

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
FEBRUARY 17, 2014
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 12:30 p.m. by Chair Collin Johnson.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Shelley Ruelas-Bischoff	Diana Madueno	Kristie Godfrey	Joseline Cubas
Kandee Bracero	Ivor Weiner	Joe Illuminate	Truitt Leth
Luis Canton		Chris Jensen	Eduard Martirosov
Tiffany Castellanos		Bernetta Johnson	Alisa Zelyonaya
Sharon Eichten		Carol Nardini	
Jorge Guzman		Jonathan Navarro	
Debra Hammond		Michael Niles	
Collin Johnson		Kristen Pichler	
Jaelyn Kietzman		Jack Raab	
David O'Neill		Jenny Soto	
Gavan Rathje			
Nicole Riley			
Tonee Sherrill			
Demontae Thompson			
Perlita Varela			

III. Approval of Agenda

M/S/P (N. Riley/T. Castellanos) Motion to approve the agenda of February 17, 2014.

Motion passed 12-0-0.

Director Hammond arrived at 12:32 p.m.

IV. Approval of Minutes

Director Johnson noted that there was a grammatical error in the minutes. Section VI. Chair's Report, fifth sentence, the words "regarding commencement" need to be added. The sentence will read: "Due to an outcry by students and a demand for change regarding commencement, the ticket counts increased from four to seven."

M/S/P (Ruelas-Bischoff/P. Varela) Motion to approve the minutes dated January 27, 2014.

Motion passed 13-0-0.

V. Open Forum

- Chris Jensen, the Technical Coordinator for the USU, addressed the board and talked about how to correctly use the microphones. He demonstrated how to speak into the microphones so the audience could hear the board as they conduct their business. Jensen said that they were in the process of purchasing new microphones and they should be available soon.
- Director Ruelas-Bischoff commented on a meeting she attended in this room last week. It was a wonderful event regarding student retention. The interactive group was creative and energetic. She thanked everyone involved for their hard work.

VI. Chair's Report

Chair Johnson read from his report and said that the success of the recent events held by the Pride and VRC Centers were featured in the Daily Sundial. The senior class is now accepting donations at <http://give.csun.edu/seniorgift/>. The board is making progress regarding the CSUN Athletics goal. Johnson will attend a men's basketball game February 22 against UC Irvine. He has invited students and encouraged the board to bring their friends. The USU is trying to take

some progressive steps and gender inclusive restrooms are being talked about for the Wellness Center. This issue needs to be researched as it will be brought to the board soon.

VII. Vice Chair's Report

Vice Chair Varela read from her report saying the board had scheduled a trip to visit San Diego State University in January. Due to the construction taking place, San Diego was not ready. The Aztec Student Union Grand Dedication is from March 3 through March 8. Different events will take place all week, including live music, games, activities, a comedy show and more. She asked the board if this would be something they would like to attend and asked for a show of hands.

Director Johnson said that San Diego has a brand new student union and it would be beneficial to see what they do and how they do it. The board would leave Thursday March 7, spend the night, and visit the new union all day on Friday March 8. They would then drive home after dinner.

VIII. Executive Director's Report

Executive Director Hammond said the Sunny Days Camp Web site has launched and people are signing up. The camp will be sold out by May. Montaigne Long, Coordinator of the Veterans Resource Center, has resigned from the position. She will be staying home with her new daughter. Ian Smith, who previously worked at the VRC as a peer mentor, will work as the Coordinator on a temporary emergency hire basis. Michael Niles accepted our offer of regular employment as the Marketing Manager. Director Hammond introduced Mr. Niles.

Mr. Niles addressed the board and said that he graduated from the University of Oklahoma with a journalism/advertising degree. He is a long-time marketing professional with many years of ad agency experience. He has always loved the idea of working for a college and is very excited to be joining CSUN and the USU.

The Human Resources Department launched a new series of short courses targeting current employees with personal development workshops presented by other employees. Hammond said that the Pride Center hosts "Tuesday Talks" and around 20 students usually attend. Last week, 41 students attended. The program is very successful.

Director Ruelas-Bischoff wanted to bring to the board's attention, that each day, Monday through Thursday, over 4,000 people visit the SRC. It is an amazing statistic.

IX. A.S. Report

Luis Canton, Chief of Staff for Associated Students (A.S.), sat in for Mr. Woolett who was attending a meeting off campus. He said that it is election season and A.S. is excited to be partnered with the USU and the Board of Directors.

X. Committee Reports

- Facilities & Commercial Services (F&CS): No report.
- Finance Committee: Chair Thompson said the committee has three new members: Franck Fassutomta, Pierre Jackson and Truitt Leth. He introduced Truitt Leth to the board. Mr. Leth said he is majoring in Health Care Administration. He is excited to gain leadership experience and to become more aware of the campus and the USU.
- Personnel Committee: Chair Rathje said the committee lost a member, but then a new member joined the committee, Brandon Urtiz. Mr. Urtiz works for the USU. The next meeting for the committee is March 13, at 3:30 p.m., in the USU Conference room.
- Retirement Committee: Chair Varela said the committee has a meeting scheduled for February 21 at 3:30 p.m. She will have more information next month.

Mr. Canton left at 1:00 p.m.

XI. Action Items

A. Audit Committee Appointments

M/S/P (P. Varela/N. Riley) Motion to approve the appointment of Alisa Zelyonaya, as a student member of the Audit Committee.

Director Varela said she interviewed Ms. Zelyonaya, who is majoring in accounting. She is very motivated to learn and will bring much to the committee. She introduced Ms. Zelyonaya.

Alisa Zelyonaya said she transferred from Pierce College and is in her junior year. She is excited to join the committee and feels she will benefit greatly. It is a great opportunity to learn.

Motion passed 13-0-0.

M/S/P (P. Varela/D. Thompson) Motion to approve the appointment of Eduard Martirosov, as a student member of the Audit Committee.

Director Varela said Mr. Martirosov was a great candidate and is very motivated. She introduced him to the board.

Eduard Martirosov said he is in his fourth year and is majoring in accounting. He said it will be a good opportunity to gain experience in the field. He also looks forward to leadership experience and getting more involved on campus.

Motion passed 13-0-0.

B. 6 & 6 Budget Report

Motion from the Finance Committee to accept the 2013-2014 Second Quarter Budget Report.

Joe Illuminate, Associate Director, Finance and Business Services, addressed the board and began his report. The USU does a thorough budget review every quarter. The second quarter budget report is for the quarter ended December 31, 2013. The term "6 & 6" means six months of actual data and six months of projected data. The optimal operating range is 50% of the yearly budget although operating limits from 45% to 55% are acceptable. The percentage for any particular revenue or expense category is computed by taking the actual revenue or expenditure amount and dividing it by the revised budget amount for that category. The percentage indicates the total amount of revenue received or the total amount of expenditures incurred (when compared to the revised budget) for any particular period.

In January 2014, the USU completed a five-year financial analysis comparing actual revenues and expenditures with 9&3 budget revenue and expenditures for fiscal years 2008-09 through 2012-13.

The analysis revealed that actual revenues were in alignment with budget revenues. However, actual expenditures were 4.46% lower than budget expenditures for the five year period with the result that actual surpluses were significantly greater than the budget by each fiscal year end.

The five year pattern has continued into the second quarter of the 2013-14 fiscal year. As of November 30, 2013, the actual surplus of \$719,340 exceeded the budget surplus of \$20,905 by \$698,435.

In order to reverse this trend, department managers were requested to identify expenses for the 6&6 budget report that would truly not be expended by fiscal year end. In prior years, department managers were naturally reticent to decrease their budget expenses for fear of running out of funding. In order to alleviate this concern, budget managers were assured that any additional funds required during the second half of the fiscal year would be provided as long as there was sufficient justification.

Statement of Activities as of 12/31/2013: Change in Net Assets (Net Surplus)

For the 6&6 budget, department managers were successful in increasing budget revenue and decreasing budget expenditures resulting in a budget surplus of \$674,199 that exceeds the actual surplus of \$620,390 by \$53,809.

Statement of Activities as of 12/31/2013: Revenues

Net budget revenue is projected to increase by 1.1% or \$140,926 and is well within the operating range at 50.5%.

Statement of Activities as of 12/31/2013: Expenditures

The 6&6, total expenditure budget was reduced by 4.1% or \$523,586 when compared to the approved expenditure budget. Total expenditures are well within the operating range at 48.2%.

Expenditure Categories below the Operating Range

The only expense categories that are below the optimal range are General Operating Expenses (41.0%); Travel (33.5%); and Reserves (21.5%).

General Operating Expenses are below the operating range because the Program Food Costs expense line item is only 12.5% of the operating range. Invoices from TUC were received late and were not recorded until January. The balance of this line item will be expended when Sunny Days begins in June 2014.

Travel is below the operating range because travel for the AOA, NIRSA, and ACUI conferences does not take place until the third and fourth quarters.

Reserves are below the optimal range because there are still \$100,000 of unallocated reserves remaining and an administrative contingency budget of \$97,500 for purchases of furniture for lounges, meeting rooms, and the Santa Susana Room are scheduled to take place before fiscal year end.

Statement of Financial Position

Total assets include \$8,099,722 in cash on hand in USU bank accounts and money market funds. Total liabilities include \$1,054,844 for post-employment benefits. The robust total net asset figure indicates that the USU in a financial position to manage unexpected economic events or to take advantage of potential opportunities to expand programs.

Investment Report

\$381 of interest income has been earned on cash balances of \$7,882,927 invested in conservatively 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 budget for working capital reserves was reduced by \$370,000 to \$100,000 as described earlier in this report. The only working capital reserves utilized was a \$4,950 donation to the Red Cross for the victims of Typhoon Haiyan.

Designated reserves in the amount of \$119,084 were transferred to the operating fund during the second quarter to cover staff bonus payments. Additional transfers will be made in the third quarter to cover retroactive pay raises for eligible staff employees.

Total capital outlay expenditures for the fiscal year total \$34,633 in equipment purchases. \$45,778 designated for technology lounge furniture will not be expended this fiscal year because the future direction of the technology lounge will not be decided until 2014-15.

Work Study

The USU has a balance of \$30,885 in the work study account which will be spent in its entirety by fiscal year end.

There was no further discussion.

Motion passed 13-0-0.

C. Wellness Center Supplemental Funding

Motion from the Finance Committee to approve supplemental funding in the amount of \$281,700 for the Wellness Center.

Jack Raab, Associate Director, Operations and Services, addressed the board and said that back in April, 2013, the USU BOD approved \$4,143,000.00 for the construction of the Wellness Center. It was based upon information contained in the April 12, 2013 CPDC2-7, the design of the project, and the feasibility study concluded in April, 2013. Since that time, LPA has refined the cost to more accurately reflect the needs of the facility and updated the original CPDC2-7 to \$4,424,700.00, resulting in an increase of \$281,700. There were many factors involved:

- ❖ Address the need to renovate the entry court area (the area between the elevator and the front doors of the Wellness Center):
 - Position of the elevator tower and additional excavation
 - Provide finishes to the entire entry court area
 - Add paving, and address the existing stark concrete walls by introducing wood siding to soften the first image of the Wellness Center
- ❖ Adjust the cost for the metal skin around the elevator
- ❖ Modify the exterior finish of the interior doors and glazing from traditional aluminum frames to wood frames
- ❖ Clearly define the interior finishes and add more wood finish in lieu of painted gypsum board to be consistent with the overall design elements
- ❖ Based on the East Conference Center Renovation, adjusting the equipment costs, such as A/V equipment to more accurately reflect current market prices
- ❖ Add built-in millwork to the six counseling rooms – more than originally estimated in the Feasibility Study
- ❖ Upgrade the garden area with the following features:
 - The fireplace (fire pit) size was increased substantially
 - The canopy on the south side, just outside of the Wellness Center was modified to wood
 - Add concrete seat wall at the fireplace

The breakdown is as follows:

Entry Court	\$ 45,480
Wood Siding at the Concrete Walls	\$ 35,734
Elevator metal panel skin	\$ 19,494
Interior Finishes – wood finishes	\$ 45,480
Wood Framed glazing enhancement	\$ 23,390

Additional built-in millwork	\$ 23,390
Additional Equipment Cost	\$ 60,141
Landscape (Garden modifications)	<u>\$ 28,591</u>
Total	\$281,700

Director Ruelas-Bischoff inquired as to why the original estimate, dated April 12, 2013, on the CPDC form 2-7 was significantly lower than the current estimate on the updated CPDC form 2-7 dated January 16, 2014. Raab responded that the original estimate was based on the proposed design developed in the feasibility study. The current estimate was reflective of the finished design taking into account items that were not originally included in the feasibility study, such as the entry court, entry court finishes, the new elevator tower, and other design elements throughout the facility, such as wood finishes for the private room casework.

Motion passed 13-0-0.

D. New Regular Position – Manager, Membership Services & Aquatics, Student Recreation Center

Motion from the Personnel Committee to approve the new Regular Employment Position of Manager, Membership Services and Aquatics.

Director Rathje said that a new position was recommended to assist in streamlining operations in the Student Recreation Center (SRC). It will allow the SRC to run more efficiently. There will be fewer people reporting to Jimmy Francis, the SRC Director.

Director Hammond said we need to reduce the scope and level of responsibilities for our Management Team (MT) members to four direct reports and not five or more. The distribution of the workload has been unequal which resulted in too many people to manage. It also allows promotional opportunities for current staff members.

Motion passed 13-0-0.

E. USU Relocation Policy

Motion from the Personnel Committee to approve the Relocation Expense Reimbursement Policy.

Director Rathje said that the majority of new regular hires are local to Southern California; this policy is being recommended to provide parameters for expense reimbursement for candidates recruited from other parts of the state and/or country.

Director Hammond said that as a condition of the reimbursement, a new hire must retain their employment with the USU for a minimum of 24 months. If the new hire leaves, they must reimburse the USU according to a schedule: 100% if employed six months or less; 75% if employed six months and 1 day to 12 months. The relocation expenses will be negotiated at the time an offer is made. We have been reimbursing people who relocate to work with us, but a policy was needed.

Director Ruelas-Bischoff asked if benchmarks were used or if other CSU's were contacted. Kristen Pichler, Human Resources Officer, responded saying that other CSU campuses were contacted and only a few had a relocation policy in place. She then contacted moving companies and found the expenses were far in excess of \$10,000.

Further discussions included if certain positions were eligible for reimbursement or are all positions eligible. It is at the Executive Director's discretion. There is no California, CSUN or human resources law regarding the reimbursement of an employee who relocates for his/her job. Everything is stipulated before an employment contract is signed. Employees who must leave their position prior to 24 months can appeal a decision. There must be extenuating circumstances and the decision would be made on a case by case basis.

Motion passed 13-0-0.

XII. Discussion Item

A. Board Recruitment

Joseline Cubas, Board Graduate Assistant, talked to the board about recruitment. She passed around flyers to the board entitled "Recruitment Talking Points" and reviewed the points with the board. Filing applications for the board's five positions opened today. The applications are available on-line and also at the reception desk in the Sol Center. The election application filing period began today - February 17 and ends Wednesday, March 12 at 5:00 p.m. There will be a Candidate Meeting (mandatory) Thursday, March 13, 5:00 p.m. in the USU Conference Room, Sol Center. Candidate Statements are due Friday, March 14, by 4:00 p.m. and must be sent via email to joseline.cubas.637@my.csun.edu. Election dates are: Tuesday: April 1 and Wednesday, April 2, beginning at 8:00 a.m. – 7:00 p.m., online or in front of the Oviatt; the SRC; and the Matador Bookstore.

XIII. Announcements

- Director Sherrill thanked the board for their generosity for donating to his mentor's daughter.

XIV. Adjournment

The meeting was adjourned by Chair Johnson at 1:57 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director