

**, UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
MAY 5, 2014
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 12:33 p.m. by Chair Collin Johnson.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Shelley Ruelas-Bischoff	Jaclyn Kietzman	Jimmy Francis	Taylor Cubas
Kandee Bracero	Diana Madueno	Jeremy Hamlett	Jonathan Wong
Tiffany Castellanos	Nicole Riley	Joe Illuminate	
Sharon Eichten	Christopher Woolett	Chris Jensen	
Jorge Guzman		Samantha Liu	
Debra Hammond		Carol Nardini	
Collin Johnson		Jonathan Navarro	
David O'Neill		Kristen Pichler	
Gavan Rathje		Jack Raab	
Tonee Sherrill			
Demontae Thompson			
Perlita Varela			
Ivor Weiner			

III. Approval of Agenda

M/S/P (T. Castellanos/D. Thompson) Motion to approve the agenda of May 5, 2014.

Director Varela said that a discussion item needs to be added to the agenda.

M/S/P (P. Varela/D. Thompson) Amendment to motion to add one discussion item to the agenda: Discussion Item B – Executive Session – Legal Matter (Closed Session).

Amendment to motion passed 11-0-0.

Motion, as amended, passed 11-0-0.

IV. Approval of Minutes

M/S/P (P. Varela/T. Castellanos) Motion to approve the minutes dated April 14, 2014.

Motion passed 10-1-0.

V. Open Forum

Jimmy Francis, Student Recreation Center (SRC) Director, said that staff and students from the SRC attended the NIRSA (National Intramural-Recreational Sports Association) annual conference in Nashville, Tennessee recently. All of the attendees had a great time and benefited from the experience.

VI. Chair's Report

Chair Johnson read from his report and wished everyone a happy Cinco de Mayo. He recently attended both a Facilities & Commercial Services and Finance Committee meeting and was impressed by the amount of knowledge possessed by the committee members. He was not able to attend Matador Nights but heard great things about the event. He had an amazing time at the Alumni Awards ceremony and was impressed by how many distinguished alumni attended. The Year End Celebration was amazing and he thanked everyone who worked hard on the event and was amazed at all the talent at the USU. Earlier today, there was a follow-up meeting for those who attended the ACUI Annual Conference in Orlando. The attendees shared about their experiences and how it impacted them. It was amazing to see how change can be affected by the students.

VII. Vice Chair's Report

Vice Chair Varela said that two weeks remain before finals and wished everyone good luck and added that they not lose focus. She attended Matador Nights and had a great time. She and Director Bracero worked in the Wedding Chapel booth. She was surprised at how hard they had to work. It was similar to the Craft Corner booths held at the USU, and she now appreciates how much work it is to hold a Craft Corner. The Las Vegas theme was fun and she felt proud to be a part of the event. The Year End Celebration was phenomenal and everyone involved did a great job. She enjoyed the hashtag theme. She had the opportunity to meet President Harrison and Dr. Watkins. Her parents accompanied her and they enjoyed seeing the environment of the USU. She attended a Student Fee Advisory Committee meeting and was surprised at how much work goes on behind the scenes and what an impact the students on the committee can make.

VIII. Executive Director's Report

Executive Director Hammond said that Sunny Days Camp is 90% sold out for the entire summer. The camp is ACA (American Camp Association) accredited and it is a testament to the hard work done by the staff and students to keep the camp up to those high standards. The parents can feel secure knowing that their children are attending a safe and secure camp because of its high rating. Kaila Lavin, Manager of Membership and Aquatics, accepted the USU's offer of regular employment. Many programs took place and Hammond mentioned Carnival which had a "Wonders of the World" themed event. Various cultural acts were performed including Hawaiian Poet Laureate Kealoha, who was incredible. Hammond is chairing a Search and Screen Committee for the position of Director, Student Involvement & Development. Tom Piernik, Director, Student Development & International Programs, is retiring after 28 years with CSUN. Vice Chair Varela was selected for a two-month internship in Washington, D.C. for the Congressional Hispanic Caucus Institute.

IX. A.S. Report

No report.

X. Committee Reports

- Facilities & Commercial Services (F&CS): Director O'Neill commented that even in the rain, students were having a good time and enjoying themselves at Matador Nights. He watched people get married and there was dancing. The committee had a meeting on April 25 and talked about internal vendor space. There was also discussion about the East Conference Center lounge.
- Finance Committee: Chair Thompson said the Year End Event was amazing and that social media was everywhere. He was proud that the Board Volunteer Award was given to a member of his committee for the second year in a row.
- Personnel Committee: Chair Rathje said the committee should accomplish all of their goals. The Student Assistant Wage Compensation Policy is an action item on the agenda today.
- Retirement Committee: Chair Varela said the committee will hold the last meeting of the year soon.

XI. Action Items

A. USU Reserves Policy & Procedure

Motion from the Finance Committee to approve the revisions to the USU Reserves Policy & Procedure, as presented.

Director Thompson read the motion and stated that said revisions to the USU Reserves Policy & Procedure were necessary to address how to handle reserves in the USU's revenue fund in addition to the USU's operating fund.

CSU Executive Order 994, Financing & Debt Management Policy requires auxiliaries like the USU to maintain reserves and financial resources set aside for future or potential use. These reserves can either be designated for a specific purpose or unallocated to handle adverse economic or financial events. Reserves in the revenue fund are incorporated into the USU's long-term financial plan.

There are three types of reserves required in the revenue fund by CSU Executive Order 994:

1. Major Maintenance & Repair/Capital Renovation and Upgrade
2. Working Capital/Catastrophic Reserve
3. Capital Development for new projects

The policy also stipulates that the following operating fund reserves will be identified during the annual budget development process:

1. Unallocated Working Capital Reserves - 3.5% to 5.0% of the total operating fund expenditure budget.
2. Salary & Benefits Pool
3. Board Designated Reserves

According to Executive Order 994, reserves are to be evaluated to ensure that reserves are adequate. The reserves for the revenue fund must be evaluated at least once every three years and the reserves for the operating fund are evaluated annually during the budget process.

Motion passed 11-0-0.

B. Annual Audit Fee Approval Process

Motion from the Audit Committee to approve that the committee must meet and consider increases in the annual audit and tax information return preparation fee only if the fee increase exceeds the previous year's fee, or a previously approved subsequent year's audit fee schedule, by more than 5%. Fee increases of 5% or less may be approved by USU Management.

Taylor Cubas, student Audit Committee member, provided some audit fee history as a background to why the Audit Committee should approve increases in audit fees greater than 5%.

In 2010, the USU issued a joint request for proposal (RFP) for audit and tax preparation services along with The University Corporation and Associated Students. NSBN's proposal for audit and tax services was accepted. NSBN proposed a \$17,000 initial fee for the 2010-11 fiscal year with an expected increase of 5% each year for the first 3 years. Total fees in 2011-12 were \$17,000; total fees in 2012-13 were \$17,850, with proposed fees of \$23,500 for 2013-14. The 2013-14 fee represented a 31.7% or \$5,650 over the previous year's fee.

NSBN Senior Manager, David Haygood, explained since the USU and NSBN were in the option year of the agreement, NSBN took the opportunity to re-evaluate our fees and concluded that the USU was not being charged equally as its other nonprofit clients.

J. Illuminate explained that in spite of the 31.7% increase, the \$23,500 fee for 2013-14 was still competitive when compared to fees charged by two previous audit firms over the last ten years. Previous firms' audit fees ranged anywhere from \$20,000 to \$26,000.

J. Illuminate added that the USU along with The University Corporation and Associated Students would issue another RFP for audit and tax preparation services for the 2014-15 fiscal year, because NSBN does wish to pursue obtaining more GASB (Government Accounting Standards Board) clients in order to demonstrate proficiency in GASB audits. CSU Policy 13175.00 Auxiliary Organization External Auditor Firms Qualifications requires firms that audit CSU auxiliaries must demonstrate proficiency in GASB audits by having GASB clients. Since this policy has been effect, it has been necessary for NSBN to obtain conditional approval from the Chancellor's Office in order to perform their audits.

Motion passed 11-0-0.

C. 2013-14 Audit Fee

Motion from the Audit Committee to accept NSBN's fee of \$23,500 for audit and tax information return preparation services for the 2013-14 audit.

Taylor Cubas reiterated that NSBN's proposed fee of \$23,500 is still competitive when compared with similar audit firms.

There was no discussion.

Motion passed 11-0-0.

D. HR Policy: Student Assistant Employee Wage Compensation

Motion from the Personnel Committee to approve an updated Student Assistant Employee Compensation Policy and Classification and Wage Range Schedule (Schedule), effective June 22, 2014.

Director Rathje said the Impact of California minimum wage increase has been budgeted as part of the annual budgeting process. Effective July 1, 2014, the California Minimum Wage will increase from \$8.00/hour to \$9.00/hour. As a means of addressing the minimum wage increase, the USU has developed an updated policy regarding Student Assistant Employee Compensation, including an updated Student Assistant Classification and Wage Range Schedule. As part of the policy, student assistants who are currently employed as of June 22, 2014 (the first date of the pay period in which the minimum wage increase occurs), will receive either an increase in

compensation to the bottom of the range of their new classification, or a 15 cent increase, whichever is greater. Supervisors will also have greater flexibility with respect to starting wage and rewarding exceptional performance.

Director Hammond said that this policy is a great accomplishment and lauded Kristen Pichler and the Personnel Committee for their efforts, regarding the development of this policy. The USU needs to be somewhat similar with the University and Associated Students, but also competitive. Preparation done now will make it easier to transition when a second scheduled minimum wage increase occurs on January 1, 2016 to \$10.00 per hour.

Motion passed 11-0-0.

E. Sol Center 2nd Floor Space

Motion from Facilities & Commercial Services Committee (F&CS) to keep the Sol Center second floor lounge space as a quiet study lounge and to purchase new furniture during the 2014-15 fiscal year, (2014-15 budget proposal currently has a \$81,150 line item for this space).

Director O'Neill reviewed the background and said that eight Facilities Committee members surveyed 150 CSUN students on campus with iPads. After conducting an assessment in March of 2014 regarding the proposed use of the Sol Center second floor lounge space (formerly the computer lab space) the F&CS Committee recommended retaining that space as a quiet study lounge. The committee also recommended replacing existing worn furniture with new furniture appropriate for use in a quiet study lounge during the next 2014-15 fiscal year.

Jack Raab, Associate Director, Operations & Services, said there is \$81,150 designated to purchase new furniture. Raab fielded questions and board members commented on the current furniture saying that it is comfortable but looks worn. Raab said that he would come back to the board with a quote for furniture at a future board meeting.

Director Thompson called the question.

Motion passed 11-0-0.

XII. Discussion Items

A. Committee Chairs – Year End Reports

Shannon Krajewski, Associate Director, Marketing & Programs, said that year-end reports will be due for the June 9 annual meeting. Carol Nardini, Administrative Assistant to the Executive Director, will send out the form to the Committee Chairs.

B. Executive Session – Legal Matter (Closed Session)

M/S/P (T. Castellanos/D. Thompson) motion to go into closed session at 1:48 p.m., with one caveat, Jimmy Francis, Student Recreation Center Director (SRC), will remain in the room.

Motion passed 10-0-1.

Director O'Neill left at 1:50 p.m.

M/S/P (P. Varela/T. Castellanos) motion to exit from closed session at 2:10 p.m. and return to the regular meeting.

Motion passed 10-0-0.

XIII. Announcements

- Jimmy Francis, SRC Director, said that the energy pod, planned for the new Wellness Center, would be available for a demonstration from May 9–16 in the SRC lobby.
- Director Ruelas-Bischoff said Vice President of Student Affairs, Dr. William Watkins, was honored at the Hope Community Development Center event recently. It was a beautiful evening and many wonderful speeches were made in Dr. Watkins' honor. *Explore CSUN* took place last week, over 5,000 incoming freshmen and their family and friends were on campus. CSUN is becoming the first choice for high school graduates. She wished everyone good luck during finals week.
- Director Sherrill thanked the USU for their support in honoring Dr. Watkins at the Hope Community Development Center event over the weekend. Dr. Watkins was thrilled to see that the USU had purchased a table for the event.

XIV. Adjournment

The meeting was adjourned by Chair Johnson at 2:18 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director