

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

Wednesday, September 21, 2016

2:30 p.m.

BMU 205

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

Members Absent: Jim Hyatt, Drew Calandrella, Michael Pratt

Others Present: David Buckley, Karen Bang (recording), Jamie Clyde, Nan Timmons, Thang Ho, Shar Krater, Susan Jennings, Annabel Grimm, Leah Railey, Jon Slaughter, Katrina Robertson

- I. **CALL TO ORDER** – The meeting was called to order at 2:33 p.m. by the Vice Chair, Nguyen.
- II. **AGENDA** – **Motion to approve the 9/21/16 agenda (Roberts/Dumas). 6/0/0 MSC.**
- III. **MINUTES** – Minutes of the 9/7/16 regular meeting. **Motion to approve the minutes of the 9/7/16 regular meeting (Dumas/Delorenzo) 6/0/0 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 – The Action items were reviewed by Nguyen.
 1. GAC Actions of 9/8/16
 - a. Approved the 9/8/16 revised meeting agenda.
 - b. Approved minutes of the 8/25/16 regular meeting.
 - c. Consent Agenda – 2016-17 University Committee Appointments
Confirmation of appointment to Educational Policies and Programs Committee (EPPC)
- Director of University Affairs appointment: Karla Camacho
Confirmation of appointment to Faculty Recognition and Support Committee (FRAS)
- Director of University Affairs appointment: Valerie Oliveras
 - d. Approved allocation not to exceed \$2,500 for Michael Pratt to attend the AAUP Shared Governance Conference in Washington, D.C., as presented.
 2. GAC Actions of 9/15/16
 - a. Approved the 9/15/16 meeting agenda.
 - b. Approved the minutes of the 9/1/16 regular meeting.
 - B. Bell Memorial Union Committee – No meetings held. Roberts said the Zen Den II Grand Opening is from 2 to 4 pm tomorrow. Also, the basement will be opening soon.
 - C. Associated Students Businesses Committee – Rahtz said the first ASBC meeting will be held on October 3 at 11:30 a.m.

VI. BUSINESS

- A. Action Item: Approval of Revisions to Associated Students Personnel Policy No. 745 – Associated Students Vacation Policy. **Motion to approve Revisions to Associated Personnel Policy No. 745 – Vacation Policy, as presented (Roberts/Fleet).** Railey said this policy has been reviewed more than once with the staff directors, and discussed impacts to staff. **6/0/0 MSC.**
- B. Action Item: Approval of Haley Holmes, jointly nominated by the AS Vice President of Business and Finance and the AS Vice President of Facilities and Services, to serve on both the Associated Students Businesses Committee and the Bell Memorial Union Committee. **Motion to approve appointment of Haley Holmes, jointly nominated by the AS Vice President of Business and Finance and the AS Vice President of Facilities and Services, to serve on both the Associated Students Businesses Committee and the Bell Memorial Union Committee, as presented (Dumas/Delorenzo). 6/0/0 MSC.**
- C. Information Item: Health Premiums – Buckley provided a PowerPoint, explained where we are in the annual health premiums process as well as provided historical background. He explained that the AS contracts with Wells Fargo, a Third Party Administrator (TPA), who seek the information for us from brokers such as

Anthem Blue Cross, Blue Shield or Aetna. He explained that by pooling resources with other auxiliaries within the Auxiliaries Organization Association (AOA) the past few years, we have been able to obtain a lower premium. He noted Railey belongs to a Benefits Users Group (BUG) which is comprised of HR directors from a variety of auxiliaries who meet to look at various plans. Last year this group shopped other entities and received bids from Aetna and Blue Shield, in addition to Anthem. Last week the BUG group talked with our TPA and discussed the rates received from Anthem and Blue Shield. The group decided that we should stay with Anthem because although there would be savings with Blue Shield, it would not be worth it to disrupt the employees and go from one plan to another. Buckley advised that the Research Foundation (RF) HR Director shopped around this summer for better rates on their own, and got a bid from Blue Shield which would save them approximately \$500,000 this year. Buckley said he has asked Railey to try to quickly obtain a bid on our own to see what our rate would be. Buckley said if RF pulls out of the auxiliary pool, this may affect our rates as they're equal to approximately 19% of the employees in the pool. Anthem has a clause in their contract that if participants drop by more than 10%, they could renegotiate the rates. If we pulled out with the RF, that would have a major effect on the auxiliaries pool group because we have approximately 11% in the pool, for a total of 30%. Once more data is obtained, Buckley said they will come back to the Board with a recommendation regarding costs and options. He said after the Board approves an option, HR prepares benefits election forms and annual open enrollment begins November 1. January 1 is when the new plan year starts. The Board was advised that the premium cost is split between the AS and employees. Last year the AS paid 60% and employees paid 40%. Buckley said we need to be fair to employees, yet make sure the AS is a solvent organization. He said 2017 medical premium changes from Anthem are as follows: HMO -2%; PPO Low 6.5%; PPO High 6.5%. Buckley explained the differences between the three plans. He next reviewed Blue Shield's group rates for the pooled group. Buckley said the estimated cost for Anthem premiums for the pooled group is \$1.56 million. He said there is an estimated increase of \$65,000 for AS Chico for 2017. Buckley reviewed the challenges that would be faced if we change plans. He also noted other benefits available for employees.

- D. Director of University Affairs Report – Fleet's report was included in the agenda packet and she highlighted various items. She said the September 26 Student Academic Senate meeting has been cancelled due to lack of agenda items at this time.
- E. Director of Legislative Affairs Report – Dumas' report was included in the agenda packet. The voter registration competition within Housing will begin on September 27.
- F. University Vice Presidents' Report – Both University VP's were absent. Grimm had nothing new to report for Hyatt.
- G. Executive Director's Report – Buckley explained that the Audit Committee, which Hyatt chairs, met last week to review the 2015-16 Draft Financial Statements. Hyatt will be presenting these to the Board for their approval at the October 5 Board meeting. • Buckley said it was good to see three previous AS students here today at the Career Fair, recruiting students for the companies they work for. • Buckley said he'll be adding In Range Progression as an Information item to the next Board agenda. He explained that last year they hired a consultant to do a compensation study for career positions, and based on that study there were some adjustments made to the salaries of some of the employees. He said he also presented to the Board a few other options for employees which would be similar to what the University does, called In Range Progression (IRP). He said the AS has never done IRP's and rarely, reclassifications, which are used to move employees along within a range. He said the University VP's don't want the AS to get too far out of whack with the University. Buckley said he had Jennings build in to this year's budget \$21,000 for IRP's; however, a policy hasn't been developed for IRP's. He said we need a very clear procedure so we're consistent in how it's applied. He said they'd like to recognize those employees that are meritorious, so he recommends for this year that HR be given a little more time to develop procedures. Buckley said he'd like to use one of the existing policies, similar to an IRP, showing initiative, taking on of additional projects, obtaining additional education, etc., in awarding increases. He said increases may be true merits at this point in order to give HR more time. Buckley said IRP's would be added to an employee's base salary, they would not be considered a bonus.
- H. President's Report – Pratt's report was provided in the agenda packet. Nguyen said Pratt is at the Chancellors' Office for the Graduation Initiative Symposium.

VII. CLOSED SESSION – Pursuant to Education Code Section 89307 (b) (4): Potential Litigation. The Board went in to Closed Session at 3:17 p.m. The Board came out of Closed Session at 3:32 p.m. and Nguyen announced that no action was taken during Closed Session.

VIII. ANNOUNCEMENTS – None

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

X. ADJOURNMENT – The meeting was adjourned at 3:33 p.m. by the Vice Chair, Nguyen.