

ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY, CHICO
BOARD OF DIRECTORS MEETING MINUTES

Wednesday, August 24, 2016

2:30 p.m.

BMU 205

Members Present: Michael Pratt, Vu Nguyen, Teddy Delorenzo, Jim Hyatt, Andrew Roberts, Bro Dumas, Brett Rahtz, Tammi Fleet

Members Absent: Drew Calandrella

Others Present: David Buckley, Karen Bang (recording), Jamie Clyde, Thang Ho, Shar Krater, Susan Jennings, Curtis Sicheneder, Jon Slaughter, Nan Timmons, Sarah Foisy

- I. **CALL TO ORDER** – The meeting was called to order at 2:30 p.m. by the Chair, Pratt.
- II. **AGENDA** – Item VI. G. was pulled from the agenda. **Motion to approve the 8/24/16 revised agenda (Dumas/Roberts). 7/0/0 MSC.**
- III. **MINUTES** – Minutes of the 5/11/16 regular meeting and 8/2/16 Special meetings. **Motion to approve the minutes of the 5/11/16 regular meeting and 8/2/16 Special meetings (Delorenzo/Fleet). 7/0/0 MSC.**
- IV. **ANNOUNCEMENTS** – None
- V. **STANDING COMMITTEE REPORTS** – Action items forwarded to the Board of Directors from the standing committees stand approved unless overturned by a 2/3 + 1 Board action.
 - A. Government Affairs Committee – No meetings held. Nguyen said GAC's first meeting is 8 a.m. tomorrow. (Hyatt joined the meeting at 2:34 p.m.).
 - B. Bell Memorial Union Committee – No meetings held. Roberts said they're recruiting student members for BMUC.
 - C. Associated Students Businesses Committee – No meetings held. Rahtz said they're recruiting for student ASBC members.

VI. BUSINESS

- A. Action Item: Approval of Resolution for Establishing Time and Location for Associated Students Board of Directors Meetings for the academic year of 2016-17. **Motion to approve Resolution for Establishing Time and Location for Associated Students Board of Directors Meetings for the academic year of 2016-17, as presented (Roberts/Delorenzo). 8/0/0 MSC.**
- B. Action Item: Approval of revision to the Service Agreement between the AS and the University that authorizes the AS to administer grants and contracts related to activities managed by the Associated Students. **Motion to approve revision to the Service Agreement between the AS and the University that authorizes the AS to administer grants and contracts related to activities managed by the Associated Students (Nguyen/Rahtz).** Buckley reviewed, discussion was held. **8/0/0 MSC.**
- C. Information Item: Removal of the loan provision from the Exempt 401(k) Plan and the Non-Exempt 401(k) Plan documents effective November 4, 2016 – Jennings said this change is in anticipation of terminating the plans effective 6/30/19, when the majority of current outstanding loans will be paid off.
- D. Information Item: Termination of the Exempt 401(k) Plan and the Non-Exempt 401(k) Plan effective June 30, 2019 – Jennings said the Plan Trustees approved the termination of both plans effective 6/30/19. Buckley said this also reduces trustee and AS liability, saves money and time and is best for employees as well.
- E. Information Item: Removal of Lorraine B. Hoffman as Plan Trustee from the Exempt 401(k) Plan and the Non-Exempt 401(k) Plan – Jennings explained that Lori Hoffman no longer works for the University. Buckley said they're not required to fill Hoffman's place as a Plan Trustee. He also advised that Hoffman was in agreement with moving forward with terminating the two plans.

Jennings distributed information regarding 401(k) Plan Changes – Investment Offerings and Fee Reduction. She explained that our investment consultant, Asset Management Group, annually comes and speaks with the 401(k) Plan trustees regarding our plan investment offerings as well as our fee structure with Mass Mutual. She said AMG recommended replacing 9 specific investments in the portfolio and replacing with better performing investments. Jennings said AMG requested a fee reduction from Mass Mutual, and the proposed fee is .05% with no flat fee charge per participant. The trustees agreed with both of these recommendations which will become effective 11/1/16. Jennings said Buckley has authority to sign documents for these proposed changes as a Plan Trustee.

- F. Information Item: Executive Order 2016-04 – Jennings reviewed with the Board.
- G. Information Item: Revisions to Associated Students Personnel Policy No. 745 – Associated Students Vacation Policy – Pulled from today's agenda.
- H. Information Item: 6/30/16 Activity Fee, Student Union, Auxiliary Activities and Corporate Services Fund Capital Expenditures Reports – Jennings reviewed each report with the Board.
- I. Information Item: Review of Investments – Quarter ending 6/30/16 – Jennings reviewed each report with the Board.
 - Local Agency Investment Fund and Certificates of Deposit
 - Board Designated Fund
- J. Director of University Affairs Report – Fleet said Senators were trained last week. She said Senate meetings will be held Mondays from 1 to 2 p.m. She noted the Senator for College of ECC is vacant and they are working to fill that position.
- K. Director of Legislative Affairs Report – Dumas said he's reviewing the LAC code for possible changes.
- L. University Vice Presidents' Reports – Hyatt said he's finalizing the 2016-17 budget; looking at past history of expenditures/revenue streams, to see what kind of flexibility is available in the budget for the future.
- M. Executive Director's Report – Buckley said the Chancellor's Office audit campus response is due 9/1/16. • Buckley said annual health premiums will need to be approved by the Board in October of 2016 as open enrollment information needs to be provided to employees in November. He explained the process. He said the group that the AS belongs to asked Wells Fargo to "shop the plan" to see if anything more competitive is available. Buckley said when further information is received the Board will be updated; he anticipates an increase of 16% or higher this year. • Buckley updated regarding the spring 2016 Water Bottle Advisory Measure. He said the Pepsi agreement expires in December of 2017 so nothing can be done at this point as Pepsi isn't amenable to revising the current agreement. There would be approximately a \$50,000 loss to the AS' bottom line if bottled water is removed. In addition, Athletics gets \$40,000 via the RFP. • Regarding the minimum wage increase, Buckley said he and Jennings will provide an analysis of operations going forward over the next five years. He said it will also reach a point that there will be equity issues regarding students vs. career staff as minimum wage increases. • Buckley said the AS will be celebrating their 75th Anniversary in 2017 and Nguyen will take the lead for this. • Buckley said when the WREC was built in 2009, the AS had to spend about \$2 million to remove contaminated PG&E soil on that site. He said the VP at that time didn't really pursue it, and the AS couldn't because it's state property. He said he asked Lori Hoffman to check on possible reimbursement from PG&E and he heard recently that it appears that there's a settlement. Buckley said the agreement that the AS made with the University was that there would be a split of whatever the settlement is, which will be \$1.2 or \$1.3 million. When more information is received Buckley will advise.
- N. President's Report – Pratt said in the future he'll be providing a written report to attach to the agenda. He said he is currently working with a group consisting of Annette Heilesen, Chair of Staff Council, Betsy Boyd, Chair of Academic Senate and President Hutchinson to draft a statement on Shared Governance that will then go back out to the major constituency groups, including the AS BOD, for review of the language. He said this document will hopefully be publically signed by December and serve as a foundational document in terms of Shared Governance.

VII. ANNOUNCEMENTS – None

VIII. PUBLIC OPINION – Limited to three minutes per speaker, five minutes for entire topic – None

IX. ADJOURNMENT – The meeting was adjourned at 3:12 p.m. by the Chair, Pratt.