

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
NOVEMBER 19, 2012
MINUTES**

I. Call to Order

The regular meeting of the USU BOD was called to order at 12:36 p.m. by Chair Sabrina Lockey.

II. Roll Call

<u>Present</u>	<u>Absent</u>	<u>Staff</u>	<u>Guests</u>
Shoorideh Asgari	Myles Adkins	Matt Eickhoff	Lizzie Awad
Tiffany Castellanos	Shelley Ruelas-Bischoff	Jimmy Francis	Joseph Cayanan
Sharon Eichten	Tonee Sherrill	Jeremy Hamlett	Christina Cocca
Adan Garay		Sharon Kinard	Edith Gomez
Debra Hammond		Shannon Krajewski	Sarah Garcia
Collin Johnson		Samantha Liu	Edith Gomez
Shahtaj Khan		Sarina Loeb	Bianca James
Marianne Link		Jonathan Navarro	Tanesha Young
Sabrina Lockey			
Chenice Rand			
Nicole Riley			
Demontae Thompson			
Perlita Varela (<i>arrived at 12:40 p.m.</i>)			
Ivor Weiner (<i>arrived at 12:43 p.m.</i>)			

III. Approval of Agenda

M/S/P (T. Castellanos/S. Khan) Motion to approve the agenda of November 19, 2012.

M/S/P (D. Thompson/C. Rand) Amendment to motion to add Discussion Item 3 to the Agenda: 50 in 3 – Hurricane Sandy Donation Drive.

There was no discussion.

Amendment passed 10-0-0.

Motion, as amended, passed 10-0-0.

Director Varela arrived at 12:40 p.m.

IV. Approval of Minutes

M/S/P (T. Castellanos/N. Riley) Motion to approve the minutes dated October 22, 2012.

It was noted that Director Asgari’s name was incorrectly placed in the Absent Column of Section II. Call to Order. It has been corrected on the October 22, 2012 minutes.

Motion passed 11-0-0.

V. Open Forum

Sarah Garcia introduced herself to the board and said that she works for A.S. She handed out flyers to the board regarding “50 in 3 Hurricane Sandy Donation Drive.” The drive is being held today, tomorrow and Wednesday from 10:00 a.m. to 2:00 p.m. She encouraged the board to spread the word and support the drive. For more information or to donate on-line, people can go to the A.S. Web site.

Joseph Cayanan addressed the board and spoke of his experience at the ACUI Region 15 Conference held in Sacramento this last week. It was his first ACUI conference and he found it to be a great experience. Cayanan is a supervisor for the Pride Center and enjoyed meeting other students from different colleges.

Edith Gomez addressed the board and said she works for the Marketing Department and also attended the ACUI Conference in Sacramento. She thanked the board for the opportunity to attend. She is looking forward to next year when the conference will be held in Hawaii.

Director Weiner arrived at 12:43 p.m.

Bianca James, a Customer Service and Special Projects Supervisor, thanked the board for the opportunity to attend the ACUI Conference. She was a presenter at the conference and said it was an effective way to learn and meet people who attend other colleges and work in the same department.

Brenda Cruz, a Commercial Services Assistant, attended several sessions and networked with many people. She was selected to serve on the ACUI RLT (Regional Leadership Team), a one year commitment, and will help plan the conference in Hawaii 2013.

Matt Eickhoff, Program Coordinator, Training & Development, spoke to the board about his attendance at ACUI as a member of the USU Staff. He said that there were five session blocks and at every block, there was a presenter from CSUN. He presented a session and said it was a great learning experience. He also spoke about U-DAY which is coming up on Friday, November 30. It is from 12:00 p.m. to 2:00 p.m. and asked the board to let their committee members know to come and support our student assistants and volunteers who work at the USU. It is our way of showing our appreciation for all they do. The theme is “We’re Lucky to Have You” and includes a free barbecue lunch.

Lizzie Awad, former USU BOD chair, said hello to the board. She said that they are almost at the half way point of the year and hopes it has been a good one.

VI. Chair’s Report

Chair Lockey wished everyone a happy Thanksgiving. The letter will be sent tomorrow regarding attendance at the ACUI Annual Conference in March 2013. Last week, people from PBS (Public Broadcasting Services) Visionaries people were filming at the USU. The final product will be available in the spring. A winter retreat over the holidays is being considered. More information will be sent out soon.

VII. Vice Chair’s Report

Vice Chair Thompson commented on the gratitude he felt to be a part of the interview process with PBS. He said that the Poetry Slam Expression event last week was filmed by the PBS crew. It was a wonderful group of people who attended the event and some of the board members were also in attendance. There is a Retirement Committee meeting next week. He wished everyone and their families a happy Thanksgiving.

VIII. Executive Director’s Report

Director Hammond said that the students who attended the ACUI Conference in Sacramento had the opportunity to work directly on their leadership skills. She pointed out the awards that the USU won at the conference and the programs that were presented. During the same week, NIRSA (National Intramural-Recreational Sports Association) held a Lead On conference entitled *Creating a Better Tomorrow*. Staff and students from the SRC attended the conference at Arizona State University. Currently there are approximately 22,471 people enrolled at the SRC. Director Eichten asked if we knew the statistics of other CSU’s and what their enrollment numbers are for their recreation centers. Director Hammond said she would check with CSU Fullerton, Long Beach and Sacramento. Hammond said that having the PBS people at the USU was an amazing experience. Four colleges will have been interviewed for the final program, each campus having 13 minutes of time when the program is completed. PBS will let us know when the program airs and we will pass on the information.

IX. Action Items

C. Articles of Incorporation Amendment to Title V (Time Certain: 1:00 p.m.)

M/S/P (D. Thompson/P. Varela) motion to approve Resolution 12-13-01, the restated USU Articles of Incorporation which includes an amendment to Title V that replaces the Board of Trustees with the Chancellor in the successor approval process.

Sharon Kinard, Manager, Administration and Communication, addressed the board and said that at its July 12, 2012 meeting, the California State University Board of Trustees passed a resolution that requires CSU auxiliary organizations to contain a provision in their articles of incorporation or constitutions that state “upon dissolution of the organization, net assets, other than trust funds, shall be distributed to a successor approved by the president of the campus and by the Chancellor.” This provision must be approved prior to December 31, 2012. While making the provisional change, the Auxiliary Organizations Association also recommended that auxiliary organizations undertake a compliance review of their entire Articles to assure consistency with the Nonprofit Public Benefit Corporation Law. The USU’s Articles underwent such a review by its legal firm Littler Mendelson. The restated Articles are the recommendation of legal counsel.

Jaffe Dickerson, Esq., an attorney for Littler Mendelson, was contacted by phone during the meeting. He then joined the meeting via telephone and said that Mrs. Kinard did a very good job at explaining the reasons why the Articles needed to be amended and completely revised. Jaffe fielded questions and said that once the Articles are sent to the Secretary of State for filing, it will take approximately six weeks to hear from the State on whether the Articles will be approved as is. He said that Paragraph Two of the Articles is the standard language for a 501 (c) (3) corporation. The board will also have to take a new look at the Bylaws.

Motion passed 12-0-0.

X. A.S. Report

Director Adan said that currently the A.S. Senate has two vacancies and he asked board members to talk to their friends and have them apply for the positions. He said that when Northridge had its earthquake in 1994, CSUN received a lot of support. CSUN needs to give back and support Hurricane Sandy victims. A.S. has donated \$36,000 and their goal is to raise \$50,000. Everyone needs to come out and attend the rallies that have been scheduled this week in support of the donation drive.

XI. Committee Reports

- Facilities and Commercial Services Chair Perlita Varela said the meetings are going well, everyone is involved. The last meeting is December 4.
- Finance Committee Chair Collin Johnson said the committee is working on their goals, specifically the SRC Refund Policy. The last meeting is December 7 at 2:15 p.m. in the Executive Board Room.
- Personnel Committee – Director Hammond spoke in Director Adkins absence and said the committee is working on the Merit Increase for Student Assistant Employees trying to determine if a merit increase eligibility schedule should be changed. The last meeting is December 4. The Health Benefits Summary Plan for Retirees is an action item for this meeting.

XII. Action Items

A. First Quarter Budget Report

Motion from the Finance Committee to accept the 2012-13 First Quarter (3 & 9) Budget Report.

Director Johnson said that the USU does a thorough budget review every quarter. The first quarter budget report is for the first quarter ended September 30, 2012. The term “3 & 9” means 3 months of actual data and 9 months of projected data. The optimal operating range is 25% of the yearly budget although operating limits from 20% to 30% 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.

Comparison of the First Quarter Budget to the Adopted Budget

Projected revenue has increased by \$110,604 and projected expenditures have increased by \$7,978. As a result, the budget surplus is projected to increase from \$4,982 to \$107,607.

The actual change in net assets of \$639,513 is \$531,906 greater than the budgeted net assets of \$107,607. It is not unusual for the actual surplus to be greater than the budget surplus the first quarter of each fiscal year. The typical reason is that revenues are at the higher end of the operating range and expenses are at the lower end of the operating range.

Revenues

Projected revenue has increased by \$110,604 and is 26.8% to budget which is within the operating range. The following table breaks down the components of the projected increase in the revenue budget: SRC-Related Income - \$120,978; Grant Revenue - \$(21,260); Miscellaneous Income - \$10,886; Total - \$110,604.

Expenditures

Total budgeted expenses have increased slightly by \$7,978 which is 21.7% to budget. This is at the lower end of the operating range. Total expenditures include salaries, benefits, and operating expenses.

Expenditures – Salaries & Benefits

Projected salaries and benefits are within the optimal range at 23.9%. However, the overall budget for salaries and benefits is projected to increase by \$48,873: Staff Salaries - \$51,487; Student Salaries - \$(8,198); Benefits - \$5,584; Total - \$48,873.

Expenditures – Operating Expenses

Projected operating expenses have decreased by \$40,895 which is only 18.5% to budget. This is 1.5% below the lower end of the operating range of 20%. The following table breaks down the components of the projected decrease in the expenditure budget: General Operating Expenses - \$20,730; Expendable Equipment - \$23,095;

Fees & Charges \$14,135; Grants & Scholarships \$(949); Reserves -\$(6,805); Repairs & Maintenance \$10,765; Supplies & Services \$(1,292); Travel \$566; Utilities \$(101,141); Total \$(40,895).

Statement of Changes in Financial Position Highlights

General Ledger Cash \$5,401,075; Accounts Receivable \$173,102; Fixed Assets (net) \$1,212,510; Post Employment Liability \$792,990; Net Assets \$5,459,671.

Investment Summary

The USU has earned \$125.74 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 had approximately \$5,117,100 in short-term United States Treasury bills as of 9/30/2012.

Reserves

A total of \$43,117 of unallocated working capital reserves has been transferred to the operating budget this fiscal year: Air Conditioning Repairs \$25,583; WTS Consultants \$5,000; Retirement Health Plan Administration Fee \$3,600; Office Furniture for a new cubicle \$8,934; Total \$43,117.

Capital Outlay

There were no capital outlay (fixed asset) purchases made from the approved capital outlay budget in the first quarter. However, there were fixed assets purchased made with CQF funds carried over from the 11/12 fiscal year. The following table breaks down the components of those purchases: SRC Bike Racks \$57,455; Computer Lab \$226,164; Pride Center \$5,120; Veterans Resource Center \$5,120; Total \$293,858.

Work Study

The USU has expended \$18.29 in work stud funds. The September 2012 work study receipt in the amount \$6,965.18 was received in October 2012.

Discussion ensued. Directors asked why our investments are so low. The USU is dealing with students' money and we cannot lose that money with risky investments. Director Hammond said that she would share the Investment Policy with the board. If the board wants to change the investment strategy, we need to change the policy. Director Eichten pointed out an administrative change to the report (regarding the Foundation account) and said she will send the change to Carol Nardini who will then forward the corrected report to the board.

Motion passed 12-0-0.

B. Health Benefits for Retirees – Summary Plan Description

Motion from the Personnel Committee to accept the Retiree Health Benefits Summary Plan Policy.

In Director Adkins absence, Director Hammond addressed the board and said that in May, 2012, the USU BOD approved the amendment and restatement of the Retiree Health Benefits Policy. The policy, which is attached for reference, provides qualified USU retirees and their qualified spouse or domestic partner with monthly reimbursements for certain health care benefits. In conjunction with approval of this policy, a Plan Document has been developed as a means of communicating the provisions of the policy to beneficiaries of same, in a more user-friendly manner.

Hammond fielded questions and said that when the policy refers to a retiree's lifetime, it means until that person is deceased but the USU can at any time decide to change the policy and it would again be brought before the board for approval. As such, benefits are not considered "lifetime."

Motion passed 12-0-0.

XIII. Discussion Items

A. USU Board of Directors and Committee Goals 2012-13

Chair Lockey said that the board has three goals. The Articles of Incorporation were one of the goals and that has now been accomplished. The Wellness Center continues to evolve and she asked Director Hammond to update the board on the progress. Director Hammond said that a contract has been signed with an architectural firm. A revised project statements will be prepared and shared with the President and the architects. Then a series of meetings will be scheduled in January and February to determine the needs of the USU, Klotz Student Health Center and the College of Health & Human Development. Once that has been accomplished, the information will be sent to the architects who will then develop a timeline and also a cost estimate for the building of the Wellness Center. Hammond said that students who are interested in this process should contact her so they can be included in the meetings that will take place.

Director Varela, as Chair of the Facilities and Commercial Services Committee, said that they have completed goals 1, 2 and 3. For goal 4 - all committee members have been assigned a lounge to investigate. They will talk to students and develop surveys to gather information about the use of the lounge.

Director Johnson, as Chair of the Finance Committee, said the goals have been divided between the members. The goals are difficult and they have to work closely with Joe Illuminate, the Associate Director of Finance and Business Services.

Director Hammond spoke for the Chair of the Personnel Committee and said that goals 1, 2 and 4 are done. Currently the members are working on goal 3 regarding a merit increase for student assistant employees. The language must be changed and refined for goals 5, 6 and 7. The employee handbook, goal 9, is reviewed every January because new rules and regulations come out during the year that might need to be incorporated.

B. Potential Legal Issue – Executive Session

M/S/P (T. Castellanos/C. Johnson) to enter into executive session at 1:55 p.m.

M/S/P (C. Rand/P. Varela) to leave executive session at 2:10 p.m.

C. 50 in 3 – Hurricane Sandy Donation Drive

Chair Lockey asked the board to express their thoughts about the donation drive. A.S. has contributed \$36,000. The USU should also make a contribution. Director Weiner inquired if the USU has a policy or precedent regarding these kinds of donations. The USU currently does not have a policy regarding donations. The other time the USU made a similar donation was to Hurricane Katrina in 2005. It was not known how much the USU donated at that time. Director Hammond said she would find out.

The board then discussed what an appropriate amount would be to donate from the USU. It was pointed out that there will be events on campus Tuesday and Wednesday of this week. Students, staff and faculty will be contributing to Hurricane Sandy. Director Hammond said that we have \$410,000 in the working capital reserves in the operating budget. She also noted there were funds available in the USU Foundation account which does not come from student fees. Board members each said how much they would like to donate to the victims of the hurricane. Some felt that we should donate as much as A.S. or more.

Chair Lockey asked for a show of hands for the amount the board wanted to donate. The categories were: (1) No contribution; (2) \$10,000; (3) \$15,000 or (4) \$36,000. It was decided that the USU would donate \$15,000.

XII. Announcements

- Tanesha Young handed out flyers for upcoming events.
- Director Lockey said that she and Directors Thompson and Hammond have discussed the possibility of having a winter retreat. January 8, a Tuesday, would be a potential date. Lockey will send out an e-mail with more details soon.

XIII. Adjournment

The meeting was adjourned by Chair Lockey at 2:42 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director