

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
JUNE 10, 2013
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 12:35 p.m. by Chair Sabrina Lockey.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Myles Adkins	Shoorideh Asgari	Jimmy Francis	Joseline Cubas
Shelley Ruelas-Bischoff		Kristie Godfrey	Talia el-Zaatari
Tiffany Castellanos		Joe Illuminate	Jorge Guzman
Sharon Eichten		Sharon Kinard	Jaclyn Kietzman
Debra Hammond		Kingson Leung	Diana Madueno
Collin Johnson		Samantha Liu	Gavin Rathje
Shahtaj Khan		Kevin Lizarraga	Zach Roof
Marianne Link		Carol Nardini	Tanesha Young
Sabrina Lockey		Jonathan Navarro	
Chenice Rand		Jack Raab	
Nicole Riley		Jenny Soto	
Tonee Sherrill		Steven Wein	
Demontae Thompson			
Perlita Varela			
Ivor Weiner			
Christopher Woolett			

III. Approval of Agenda

M/S/P (T. Castellanos/P. Varela) Motion to approve the agenda of June 10, 2013.

Motion passed 14-0-0.

Chair Lockey said that Item XVIII on the Agenda, Chair's Report (after the Transition Ceremony), will be stricken.

IV. Approval of Minutes

M/S/P (N. Riley/T. Castellanos) Motion to approve the minutes of the May 6, 2013 meeting.

Motion passed 14-0-0.

V. Open Forum

None

VI. Chair Report

Chair Lockey said it has been a challenging year. She reviewed the board's goals: Goal 1, to assist in the planning for an innovative technologically advanced study space, was referred to the Facilities and Commercial Services Committee who will continue to develop the project during the 2013-14 fiscal year. Goal 2, the review and revision of the Articles of Incorporation were approved by the State of California in January 2013. The Bylaws were not completed and will be addressed later on in the meeting. Goal 3, the board will continue to assist in the development of the Wellness Center, which is an ongoing project.

Lockey said that it has been a pleasure and honor to serve as chair of the board. She thanked everyone for all their guidance and support throughout the year.

VIII. Vice Chair Report

Vice Chair Thompson discussed the board's future plans and goals, including enhancing the programs and services to students, and continues to assist athletics in developing school spirit. The board will continue to work on the development and implementation of the Wellness Center. The board will be responsive to Associated Students with their resolutions such as the gender-neutral restrooms.

Thompson thanked the board members and staff for all their support and guidance during the year.

IX. Executive Director's Report

D. Hammond referred to her report saying that Sunny Days Camp is 90% sold out for the summer. They held their annual open house. Campers and their families were able to meet the staff and take tours of the facility. New logo-branded trash cans and plants have been installed throughout the USU. The Fitness & Wellness Department at the SRC is piloting a new program this summer called "I Work Out." So far they have had 186 participants which far exceeded their original estimates. Participants can win prizes. The board orientation was held June 3 and was a great success.

X. A.S. Report

Christopher Woolett introduced himself as the new Associated Students (A.S.) President. He said he looks forward to working with the USU and the board.

XI. Year-End Committee Reports

- Facilities Committee Chair, Perlita Varela said the committee finished its goals except for the fifth which was not entirely completed. The SRC Turf Field was completed. But the Wellness Center will be an ongoing project in 2013-14. She thanked everyone for all their support and guidance.
- Finance Committee Chair, Collin Johnson said the committee accomplished all of its goals. He was proud of his team and thanked everyone for their support all year.
- Personnel Committee Chair, Myles Adkins said the committee finished its goals. One of the goals, the HRMS Policy, was referred to the Finance Committee. He was proud of his committee and their accomplishments and thanked everyone for all their support throughout the year.
- Ad Hoc Bylaws Committee Chair, Shahtaj Khan said that she enjoyed chairing the committee and the team worked hard during the review process. Committee members had a telephone conference with a parliamentarian expert and the USU's attorney. Both had suggestions. Additional information regarding the Bylaws will be heard later at this meeting.

XII. Action Items

A. BOD Appointments

M/S/P (T. Castellanos/S/Khan) Motion to approve the appointment of two student board members, Diana Madueno and Nicole Riley, both terms to end in June 2014, and to take effect with the seating of the 2013-2014 USU BOD, immediately following the transition ceremony.

Vice Chair Thompson said that he took part in the interview process and said that Ms. Madueno was a transfer student and exhibited leadership skills. She will be a good advocate for transfer students. Director Riley is a current board member and she spoke about getting more involved in the community and with the board's constituents.

Motion passed 14-0-0.

B. Staff Representative Appointment

M/S/P (P. Varela/N. Riley) Motion to approve the appointment of the Staff Representative, Jaclyn Kietzman, a Pre-Admissions Counselor for SOARS (Student Outreach & Recruitment), to the USU BOD whose term will end in June 2015, and to take effect with the seating of the 2013-2014 USU BOD, immediately following the transition ceremony.

Vice Chair Thompson said the process of interviewing for this position was challenging. All of the people were highly qualified. Ms. Kietzman's passion and energy were evident as she spoke of her desire to get more involved on campus.

Motion passed 14-0-0.

C. 2013-2014 Operating, Capital Outlay and Reserves Budget

Motion from the Finance Committee to: **Motion 1:** to approve the USU, Inc. fiscal year 2013-2014 capital outlay budget allocation of \$112,488; **Motion 2:** to approve the USU, Inc. fiscal year 2013-2014 reserves budget allocation of \$744,272; and **Motion 3:** to approve the USU, Inc. fiscal year 2013-2014 operating budget with projected revenues and expenses of \$12,636,788 and \$12,629,098, respectively.

Director Johnson addressed the board and said that student fee income is based on the most recent student headcount forecast and any mandated decreases in student headcount would have a negative financial impact on student fee revenue.

The 2013-14 proposed budget is prepared in accordance with the USU's long-term financial plan. The USU will only propose an operating budget where the revenues and expenses are in alignment with the corresponding revenues and expenses in the long-term financial plan.

The Student Recreation Center (SRC) has been open for over a year and has created positive energy and excitement on campus. In fact, 70% of CSUN students actually have SRC Memberships. The new SRC Recreation Field is a beautiful facility that is enhancing outdoor sports opportunities for Intramurals and Sports Clubs.

The expanded 128 seat Computer Lab is a success with students. The lab contains the latest computer and printer technology that minimizes the students' waiting time in line; allows them to print 20 pages per day for free; and allows them to print remotely and pick up their print job at the lab.

There are several other projects that are in progress or in the planning stages that will be paid for in cash.

- a. East Conference Renovation – a \$2.7 million project that will add five meeting rooms in a space previously occupied by the Fitness Centre;
- b. Wellness Center – a \$4.1 million project in partnership with the Student Health Center, University Counseling Services, and the College of Health & Human Development that will provide lounge space; sleeping areas; office spaces; student peer mentor support spaces; and therapy and consultation rooms
- c. Plaza del Sol Renovation – a \$2.5 million project in the design phase that will make the plaza a more inviting and comfortable space for students, faculty, and staff
- d. Satellite Student Union (SSU) Renovation – a study will be conducted to assess the feasibility of converting the current two story space into office space for occupation by Housing & Conference Services as part of the USU's strategic priority to determine the best use of the SSU.

CAPITAL OUTLAY BUDGET

The total 2013-14 capital outlay (fixed asset) request is \$112,488. The definition of fixed asset changed during the 2012-13 fiscal year. The current definition of a fixed asset is tangible personal property with a single unit value greater than \$5,000 that will be used in a productive capacity for more than a year. The prior definition included *groups of like items with a combined value greater than \$5,000*. This definition is consistent with the University's definition of a fixed asset.

RESERVES BUDGET

Reserves are provided to meet the potential and anticipated business needs of the USU per the USU's Reserves Policy. The USU is requesting unallocated working capital reserves in the amount of \$470,000 and designated reserves in the amount of \$274,272 for a combined total of \$744,272. Designated Reserves are allocated for a specific purpose such as staff bonuses; salary reclassifications; and salary & wage increases. Unallocated working capital reserves are unallocated funds to be utilized principally for unanticipated events; unexpected price increases; or to fund new programs and business opportunities. The proposed Reserves Budget *does not* include administrative contingencies which are reserved for one-time purchases that will not be included in the subsequent year's budget.

OPERATING BUDGET

The USU is proposing a consolidated change in net assets (surplus) of \$9,690. Consolidated revenues are \$12,638,788 and consolidated expenditures are \$12,629,098. Revenues are projected to increase by 3.4% or \$421,019. Expenditures are projected to increase by \$655,851 or 5.5%. The proposed budget is comprised of 58% salary and benefit expenses and 42% operating expenses.

DBMER REPAIR AND REPLACEMENT PROJECT REQUESTS

The USU is not anticipating any DBMER repair and replacement projects for 2013-14 at this time.

Motion 1 passed 14-0-0.

Motion 2 passed 14-0-0.

Motion 3 passed 14-0-0.

D. 9 & 3 Quarterly Budget Report

M/S/P (S. Kahn/M. Adkins) Motion to accept the Third Quarter (9&3) Budget Report as presented.

Director Johnson addressed the board and began to present the budget report.

The budget net surplus is \$1,155,630 and the actual surplus is \$1,669,686. \$226,226 or 13.5% of the surplus is attributable to the one-time incentive check received from the Los Angeles Department of Water & Power. The actual operating surplus in 2011-12 was \$1,478,205.

The large surplus is the result of higher than expected revenues and lower than expected expenditures. Total actual expenditures are only 68.2% to budget which is below the operating range. If total expenditures were at the exact operating range of 75.0%, actual expenditures would be \$781,294 higher. Actual revenue, however, is 75.2% to budget which is at the optimal operating range.

The budget for total revenue is projected to increase by 3.5% or \$427,482 during the third quarter while the budget for expenditures is projected to decrease by 4.0% or \$483,627.

One significant reason for these patterns over the last two fiscal years is because of the new SRC operation. There was little actual data available for the SRC to forecast expenditures for budget purposes. This lack of information necessitated formulating very conservative revenue and expense projections. However, actual revenues have *exceeded* expectations and actual expenses have been significantly *lower* than budgeted expenses.

The second reason for a large surplus is that expenses have been over budgeted. This is due to using a budget base with projected expenses built into it that were not expended by fiscal year end. For example, the budget for the 2012-13 fiscal year was based on the second quarter (6 & 6) approved budget from the 2011-12 fiscal year. We know from our analysis that over the last two years, expenditures incorporated into the second quarter (6 & 6) budget have been returned to the organization at the third quarter (9 & 3) budget. Again, this is attributable to the lack of actual data that was available in order to prepare the budget.

Going forward we will incorporate an analysis of the prior year's *actual* results (in addition to the current year's first and second quarter budgets) to calculate a more realistic budget base. For example, the budget base for 2014-15 will include an analysis of the actual results for 2012-13 and the first quarter (3 & 9) and second quarter (6 & 6) budgets for 2013-14. The result will be a budget base that accurately aligns projected expenses with actual expenses.

Expenditures

Total expenditures are projected to decrease by \$483,627 or 4.0% to \$11,489,620.

Expenditure Category	Amount \$	Amount %
Staff Salaries	\$(123,062)	(3.9%)
Student Salaries	(\$232,042)	(9.1%)
Amortization & Depreciation	\$(53,684)	(13.1%)
Expendable Equipment	\$189,382	185.9%
Reserves	(\$216,505)	(65.4%)
Utilities	\$(93,999)	(8.2%)

Statement of Changes in Financial Position Highlights

The most important highlight to note is the significant increase in the Cash & Equivalents and Total Net Assets categories. This is primarily a result of the actual net surplus of \$1,669,686.

Category	Current Balance 3/31/2013	Audited Balance 6/30/12	Variance
Cash & Equivalents	\$7,139,573	\$5,685,836	\$1,453,737
Total Net Assets	\$6,500,088	\$4,815,036	\$1,685,052
Net Surplus (Net Current Year Activity)	\$1,669,686	\$1,478,205	\$191,481

Investment Summary

The USU has earned \$415 in interest this fiscal year as a result of an ultra-low interest rate environment for investments that offer safety of principal and immediate liquidity. The USU's Investment Policy mandates that safety of principal and liquidity take priority over the rate of return.

The USU had approximately \$6,949,925 invested in short-term United States Treasury bills as of March 31, 2013.

Working Capital Reserves

The Board approved a \$453,200 working capital reserves budget for 2012-13. These reserves were exhausted in March with the allocation of \$88,432 for furniture for the Sol Center and various conference rooms. An increase of \$27,000 to the working capital reserves budget was made in order to have sufficient reserves to last

through the remainder of the fiscal year. The revised budget is \$480,200 [\$453,200 + \$27,000] and the current working capital reserves balance is \$24,959.

Capital Outlay

The Board approved a capital outlay budget in the amount of \$387,292 for 2012-13. The revised budget is \$144,585 which decreased significantly after the definition of fixed asset was changed in November 2012. \$124,177 of the budget has been expended leaving a balance of \$20,407. The amount expended during the fiscal year is outlined in the following table:

Capital Outlay Asset Category	Amount Expended
Equipment	\$116,578
Computers & Peripherals	\$7,599
Total	\$124,177

In the Furniture & Fixtures category a conference room table in the amount of \$8,305 was added to the capital outlay budget during the quarter. Unused funds from the smart room project were utilized to fund this purchase.

Work Study

The USU had a work study balance of \$28,069. \$30,723 has been received less \$2,654 that has been expended. The balance in the work study account will have a zero balance at fiscal year-end.

Motion passed 14-0-0.

XIII. Discussion Items

A. Administrative Work Plan – Status Report

Director Hammond said that of the 14 goals, six were completed and eight were partially completed. All the goals are on track and she is happy with the progress made during the fiscal year. The partially completed goals include the development of SRC policies and procedures which will continue for the next two-three years. The completion of an operating agreement, instead of an MOU, with HHD (Health & Human Development), will be in place for the fall term 2013. The USU Bylaws will be handled in the next couple of months. A student staffing program is underway in the SRC. Support staff in grant-writing education is ongoing. Document preparation for the USU’s program review is currently under development. Coordination of the Wellness Center initiative has a tentative project opening date in the fall of 2015.

B. Strategic Priorities – Status Report

Director Hammond explained that the format of the strategic priorities is used by Student Affairs. Two are completed; eight are on track and will be finalized by year end. The timeline of the Plaza del Sol and USU courtyard revitalization project has been pushed back a year because of the expense of the Wellness Center and South East building remodeling projects. Hammond noted that the comments on the left side of the strategic priorities outline the progress made.

C. Bylaws

Director Khan said that the Ad Hoc Bylaws committee had a conference call with the USU’s attorney who suggested a number of changes. The changes had more to do with the corporation. It will take time to complete the additional changes. Another conference call will be necessary between the committee and the attorney. The bylaws will be on the July agenda as a discussion item and will be voted on at the August meeting.

XIV. Announcements

None

XV. Adjournment

The meeting was adjourned by Chair Sabrina Lockey at 1:55 p.m.

XVI. Transition Ceremony

The USU Board Transition Ceremony was held to officially:

- a) Recognize the returning board members;
- b) Recognize the board members whose service is ending today; and
- c) Welcome to our new board members.

Chair Lockey called out the names of the newly elected student board members to join her on the stage: Jorge Guzman, Shahtaj Khan, Gavan Rathje, Demontae Thompson, and Talia el-Zaatari. She then called to the stage Staff Representative Jaclyn Keitzman, and the Associated Students president and liaison to the board, Christopher Woollett. Diana Madueno and Nicole Riley came on stage as the newly appointed directors. Also on stage were

Tonee Sherrill, the returning Alumni Representative, Sharon Eichten and Shelley Ruelas-Bischoff, as the University Representatives, and Ivor Weiner, Faculty Representative. Returning board members included Tiffany Castellanos, Collin Johnson, Perlita Varela, and Debra Hammond. They listened as out-going Chair Sabrina Lockey read the mission of the board, led the group in reciting the USU Mission Statement and reviewed the expectations of the directors. After each expectation was read, the board members affirmed their intent to abide by those principles.

Outgoing members Myles Adkins, Marianne Link, Chenice Rand and Sabrina Lockey were recognized, thanked and given parting gifts as they left the stage and the board table. Shoorideh Asgari and Adan Garay were not in attendance.

Chair Lockey announced that the meeting would resume after a short break.

XVII. Call to Order

The new board members took their seats at the table and the meeting was called to order at 2:30 p.m. by outgoing Chair Lockey.

XVIII. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Shelley Ruelas-Bischoff		Jimmy Francis	Joseline Cubas
Tiffany Castellanos		Kristie Godfrey	Zach Roof
Sharon Eichten (<i>left at 3:15 p.m.</i>)		Joe Illuminate	Tanisha Young
Talia el-Zaatari		Sharon Kinard	
Jorge Guzman		Kingson Leung	
Debra Hammond		Samantha Liu	
Collin Johnson		Kevin Lizarraga	
Jaclyn Kietzman		Carol Nardini	
Shahtaj Khan		Jonathan Navarro	
Diana Madueno		Jack Raab	
Gavan Rathje		Jenny Soto	
Nicole Riley		Steven Wein	
Tonee Sherrill			
Demontae Thompson			
Perlita Varela			
Ivor Weiner			
Christopher Woolett			

XIX. Action Items

A. Election of Chair

Nominations were accepted for the Chair position.

Director Castellanos nominated Director Johnson, and Director Guzman seconded. Director Johnson accepted the nomination.

Director Johnson nominated Director Thompson, and Director Sherrill seconded. Director Thompson accepted the nomination.

Director Castellanos nominated Director Varela, and Director Sherrill seconded. Director Varela declined the nomination.

Director Sherrill nominated Director Khan, and Director Castellanos seconded. Director Khan declined the nomination.

The two candidates made statements and fielded questions from the board. Joseline Cubas, the board’s graduate assistant, passed out sheets of paper for the board members to write their vote by secret ballot, and then collected same. The ballots were counted by Ms. Cubas and Sharon Kinard, Manager, Administration and Communication. Chair Lockey announced that Collin Johnson was elected Chair.

Sabrina Lockey said goodbye and turned the gavel over to the newly elected Chair, Collin Johnson.

B. Election of Vice Chair

Nominations were accepted for the Vice Chair position.

Director Castellanos nominated Director Thompson, and Director Sherrill seconded. Director Thompson accepted the nomination.

Director Castellanos nominated Director Varela, and Director Khan seconded. Director Varela accepted the nomination.

The two candidates made statements and fielded questions from the board. Ms. Cubas passed out sheets of paper for the board members to vote by secret ballot, and then collected same. The ballots were counted by Ms. Cubas and Ms. Kinard. Newly elected Chair Johnson announced Perlita Varela was elected Vice Chair.

Director Eichten left at 3:15 p.m.

C. USU BOD Meeting Schedule 2013-2014

M/S/P (D. Hammond/G. Rathje) Motion to approve the USU BOD meeting schedule for fiscal year 2013-2014.

There was no discussion.

Motion passed 14-0-0.

XX. Announcements

- Kevin Lizarraga, Marketing Manager, asked the board to gather for pictures after the meeting.
- Director Varela thanked the board for the opportunity to serve as vice chair.
- Director Thompson thanked the board for all their support.

XXI. Adjournment

The meeting was adjourned at 3:36 p.m. by Chair Collin Johnson.

Respectfully submitted by,

Debra L. Hammond
Executive Secretary