

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
MARCH 4, 2013
EMERGENCY MEETING
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 1:00 p.m. by Chair Sabrina Lockey.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Myles Adkins	Shelley Ruelas-Bischoff	Joe Illuminate	Cynthia Gomez
Shoorideh Asgari	Tiffany Castellanos	Carol Nardini	Tanesha Young
Sharon Eichten	Debra Hammond		
Adan Garay	Marianne Link		
Collin Johnson	Nicole Riley		
Shahtaj Khan			
Sabrina Lockey			
Chenice Rand			
Tonee Sherrill			
Demontae Thompson			
Perlita Varela			
Ivor Weiner			

III. Approval of Agenda

M/S/P (S. Khan/P. Varela) Motion to approve the agenda of March 4, 2013.

Motion passed 10-0-0.

IV. Action Item

A. USU Revised Financial Plan Delay in Operational Fee Increase

Motion from the Finance Committee to approve the delay of the implementation of the \$2.00 one-time operational fee and \$2.00 inflation adjustment from taking effect in academic year 2013-14.

Joe Illuminate, Associate Director, Finance and Business Services, said the USU is proposing to delay the one-time \$2.00 operational fee increase and the \$2.00 inflation adjustment from taking effect in 2013-14. The USU is able to propose this one year fee delay due to the positive financial health of the organization projected in the February 2013 long-term financial plan.

Former President Jolene Koester approved a one-time USU \$15.00 operational fee adjustment (effective 2012/13) and a \$2.00 per academic year inflation adjustment (effective 2013/14) in a letter signed and dated October 8, 2009. These fee adjustments were considered necessary at that time in order to maintain the Debt Service Coverage Ratio (DSCR) above the minimum requirement of 1.25 for the USU's long-term financial plan. The Chancellor's Office would not have approved financing for the SRC without the President's approval of these fee adjustments. Due to favorable SRC project financing (lower than anticipated interest rates) and Build America Bonds (BABs) interest subsidies, the USU proposed to reduce the one-time USU \$15.00 operational fee adjustment to \$2.00 and delay it until 2013/14. This fee reduction and delay was approved by the USU Board, recommended by the Student Fee Advisory Committee, and approved by the Campus President in December 2011.

Director Johnson then addressed the board and said the USU updated its long-term financial plan in February 2013. As a result, we are recommending delaying the \$2.00 one-time operational fee and \$2.00 inflation adjustment from going into effect in 2013-14. The updated plan projects Ending Net Assets after Reserves of \$12,841,623 at June 30, 2019 which we believe is sufficient to manage all required cash transfers for annual debt service; repair and replacement; construction; and USU operations. Also, the proposed plan meets the minimum 1.25 Debt Service Coverage Ratio (DSCR) required by the Chancellor's Office. The range of the DSCR in the proposed plan from 2012-13 through 2018-19 is 1.42 to 1.59.

The ending net assets of \$12,841,623 proposed in the current financial plan is significantly greater than the ending net assets in the plans approved by the Chancellor's Office (May 2011) , recommended by the Student

Fee Advisory Committee and approved by the Campus President (December 2011). The decreases in projected net assets from November 2012 to February 2013 are explained in detail in the report. Since November 2012, there have been significant changes in projected ending net assets due to the lack of actual data concerning the revenues and expenses for the Student Recreation Center.

The major components of the decrease in net assets are due to the following:

- Lower student headcount projections which reduces student fee income
- Delay of the \$2.00 one-time operational fee and \$2.00 inflation adjustment
- Possible decrease in the amount of the Build America Bonds (BAB's) interest subsidy
- Increase in cash transfers to the repair and replacement fund and construction fund
- Proposed increases in ongoing salary, benefits, and operating expenses

The details of these variances are included in the Consolidated Financial Plan Variance Analysis and Financial Plan & Assumptions.

We believe the recommendation to delay for one year the implementation of the \$2.00 operational fee and \$2.00 inflation adjustment is sensitive to the needs of CSUN students in times where tuition has risen over the last several years.

Discussion ensued and directors commented on the good job done by Director Johnson and Joe Illuminate. Director Eichten answered questions regarding the CSU's current stance on student tuition fee increases. She stated that nothing definitive has come from the CSU; but per the Governor's budget the CSU will not have a tuition fee increase in 2013-14 and the Governor further recommends that CSU's not increase tuition fees for another four years. However, no decisions have been made by the Board of Trustees.

Motion passed 10-0-0.

XIV. Announcements

- Tanesha Young, Graduate Assistant to the BOD, informed the students that the filing period for the BOD Elections has begun. If your term is expiring and you are interested in running again for the board, you need to submit your application by March 11. She asked that student board members volunteer to discuss their personal experiences as board members at the Candidate's Meeting on Tuesday, March 12 at 5:00 p.m. in the Thousand Oaks Room. Those who are not returning to the board are also encouraged to share their experiences at that meeting.
- Chair Lockey thanked everyone for posting on the CSUN USU Facebook page about the elections. She has enjoyed seeing the posts and wants everyone to keep the momentum going until March 11. The board is doing a great job.

XV. Adjournment

The meeting was adjourned by Chair Lockey at 1:27 p.m.

Respectfully submitted by,

Carol Nardini,
Acting Executive Secretary
to the Executive Director

Reviewed by:

Debra L. Hammond, Executive Director