there remains an unutilized \$56,000 administrative contingency budget balance available for the purchase of Quiet Study Lounge furniture. This purchase will actually take place during the 2014-15 fiscal year.

Expendable Equipment (34.1%) – all expense line items in this category are below the minimum 70% operating range and are expected to remain below the operating range until the end of the fiscal year.

Statement of Financial Position

Total Assets	\$9,908,381
Total Liabilities	\$2,368,921
Total Net Assets	\$7,539,460

Total assets include \$8,831,372 in cash on hand in USU bank accounts and money market funds. Total liabilities include \$1,088,443 for post-employment benefits. The robust total net asset figure indicates that the USU is in a solid financial position to manage unexpected economic events or to take advantage of potential opportunities to expand programs.

Investment Report

\$523 of interest income has been earned on cash balances of \$8,580,928 invested conservatively in U.S. Treasury Bill money market funds. Per the Investment policy, safety of principal and liquidity take priority over the rate of return.

In January 2014, the USU transferred \$2 million from the money market fund to SWIFT, the CSU System Wide Investment Fund Trust, in order to increase the rate of return on USU investments. SWIFT's average return for twelve months is approximately 0.4% while our money market fund investments are returning only 0.1%.

SWIFT is managed on behalf of the CSU by U.S. Bank and Wells Fargo. Investments in SWIFT include cash, federal agency and municipal debt, and the debt of corporations in the financial and industrial sectors of the economy.

Working Capital Reserves & Capital Outlay

The only working capital reserves utilized during this year was a \$4,950 donation to the Red Cross for the victims of Typhoon Haiyan leaving a balance of \$95,050.

The budget for designated reserves was reduced by \$100,648 to \$173,624. A total of \$158,624 was transferred to the operating fund during the third quarter to cover staff bonus payments and retroactive general salary adjustments for eligible staff employees.

Total capital outlay expenditures for the fiscal year total \$34,633, all from the Equipment fixed asset category.

Work Study

The USU has a balance of \$34,345 in the work study account which will be spent in its entirety by fiscal year end.

Motion passed 9-0-0.

K. Executive Director Evaluation (Closed Session)

M/S/P (D. Thompson/T. Castellanos) motion to enter into closed session for the Executive Director evaluation at 2:35 p.m.

Motion passed 9-0-0.

M/S/P (S. Eichten/T. Castellanos) motion to accept the evaluation and exit closed session at 3:00 p.m.

Motion passed 9-0-0.

XIII. Discussion Items

A. Administrative Work Plan – Status Report

Director Hammond said she would not review the Administrative Work Plan or the Strategic Priorities. Most of our goals have been reached and some will move to next year. The new board will review the reports at the August board meeting.

B. Strategic Priorities – Status Report

No report.

XIV. Announcements

- Director Weiner said he has thoroughly enjoyed his time on the board. He was reminded of his own college days as a student. But as an educational professor, he finds that there is not a lot of learning going on. You learn a lot of things in college, but not much is applicable to the real world. He found that the students on the board were special. The staff of the USU is wonderful and they help the students find their place in the world. There is real problem solving taking place on this board. He thanked everyone for the opportunity to serve.
- Director Bracero said this is goodbye and it is bittersweet. When she first was appointed to the board, she did not know what to expect. Leaving CSUN is like leaving home because of the USU. It is essential for students to spend time at the USU. She found the staff to be genuinely interested in the students. There was so much mentoring going on and the new board simply has to ask and the staff will help them grow and develop.
- Director Madueno read the USU Mission Statement to the board: *“The mission of the University Student Union is to foster the achievement of students’ educational goals by facilitating a strong connection between students and their campus community. We are an engaging and energetic campus program that develops students through inclusive activities, meaningful employment opportunities, leadership experiences and innovative technologies, facilities and services.”* Madueno said she was very grateful for the opportunity to serve on the board and also chair the Facilities & Commercial Services Committee. She urged the new board members to take advantage of all opportunities offered.
- Chair Johnson said that there is a sense of security of going to college at CSUN. Chairing the board helped build his confidence and being mentored by people who had gone before him was priceless. He could see that his strengths applied to his life. He urged the board to take StrengthsQuest seriously.

- Director Hammond said that as the Executive Director, it is always difficult to see the student board members leave. Our student board members give more and that is why we stay in the field. Students come in with such energy and a desire to serve the campus. It was wonderful to have Director Weiner on the board for the last two years. He genuinely cares about the students. Each one of you has brought something different to the board.
- Director Bracero had more to say and thanked Mr. Woolett, the former President of A.S. He was always at the board meetings which helped build a stronger relationship with A.S. She thanked Chair Collin Johnson for being our leader. He used his strengths at very high levels. He stepped back and never tried to push his own agenda. That is true leadership. Each board member contributed in their own unique way.
- Director Castellanos said that the new board members have been given a special opportunity and she hopes they use it wisely.
- Director Thompson said there is a lot of wisdom in this group. He urged the new board to take the initiative. He did and he is glad he did. Never let anything pass you by. If you do not understand ask questions. Make social connections. Get to know the board members on a personal level. Step out of your comfort zone. He and Director Madueno attended ACUI I-Lead together and they will always have that special bond because they went through a tremendous learning experience together. He wished everyone well.

XV. Adjournment

The meeting was adjourned by Chair Collin Johnson at 3:31 p.m.

XVI. Transition Ceremony

Chair Johnson said that the USU Board Transition Ceremony is held to officially:

- a) Recognize the returning board members
- b) Recognize the board members whose service is ending today, and
- c) Welcome to our new board members

Chair Johnson called out the names of the newly elected student board members to join him on the stage: Amber Bynum, Shahtaj Khan, Perlita Varela (via Skype), Asia Wheaton and Karina Winkler. He then called to the stage newly elected Faculty Representative Barbara Gross, and the Associated Students liaison to the board, Talar Alexanian. Jesus Martinez-Ramirez and Josue Najera came on stage as the newly appointed directors. Also on stage were Sharon Eichten and Shelley Ruelas-Bischoff, as the University Representatives. Returning board members included Jorge Guzman, Demontae Thompson and Debra Hammond. Jaelyn Kietzman, Staff Representative, Tonee Sherrill, Alumni Representative, and David O’Neill, returning student board member, were absent.

They listened as out-going Chair Collin Johnson read the mission of the board, led the group in reciting the USU Mission Statement and reviewed the expectations of the directors. After each expectation was read, the board members affirmed their intent to abide by those principles.

Outgoing members Dr. Ivor Weiner, Kandee Bracero, Tiffany Castellanos, Diana Madueno, Christopher Woolett and Collin Johnson were recognized, thanked and given parting gifts as they left the stage and the board table. Gavan Rathje and Nicole Riley were not in attendance.

Johnson asked everyone to please join him in thanking these outstanding individuals for their months and years of service to the USU Board of Directors. He then announced that the meeting would resume after a short break.

XVII. Call to Order

The new board members took their seats at the table and the meeting was called to order at 3:53 p.m. by outgoing Chair Collin Johnson.

XVIII. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Talar Alexanian	Jaclyn Kietzman	Jenny Cai	Joseline Cubas
Amber Bynum	David O'Neill	Jimmy Francis	Tanesha Young
Sharon Eichten	Shelley Ruelas-Bischoff	Kristie Godfrey	
Barbara Gross	Tonee Sherrill	Joe Illuminate	
Jorge Guzman		Chris Jensen	
Debra Hammond		Bernetta Johnson	
Shahtaj Khan		Sharon Kinard	
Jesus Martinez-Ramirez		Shannon Krajewski	
Josue Najera		Kingson Leung	
Demontae Thompson		Samantha Liu	
Perlita Varela (via Skype)		Chris Marshall	
Asia Wheaton		Carol Nardini	
Karina Winkler		Jonathan Navarro	
		Michael Niles	
		Kristen Pichler	
		Jack Raab	
		Thomas Sekayan	
		Jenny Soto	
		Steven Wein	

XIX. Action Items

A. Election of Chair

Director Johnson asked for nominations for the Chair position.

Director Thompson nominated Director Martinez-Ramirez and Director Khan seconded. Director Martinez-Ramirez accepted the nomination.

Director Martinez-Ramirez nominated Director Varela, and Director Guzman seconded. Director Varela accepted the nomination.

The two candidates made statements and fielded questions from the board. Shannon Krajewski, Associate Director, Marketing & Programs, passed out sheets of paper for the board members to write their vote by secret ballot, and then collected same. The ballots were counted. Chair Johnson announced that Jesus Martinez-Ramirez was elected Chair.

Collin Johnson said goodbye and turned the gavel over to the newly elected Chair, Jesus Martinez-Ramirez.

B. Election of Vice Chair

Newly elected Chair Martinez-Ramirez asked for nominations for the Vice Chair position.

Director Wheaton nominated Director Winkler, and Director Khan seconded. Director Winkler accepted the nomination.

Director Najera nominated Director Khan, and Director Bynum seconded. Director Khan accepted the nomination.

Director Thompson nominated Director Varela, and Director Najera seconded. Director Varela accepted the nomination.

The candidates made statements and fielded questions from the board. Ms. Krajewski passed out sheets of paper for the board members to vote by secret ballot, and then collected same. The ballots were counted. Chair Martinez-Ramirez announced Shahtaj Khan was elected Vice Chair.

C. USU BOD Meeting Schedule 2014-2015

M/S/P (J. Najera/J. Guzman) Motion to approve the USU BOD meeting schedule for fiscal year 2014-2015.

There was no discussion.

Motion passed 11-0-0.

XX. Announcements

- Chair Martinez-Ramirez thanked the board members and also announced that the board's retreat was coming up on June 25-26, 2014.
- Kingson Leung, Coordinator, Special Initiatives, passed out flyers for current events to be held at the USU and also asked the members to pick-up their t-shirts before leaving the meeting.
- Director Hammond thanked everyone for their support. She said that in her 20 plus years sitting on the board, this has been the longest meeting in board history.
- Director Thompson congratulated the new Chair and Vice Chair.
- Chair Martinez-Ramirez thanked the board for the opportunity to serve.
- Director Varela thanked everyone for a great year and wished everyone the best in the upcoming year.

XXI. Adjournment

The meeting was adjourned at 5:55 p.m. by Chair Martinez-Ramirez.

Respectfully submitted by,

Debra L. Hammond
Executive Secretary