

UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
May 9, 2011
MINUTES

I. Call to Order

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

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Elizabeth Awad	Sally Spencer	Matthew Eickhoff	Shaina Campbell
Robert Barker		Jimmy Francis	Helen Cox
Adrian Boluarte-Chong		Jeremy Hamlett	Carlos Hernandez
Luis Carbajo		Joe Illuminate	Maziar Khosrabi
Andrew Collard		Aida Johnson	Gayle Lawrence
Debra Hammond		Sharon Kinard	Samantha Tata
Marianne Link		Shannon Krajewski	Franck Vigneron
Kenneth Melcombe <i>(arrived at 12:40 p.m.)</i>		Samantha Liu	
Sigourney Nunez <i>(arrived at 12:47 p.m.)</i>		Kevin Lizarraga	
William Overvold		Carol Nardini	
Raquel Padilla		Jonathan Navarro	
James Pilkington			
Sydni Powell			
Zachary Roof			
William Watkins <i>(arrived at 1:27 and left at 2:04 p.m.)</i>			

III. Approval of Agenda

M/S/P (W. Overvold/E. Awad) Motion to approve the agenda of May 9, 2011.

Motion approved by general consensus.

IV. Approval of Minutes

M/S/P (S. Powell/A. Boluarte-Chong) Motion to approve the minutes dated April 25, 2011.

Motion approved by general consensus.

V. Open Forum

Joe Illuminate, Associate Director, Business and Finance, introduced Gayle Lawrence and Maziar Khosrabi from the Matador Bicycle Shop student consulting team from the Small Business Institute, College of Business and Economics, and with Professor Franck Vigneron, the team’s advisor. Business students collaborated with engineering students to produce this report which was then presented to the board. The team fielded questions with discussion and comments. CSUN faculty member Helen Cox was also in attendance.

Director Melcombe arrived at 12:35 p.m.

Discussion included that the primary market for renting bicycles on campus were students ages 18–24. Freshmen and international students make up the largest groups of students who rent bikes. The team looked at many factors, including distance from campus, housing on campus, and bike rental shops located close to CSUN. The fee for a semester is the cheapest rate of rental. Renting a bike for a semester means the bike is taken home. They also said that when they looked at other college campuses and anyone who rented a bike (staff, faculty, students) had to sign a waiver. Penalties for not returning the bike or paying fees for the bike included not being able to register for classes, or graduate until the bike was returned or paid for. They expected the bike shop to be profitable in its fifth year. Plans for more bike lanes around campus are underway. The USU ran a bicycle rental/repair program called *Spokeworks* in the late 1980’s and early 1990’s, but its success was marginal and after the 1994 earthquake it closed permanently.

VI. Chair's Report

Director Carbajo said that Director Powell has resigned from the board to take effect on May 30 when she will begin her duties as the Associated Students Vice President. The Interview Committee is conducting interviews to fill the vacancies on the board and will be on the agenda in June. The Year-End Celebration took place last Friday and was a spectacular event.

Director Nunez arrived at 12:47 p.m.

VII. Vice Chair's Report

Director Collard said that the Year-End Celebration was great and thanked all who were responsible for putting it on. He reminded everyone about Up All Night during finals week.

VIII. Executive Director's Report

Director Hammond referred to her report and said that Sunny Days Camp is currently sold out. The Auxiliary Organization Unemployment Insurance Trust (AOUIT) voted to dissolve the Trust at its last quarterly Board Meeting. AOUIT is the organization that pays unemployment claims on behalf of auxiliary employees. The dissolution of the trust will allow auxiliary members to join the newly created Auxiliaries Organizations Risk Management Alliance (AORMA) Unemployment Insurance Program (UIP). The advantage of the AORMA UIP for the student union is that the UIP requires a financial safe level only two times the amount of estimated claims whereas AOUIT requires a safe level of six times the amount of estimated claims. The UIP can require a safe level of two because it has access to larger amounts of capital than AOUIT. The USU will be receiving a refund of approximately \$107,000 in premiums as a result of the dissolution of AOUIT.

IX. A.S. Report

No report.

X. Committee Reports

Director Carbajo asked the committee chairs to report:

- Facilities Committee: Chair, S. Powell, said that the committee will hold their last meeting of the semester at 3:00 p.m. today.
- Finance Committee: Chair, J. Pilkington said the board will be voting on the budget today.
- Personnel Committee: Chair, E. Awad said that the committee will hold their last meeting this Wednesday.

XI. Action Items

A. Bicycle Co-Operative Proposal

Director Carbajo said the motion is already on the table. The main motion was not voted on at the April board meeting, only the amendment was voted on. The motion, as amended, now reads as follows: to allocate the former Digital Plus 1-Hour Photo location for use as a Bicycle Co-op contingent on Campus Quality Fee (or other) funding for any required tenant improvement and/or lease costs and a plan for renovation and occupancy no later than December 2011. There was no further discussion.

Motion passed 12-0-0.

B. 2011-2012 USU Operating, Reserves, and Capital Outlay Budgets

Motion from the Finance Committee to approve the Fiscal Year 2011-2012 USU budgets with the allocations enumerated. Operating Budget: Revenues - \$10,369,213; Expenditures - \$10,358,972; Change in Net Assets - \$10,241. Reserves Budget: Working Capital - \$500,000; Administrative Contingency - \$194,934; Total Reserves - \$694,934; Capital Outlay Budget: \$327,383.

Director Watkins arrived at 1:27 p.m.

The USU's budget is based on the most recent state budget financial information made available by the University. Any mandated decreases in student headcount would have a negative financial impact on student fee revenue. If the Chancellor's Office mandates that student headcount be decreased, the USU will make reductions in expenses to correspond to any reductions in student fee revenue during the 2011-12 second quarter budget review.

Director Pilkington addressed the board and presented the highlights:

The USU is proposing a change in consolidated net assets (surplus) of \$10,241. Proposed consolidated revenues are \$10,369,213 and proposed consolidated expenditures are \$10,358,972. Revenues are projected to

increase by \$2,775,644 (36.6%) due to an increase in student fees and revenue that will be generated by the SRC. The 41.5% increase in student fees is attributable to the opening of the SRC for six months of the fiscal year.

Sublease income is projected to decline by \$210,270 (-25.3%) due to a decrease in the General Services Administration's (GSA) lease rate from \$2.08 per square foot to \$1.12 per square foot. We are negotiating with the University about this rate.

The \$31,090 (11.5%) increase in program income is attributable to the Summer Camp program and the \$9,480 decrease in interest income to \$520 is due to ultra low interest rates on safe investments. Expenditures are projected to increase by \$2,778,216 (36.6%) of which \$1,641,024 is related to staff salaries, student wages and corresponding benefits.

Staff salaries are expected to increase in total by \$610,090 (28.4%) as USU professional staff is expanding by thirteen (13) positions. Student wages are expected to increase by \$820,729 (77.5%) of which \$675,922 is budgeted directly in the SRC.

There is a onetime increase of \$68,011 in student wages for the Fitness Centre because the USU is taking over the financial and operational control of the Fitness Centre.

Total SRC related operating expenses are projected to increase by approximately \$1,153,730 which accounts for almost the entire increase in operating expenses from fiscal years 2010-2011 to 2011-2012.

Approximately 48.1% of the increase in operating expenses is attributable to reserves and administrative contingencies which will be detailed in the Reserves section. Utilities account for 22.4% of the total; repairs and maintenance 11.4%; Supplies & Services 10.2%; and General Operating Expenses accounting for 5.3% of the total.

Reserves are provided to meet the potential and anticipated business needs of the USU per the USU's Reserve Policy. The USU is requesting working capital reserves in the amount of \$500,000 and administrative contingency reserves in the amount of \$194,934.

The USU is not requesting any DBMER repair and replacement projects. The projected DBMER cash transfer from revenue fund is \$1,000,000 for fiscal year 2011-2012.

Motion passed 13-0-0.

C. Resolution 10-11-2 – Unemployment Insurance Program

M/S/P (A. Collard/W. Overvold) Motion to approve Resolution 10-11-2 authorizing the USU to join the California State University Risk Management Authority (CSURMA) Auxiliaries Organizations Risk Management Alliance (AORMA) Unemployment Insurance Program (UIP).

Joe Illuminate, Associate Director, Finance and Business Services, said that Director Hammond covered this matter during the Executive Director's report. Illuminate asked if there were any questions or concerns and there were none.

Motion passed 13-0-0.

D. Records Retention/Disposition Policy

M/S/P (J. Pilkington/W. Overvold) Motion to approve the Records Retention and Disposition Policy.

Sharon Kinard, Manager, Administration and Communications, said that the USU has long had a procedure for storing and destroying key corporate records but not in the form of a policy. This action is to establish a policy for the practice of retaining and disposing of corporate records to ensure compliance with California State University Executive Order 1031 (02-27-08) which established the implementation of CSU Systemwide Records/Information Retention Schedules. Establishing a policy also ensures that the designation of a vital record/information is consistent with the campus' business continuity plan.

Kinard urged the board to approve the policy. Discussion included that the student union at CSU Sacramento was chosen as an off-campus site to store copies of the USU's vital records as it is located at least 50 miles away. The USU's Technology Support Services (TSS) has recommended a cloud company to digitally store documents in case of a major disaster.

Motion passed 13-0-0.

E. Executive Director Evaluation – Closed Session

M/S/P (A. Collard/J. Pilkington) Motion to go into closed session at 1:45 p.m. and accept the Board Review Team's recommendation to accept the evaluation of the Executive Director.

Motion passed 13-0-0.

M/S/P (A. Collard/K. Melcombe) Motion to conclude the closed session at 1:58 p.m. and return to regular session.

Motion passed 13-0-0.

XII. Discussion Items

A. Revise Bylaws – Authorize Formation of Retirement Plan Committee

Joe Illuminate discussed the formation of a Retirement Plan Committee. It would place the responsibility for the USU retirement plans in the hands of those most familiar with the participants and the everyday administration of the plan. The BOD has a fiduciary duty to appoint knowledgeable members to the committee and establish an effective system for appointing the members and to monitor their performance. Formation of a retirement plan committee is a best practice.

Director Watkins left at 2:04 p.m.

Illuminate referred the board to the attached Bylaws and pointed out the suggested changes to support the creation of a Retirement Plan Committee. Discussion ensued and suggestions were made, including the appointment of a student representative from the board to chair the committee and/or be a member of the committee. That person would need to have a business or accounting background. Under Section V.A., changes to paragraph D were suggested. References to student board members on the Audit Committee were suggested by changing the language and to create a new paragraph regarding same under Section V.A.

XIII. Announcements

- Director Link said in April, CSUN attended the annual CSU Alcohol and Other Drugs Conference. The Klotz Student Health Center Alive and Well Peer Educators received the conference's 2011 Club or Organization Award for their work in the Living Well Lounge.
- Director Powell thanked the board for awarding her with the BOD Achievement Award.
- Shaina Campbell addressed the committee chairs saying that the Year-End Committee Reports are due at the next meeting of the board on June 13.

XIV. Adjournment

The meeting was adjourned by Chair Carbajo at 2:14 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director