

**UNIVERSITY STUDENT UNION, INC.  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
BOARD OF DIRECTORS  
FEBRUARY 18, 2013  
MINUTES**

**I. Call to Order**

The regular meeting of the USU BOD was called to order at 12:32 p.m. by Chair Sabrina Lockey.

**II. Roll Call**

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Myles Adkins		Jimmy Francis	Sven Saaretalu
Shoorideh Asgari		Kristie Godfrey	Tanesha Young
Shelley Ruelas-Bischoff		Jeremy Hamlett	
Tiffany Castellanos <i>(arrived at 12:50 p.m.)</i>		Joseph Illuminate	
Sharon Eichten		Shannon Krajewski	
Adan Garay		Kevin Lizarraga	
Debra Hammond		Carol Nardini	
Collin Johnson		Jonathan Navarro	
Shahtaj Khan			
Marianne Link			
Sabrina Lockey			
Chenice Rand			
Nicole Riley			
Tonee Sherrill			
Demontae Thompson			
Perlita Varela			
Ivor Weiner			

**III. Approval of Agenda**

M/S/P (S. Khan/M. Adkins) Motion to approve the agenda of February 18, 2013.

*Motion passed 14-0-0.*

**IV. Approval of Minutes**

M/S/P (C. Johnson/N. Riley) Motion to approve the minutes dated January 28, 2013.

*Motion passed 14-0-0.*

**V. Open Forum**

None.

**VI. Chair's Report**

Chair Lockey said that an emergency meeting will be necessary for the board to approve the USU Revised Financial Plan/Delay in Operational Fee Increase. The issue must be heard by the board prior to the next Student Fee Advisory meeting on March 11. Lockey asked the board if they had time on March 4 for an emergency meeting which would take no more than a half an hour. It was decided that Carol Nardini, Administrative Assistant to the Executive Director, would send out a Doodle notice to poll the board for the best day and time to hold the meeting. Lockey congratulated the committee chairs and said she was proud of all the time they are putting in to their committees. She congratulated Director Kahn for chairing the ad hoc Bylaws Committee. Director Kahn said that an e-mail was sent recently to students asking if they would be interested in volunteering to sit on the Bylaws Committee. Directors Thompson, Varela and Asgari have already volunteered to sit on the committee along with Kara Smith, the USU's Account Receivables Technician.

## **VII. Vice Chair's Report**

Vice Chair Thompson thanked the board for all of their hard work. He attended CSUNopoly in the Plaza del Sol in conjunction with the Financial Aid department. Financial literacy and resources were available to students, along with new tools on the Financial Aid loan calculators. Hot Dog On-a-Stick was also there serving over 800 students. Matadors for Equality hosted an interactive student game entitled "Wheel of Consumerism" which focused on empowering students as informed consumers. Director Lockey reminded the board about the issues with Chic Filet last year. Matadors for Equality gave us an opportunity to learn more about companies and the different groups they publically support. Camp Pride recently sent a letter to Director Hammond talking about this issue. The owner of Chick-Fil-A said they have changed the groups they have been donating to over the last nine months as a result of the awareness we brought to their attention because of a group they supported. Chic-Filet is still committed to their values, but do not want to offend anyone. They no longer donate to the Exodus Group. Seven board members will be leaving in May. Recruitment will begin soon. Student board member's whose terms are up can run again.

## **VIII. Executive Director's Report**

Director Hammond said that the Sunny Days Camp Web site is now live and parents are beginning to enroll their children for summer 2013. The camp fills up quickly. The number of students who are taking part in Tuesday Talks held at the Pride Center continues to grow. The students write down a subject of interest to them and put it in a hat. The subjects are drawn and discussed in a group setting. USU staff and students are attending conferences in March including ACUI (Association of College Unions International), ACPA (American College Personnel Association) and NIRSA (National Intramural-Recreational Sports Association).

Vice Chair Thompson said that he attended the last Tuesday Talks at the Pride Center and said it was phenomenal. The level of conversation was awesome. He encouraged board members to attend one.

*Director Castellanos arrived at 12:50 p.m.*

## **IX. A. S. Report**

Director Garay said that CSSA (California State Student Association) will be on campus March 15, 16, and 17. Garay said that he knows of a student who recently was questioned about her sexuality and was offended. The student went to the Pride Center and found comfort and acceptance.

## **X. Committee Reports**

- Facilities & Commercial Services – Chair Varela said the committee had its first meeting of the semester recently. Each member will administer 25 surveys. Varela thanked Vice Chair Thompson for his help with the survey. The next meeting is March 7.
- Finance Committee – Chair Johnson said that all the action items on the board's agenda are from the Finance Committee. Sven Saaretalu will present two of the items.
- Personnel Committee – Chair Adkins said that at the committee's first meeting they evaluated goals and progress made. It was decided to remove one goal that is being handled by the Finance Committee.

## **XI. Action Items**

### **A. Second Quarter Budget Report (6 & 6)**

Motion from the Finance Committee to accept the 2012-2013 Second Quarter Budget Report.

Collin Johnson addressed the board and reviewed the budget report. The USU does a thorough budget review every quarter. The Second quarter budget report is for the Second quarter ended December 31, 2012. The term "6 & 6" means 6 months of actual data and 6 months of projected data.

This report reflects financial operations for the six month period ended December 31, 2012. 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 expended (when compared to the revised budget) at any particular point in time.

### **Actual Change in Net Assets (Budgeted Surplus)**

The *actual* change in net assets of \$912,093 is \$667,571 greater than the projected net assets of \$244,522. The reason for the large variance is that projected revenues are approximately 50.5% to budget whereas projected expenditures are only 43.9% to budget. The financial impact of expenses being significantly below the optimal range is \$726,610.

**Reasons why Expense Categories are below the Optimal Range**

The USU budgeting process (which is similar to most organizations) is to be conservative in the budgeting of revenues and expenses. This process sometimes results in revenues being at or above the operating range and expenses below the operating range.

**Repairs & Maintenance (36.6%)**

Major repair projects such as rekeying the USU; new carpet for the East addition; Northridge Center electrical work; and painting the Grand Salon have been completed or are scheduled to take place the second half of the fiscal year.

**Student Salaries (44.3%)**

Students are typically budgeted for 20 hours per week but sometimes do not work their scheduled hours per week. Also, there is turnover among student employees which means budgeted positions remain unfilled for a period of time.

**Utilities (39.1%)**

This category is below the operating range because electricity, water, and natural gas usage are below projections. The reason is that when the utilities budget was formulated for the SRC, there was not any actual data to use for budgeting purposes. Also, energy saving conservation measures that are in place has also contributed to keeping expenses low. An analysis will be done by the Maintenance Department to determine if budgeted funds can be returned to the bottom line by the time the third quarter budget report is issued.

**Reserves (21.3%)**

Another factor that magnifies the variance between the actual and budget surplus is the amount of reserves that have not been expended. For example, \$70,547 of the \$330,993 reserves budget has been utilized as of 12/31/12. The purpose of unallocated reserves is to have funds available for unexpected financial contingencies. Also, to have funds available to expand existing successful programs or to consider developing new programs that meet student demand.

**Supplies & Services (43.7%)**

Office supplies, program costs, operational supplies, and especially contract services are below the operating range. Contract services expenses for the energy management system and SRC elevator service did not materialize because they are still under warranty. Also, the annual maintenance of the SRC gym floors did not occur until January. An analysis will be done by the Maintenance Department to determine if budgeted funds can be returned by the time the third quarter budget report is issued.

**Benefits (45.5%)**

Although the budget for benefits was reduced during the quarter by \$169,226, overall expenditures are at the low end of the operating range. The budget assumption for benefits is that all staff employees are eligible for and will receive employer-benefits. This is usually not the case due to staff vacancies and some staff members in temporary positions which are not eligible for benefits.

The budget for postretirement benefits was reduced by approximately \$100,000 based on an updated actuarial study completed after the 12/13 budget was approved.

**Travel (23.8%)**

Travel is significantly below the optimal range because the AOA, NIRSA, and ACUI conferences do not take place until second half of the fiscal year.

**Revenues**

Projected revenue has increased by \$51,752 (0.4%) and projected expenditures have decreased by \$85,163 (-0.7%). As a result, the budget surplus is projected to increase by \$136,915 from \$107,607 to \$244,522.

**Expenditures – Salaries & Benefits**

Projected salaries and benefits are within the optimal range at 47.0%. However, the overall budget for salaries and benefits is projected to decrease by 2.2% or \$153,285.

**Expenditures – Operating Expenses**

Projected operating expenses have increased by \$68,120 or 1.4%.

**Investment Summary**

The USU has earned \$268.80 in interest this fiscal year as a result of an ultra-low interest rate environment. The USU Investment Policy & Procedure requires that safety of principal and immediate liquidity take precedence over the rate of return on investments. The USU had approximately \$5,620,931 in short-term United States Treasury bills as of December 31, 2012.

**Reserves**

A total of \$210,210 of unallocated working capital reserves has been transferred to the operating budget this fiscal year.

### **Capital Outlay**

Total capital outlay expenditures for the fiscal year total \$32,328 with additional encumbrances of \$74,187.

The board adopted capital outlay budget has been reduced from \$387,292 to \$175,606 due to 1) the fixed asset definition change and 2) to the use of Campus Quality Fee (CQF) money to purchase computers for the Computer Lab (that was originally in the capital outlay budget).

It was noted that the definition of capital outlay was changed to be more in line with the university (single items, \$5,000 and above). Formerly the definition was a combination of like items that totaled \$5,000 or more.

### **Work Study**

The USU has a balance of \$13,878.53 in the work study account which will be spent in its entirety by fiscal year end.

*Motion passed 15-0-0.*

### **B. HRMS Policy & Procedure**

Motion from the Finance Committee to approval the HRMS Policy and Procedure as presented.

Sven Saaretalu, a member of the Finance Committee, addressed the board and said that the HRMS (Human Resources Management System) Policy & Procedure essentially replaces the Payroll Policy & Procedure. The HRMS policy was developed to respond to a finding in the latest internal compliance audit that the USU's Payroll Policy did not reflect actual practice as a result of upgrading to an internet-based HRMS in fall 2010. The HRMS addresses the concerns outlined in the internal compliance audit concerning overtime, employee terminations, and salary changes. The campus Internal Auditor, Howard Lutlik, has reviewed the HRMS Policy & Procedure and is satisfied that it responds to the finding in the audit. Discussion included comments about overtime. Overtime, if possible, will always be authorized by an employee's supervisor. On occasion, an employee may be asked at the last minute to stay late to finish an assignment so overtime could not be pre-authorized in that situation.

*Motion passed 15-0-0.*

### **C. Deactivation of the Payroll Policy & Procedure**

Motion from the Finance Committee to approve the deactivation of the Payroll Policy & Procedure.

Sven Saaretalu said that this policy is now obsolete. It has been replaced by the Human Resources Management System (HRMS) Policy & Procedure.

*Motion passed 15-0-0.*

### **D. USU Cash Donation Policy**

Motion from the Finance Committee to approve the USU Cash Donation Policy.

Director Johnson said that it was determined that a cash donation policy was needed when the board agreed to donate funds to the Red Cross for Hurricane Sandy victims. Director Lockey said this issue has been discussed in the past and asked the board to comment.

Director Hammond said that recently she reported to the board that the USU contributed money to Hurricane Katrina victims. Upon checking, the USU did not contribute but only collected money from different groups on campus and donated it to the Red Cross. Hammond apologized if the information impacted anyone's opinion on this matter. She also checked with several other CSU campuses and most of them do not make cash donations but the CSUN campus, specifically Associated Students, has a precedent of doing so.

Discussion included changing the last sentence of the second paragraph to clarify the language.

M/S/P (T. Sherrill/M. Adkins) amendment to the motion to replace the words "consultation with" and replace the words with "agreement with" in the last sentence of the second paragraph. The sentence would read as follows: "*Donations of less than \$5,000 may be approved by the Executive Director/designee after agreement with the USU Board Chair and Associate Vice President for Student Life.*"

Discussion ensued and board members discussed other possibilities. They agreed that the language of the policy must be transparent. It was said that A.S. has made this type of donation in the past.

M/S/P (T. Castellanos/S. Khan) amendment to the amendment to keep the word "consultation" and add "and agreement with" to the last sentence of the second paragraph. The sentence would read as follows: "*Donations of less than \$5,000 may be approved by the Executive Director/designee after consultation and agreement with the USU Board Chair and Associate Vice President for Student Life.*"

*Amendment to the amendment passed 15-0-0.*

*Amendment to the motion passed 15-0-0.*

*Motion, as amended, passed 15-0-0.*

**E. Goal Revision / Technology Lounge**

M/S/P (D. Thompson/N. Riley) motion to revise the USU BOD goals as indicated.

Vice Chair Thompson said that the board's first goal needed to be revised. *Goal 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 new language of the goal will read as follows: *The USU BOD will assist in the development of an innovative technologically advanced study space utilizing the former computer lab space.*

Three new bullet points were also added to Goal 1:

- ❖ *The computer lab space will be furnished with existing lounge furniture for student utilization in late spring, 2013.*
- ❖ *Design of the space and development of an operational plan and budget will begin in spring, 2013.*
- ❖ *Continued assessment will take place in 2013-14 for a decision about implementation.*

The postponement of this goal will allow staff to develop a potential plan and a budget for the operation of the space. Costs may be up to \$5,000 for the development of a design plan. This information is contained in the 6 & 6 financial report which was approved earlier at this meeting. Shannon Krajewski, Associate Director, Marketing & Programs, drew the board's attention to the memorandum attached to this action item, saying that the Oviatt Library is planning a major installation of the MediaScape (Steelcase) furniture for fall 2013. This is the same type of furniture the USU was considering for the Technology Lounge. We would like to wait and observe the use of this furniture before we buy the same. We also do not want to duplicate the services. More focused assessments are also needed.

Discussion included that board members thought this was a good idea to wait and maybe improve upon what the Oviatt will do. Director Hammond said that we will be able to move furniture into the space in six to eight weeks after the order is placed so the room will not be completely empty. There was discussion regarding if there should be a grand opening. There are new types of Smart white boards available that need to be considered. Director Weiner said that he did some looking and Harvard and Johns Hopkins have innovative labs. They are places for students to work on projects collaboratively. He suggested that board members should conduct their own research to obtain additional information from different sources.

*Motion passed 15-0-0.*

**XIV. Announcements**

- Kevin Lizarraga, Marketing Manager, handed out flyers. He said that there will be seven open seats on the board. Recruitment is underway and Kevin said the board needs to spread the word. Kevin asked board members to post the following on the USU Facebook Fan Page (facebook.com/usu.csun), Instagram (csun\_usu), or Twitter (CSUN\_USU) accounts by March 1, 2013: ***Now that I'm a USU Board of Director, I am able to...; I joined the USU Board of Directors because I wanted to...; You should consider joining the USU Board of Directors because....*** and stop by the USU Marketing Department and show your 3 posts to receive a limited edition CSUN Shine t-shirt.
- Vice Chair Thompson passed out a preparation checklist of recruiting strategies on cards to be put on a key ring. This will enable board members to refer to it easily. He said he will be running for a seat on the board and wanted to be transparent about this. The strategies he suggested are for all board members to use to encourage students to run for a position on the board. He suggested that when recruiting, talk to the students, get to know them a little and tell them what your personal experience has been like. Do not immediately start talking about what they will get if they become a member. Hand out your business cards, go to clubs and organizations and invite potential leaders to attend a board meeting.
- Director Johnson suggested talking to classmates about the board, make an appointment to talk to a student and spend some time with them. Get the student's information so you can contact them.

**XV. Adjournment**

The meeting was adjourned by Chair Lockey at 2:10 p.m.

Respectfully submitted by,

Debra L. Hammond,  
Executive Director