

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

**Wednesday, October 4, 2017**

**3:30 p.m.**

**BMU 205**

**Members Present:** Dylan Gray, Alisha Sharma, Taylor Rogers, Zach Scott, Karla Camacho, Danie O'Donnell, Teddy Delorenzo, Pedro Douglas, Robbi Stivers

**Members Absent:** None

**Others Present:** David Buckley, Karen Bang (recording), Jamie Clyde, Thang Ho, Susan Jennings, Leah Railey, Nan Timmons

- I. **CALL TO ORDER** – The meeting was called to order at 3:30 p.m. by the Chair, Gray.
- II. **AGENDA** – **Motion to approve the 10/4/17 agenda (Camacho/O'Donnell) 9/0/0 MSC.**
- III. **MINUTES** – Minutes of the 9/20/17 regular meeting. **Motion to approve minutes of the 9/20/17 regular meeting, as presented (Sharma/Scott) 9-0-0 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 – Camacho reviewed the items with the Board. She noted the Show of Solidarity Event last week was very successful.
    1. GAC Actions of 9/18/17
      - a. Approved the 9/18/17 agenda.
      - b. Approved Minutes of the 9/11/17 regular meeting.
      - c. Consent Agenda: 2017-18 Associated Students Committee/Council Appointments
        - Confirmation of Appointment to Associated Students Businesses Committee (ASBC)
          - Government Affairs Committee Appointment: Isaiah Thurman
          - Confirmation of Appointment to University Technology Advisory Committee (UTAC)
            - Director of University Affairs Appointment: Shady Makar
            - Confirmation of Appointment to University Foundation Board of Governors
              - AS President Appointment: Dylan Gray
        - d. Approved GAC appointment of Carlene Dyer to the Associated Students Bell Memorial Union Committee, as presented.
        - e. Approved appointment of Nadine Salas to the Commissioner of Community Affairs position, as presented.
        - f. Approved appointment of Bryan Gentles to the Senator of the College of Engineering, Computer Science, and Construction Management (ECC) position, as presented.
    2. GAC Actions of 9/25/17
      - a. Approved the 9/25/17 agenda.
      - b. Approved the appointment of Maggie Scarpa to the Commissioner of Sustainability Affairs position, as presented.
    3. GAC Actions of 10/2/17
      - a. Approved the 10/2/17 agenda.
      - b. Approved minutes of the 9/18/17 regular and special meetings.
      - c. Consent Agenda – 2017-18 Associated Students Committee/Council Appointments
        - Confirmation of appointments to Diversity Affairs Council (DAC)
          - Commissioner of Diversity Affairs Appointments: Kelley Lee, Ann Shelnett, Nicholas Gonzalez and Olivia Thomas
          - Executive Vice President Appointments: Sara Bilotta and Jennifer Rodrigues
          - Commissioner of Community Affairs Appointment: Natalie Ordaz
        - Confirmation of appointments to Event Funding Allocation Council (EFAC)
          - Executive Vice President Appointments: Olivia Ross, Jennifer Rodriguez and Kelley Lee
          - Commissioner of Student Organizations and Programs Appointment: Alfonso Caldera
          - Commissioner of Diversity Affairs and Commissioner of Student Organizations and Programs Joint Appointment: Natalie Ordaz

- B. Bell Memorial Union Committee – No meetings held. Scott said their first meeting will be held tomorrow.
- C. Associated Students Businesses Committee – Rogers reviewed the items with the Board.
  - 1. ASBC Actions of 9/25/17
    - a. Approved the 9/25/17 agenda.
    - b. Approved minutes of the 5/1/17 regular meeting.
    - c. Approved Resolution for Establishing Time and Location for Associated Students Businesses Committee Meetings for the Academic Year 2017-18, as presented.

## VI. BUSINESS

- A. Consent Agenda – *All items listed under the Consent Agenda are considered to be routine and are enacted by one motion without discussion. A member of the committee who desires a separate discussion of any item may pull that item from the Consent Agenda.*

### Revisions to Associated Students Corporate Codes:

- Government Affairs Committee Code
- Duties for the College of Agriculture Senator
- Duties for the College of Behavioral and Social Sciences Senator
- Duties for the College of Business Senator
- Duties for the College of Communication and Education Senator
- Duties for the College of Engineering, Computer Science, and Construction Management Senator
- Duties for the College of Humanities and Fine Arts Senator
- Duties for the College of Natural Sciences Senator

### 2017-18 Associated Students Appointments

- Appointment of Margaret Scarpa to the Sustainability Affairs Commissioner position

### Motion to approve the Consent Agenda (O'Donnell/Camacho) 9-0-0 MSC.

- B. Action Item: Approval of June 30, 2017 Audited Financial Statements and Report to the Board of Directors per the Audit Committee recommendation as it stands. **Motion to approve the June 30, 2017 Audited Financial Statements and Report to the Board of Directors per the Audit Committee recommendation as it stands (Sharma/Stivers)** – Stivers said there are no qualifications which is typical of the historical audit of these financial statements. He said they saw very stable growth, as it needs to be. Jennings said the Audit Committee met with K-COE ISOM, our auditors, on September 14 and received an unqualified opinion. Stivers explained what “unqualified” means. Jennings said the auditors advised the committee that there’s an over accrual for post-retirement health benefits of approximately \$130,000. She said it’s good to be conservative, and this amount was saved for an actuarial study that is done every three years. **9-0-0 MSC.**
- C. Information Item: WASC update presented by Ben Juliano, Accreditation Liaison Officer and Interim Chief Institutional Officer – This presentation was made after Item E. Juliano presented to the Board the WASC update, noting that information can be found at csuchico.edu/wasc. He said his job to make sure campus maintains their WASC accreditation. He explained we’re accredited by WASC, which is now called WASC Senior College and University Commission (WSCUC). Juliano said it’s important to our students that it’s an affirmation that we provide students with a quality education and assures we receive federal funding for scholarships. He reviewed the WASC accreditation process, which includes an institutional report. He next reviewed the timeline, noting that draft essays will be completed by next week, and then target focus groups will be set up to review subset of the 14 essays that pertain to students. He explained that essays are part of the data that the campus also uses for the Strategic Plan effort. The draft of the Institutional Report will be available by the end of the year and will be presented to the campus community in the spring. Milestones were reviewed and Juliano said in 2019 the actual WSCUC team comes to campus for a visit. He said there’s a WSCUC Executive Committee as well as a Steering Committee.
- D. Information Item: Post-Retirement Health Plan – Buckley said the staff directors began discussing post-retirement health when Jennings brought up the actuarial study. He explained there’s a liability of \$1.2 million for post-retirement health per the most recent actuarial study and has been in place for approximately 10 years. Buckley said when we went to CalPERS in 2008, we joined CalPERS Health and

were required to set this up. He said we found we could not afford this, as it would have been up to \$20 million. He advised that we created our own plan, which offers for the employee only, \$200/month (\$13 towards dental, \$187 towards health) to pay towards the cost of the AS medical plan, then the retiree pays the difference. He noted we only have one person that's on this health plan as others are finding cheaper plans. Buckley said the AS has to pay for an actuarial study for this one person, and the \$1.2 million requirement could be increased due to future actuarial studies. He said it costs \$10,000 every three years for an actuarial study. Buckley said they thought the Board should know about this. Discussion was held. Jennings said if someone retires between 60 and 65, they'd have to pay the full premium the AS pays, less the \$200, which she believes discourages people to sign up for this due to the plan cost. She said those who retire after 65 probably find cheaper plans. She said the AS' commitment is \$200/month for the retiree's lifetime, and part of the actuarial study prepares estimates of who might go on it, how long they might live, etc., with very complicated calculations. Buckley said they have the option to continue as is, eliminate the plan (which would increase AS net assets by \$1.2 million), or go to a bridge plan (once 65 it stops) where costs would decrease; however, actuarial studies would continue. Buckley said if post-retirement health is eliminated, the \$1.2 million would be split between the various areas, which effects the bottom line. Jennings said each year between the studies, they have to roll the balance forward, expensing approximately \$93,000 to roll that balance forward. She said they would no longer be rolling forward a balance if it's decided to cancel this. Stivers said this doesn't appear to be a good use of funds. Further discussion was held. Delorenzo asked if health costs going up could be a potential use of this \$1.2 million and Buckley said yes, this is something they could come back to the Board about which would offset it and provides more benefit for all instead of just one.

- E. Information Item: CalPERS Unfunded Liability – Buckley explained that when employees retire, they're guaranteed a set amount of money, based on their age, years of service and wages. He said that two years ago CalPERS changed the process for payment. He said after the recession, CalPERS saw significant losses, which caused them to create a risk mitigation policy, creating a pool with other agencies like us to mitigate the risk over a period of time. The formula was changed as of 6/30/16 and the Plan's accrued liability is \$10,415,241. Buckley said the AS has put in an equivalent of \$8,398,579 which leaves a gap of \$2,016,662. He said we have the option to pay as a lump sum, or pay off over a number of years. He explained the two plans, noting that the PEPRA Plan has a different formula. He said staff directors are recommending an early payoff – to be determined whether to be one lump sum, three years or five years. He said we have the cash so may want to pay one lump sum. Buckley said they feel these options are fiscally responsible and noted that CalPERS could come back and adjust the amount again depending on the market.
- F. Information Item: 2018 Health Premiums – Buckley said the broker completed the negotiations with Blue Shield, and for 2018 there is an increase of approximately \$140,000 (approximately 13%). He said the staff directors have discussed this increase and explained that the Board will need to approve a split option for 2018. He noted that for 2019 they would be shopping around as there's a new broker. Buckley said we saw a significant savings last year by switching to Blue Shield from Blue Cross. He showed what costs for 2018 would be for staff/employees with a 50/50 split. Jennings reviewed this 50/50 split with the Board, by each plan. She said the AS is paying approximately 83%, and employees are paying 17% to 18%. The cost to AS areas were next reviewed based on 50-50, 60-40 and 70-30 cost split options. Jennings next compared 2016 Blue Cross costs to 2018 Blue Shield costs, noting we'll still be paying lower than what we would have been paying in 2016. Buckley said this would be reviewed further with the Board.
- G. Information Item: Recommendation regarding Employer Paid Life Insurance Limits – Railey explained the AS currently offers \$50,000 dollars of employer-paid life insurance to all full-time employees. In addition, we offer "additional" life insurance starting at \$100,000 which declines in coverage by \$25,000 every five years of service. She said employees start with a total of \$150,000, eventually declining to \$50,000 at the end of 20 years of service. She said the "additional" life insurance was provided to offer some benefit to beneficiaries if the employee died before they were vested in the 401(k) retirement plan. She said the AS has not had the 401(k) plan since 2008. Railey said she has reviewed what other auxiliaries offer and what we do is unusual. She said the staff directors would like to bring our life insurance in line with what is going on with other companies so are recommending moving to a flat \$50,000 for all employees. She noted the estimated annual savings would be approximately \$5,800 annually if we made this change. Jennings said \$50,000 is a typical group term life insurance policy and explained if an employer pays over \$50,000 there is tax liability which causes administrative cost. Railey noted many of these processes are manual and time consuming. She said employees can buy additional life insurance in our group at their own expense and noted a dozen or more take advantage of buying up. This item will be brought back to the Board.

- H. Information Item: Executive Order 2017-06 – Gray reviewed the EO with the Board.
- I. Information Item: June, July and August 2017 Activity Fee Fund Budget to Actual Experience – Jennings first reviewed June financials with the Board – FY 2016-17. Total revenues were at \$2,376,616, just a little over 100%. Net increase at \$291,024, an increase of 331.33%. August revenues were at \$1,145,649, 48.99% of budget, with a net increase \$884,655, -1646.45% of budget.
- J. Information Item: June, July and August 2017 Student Union and WREC/AO Summary Income and Expenses Statements – Jennings first reviewed Student Union with the Board, noting they expended 93.15% of the approved annual budget through 6/30/17 and generated 101.28% of projected income. For August, they expended 11.66% of the approved annual budget and generated 4.12% of projected income. WREC FY 2016-17 was next reviewed, showing total revenue at 100.99% of approved budget with total expenses at 96.62%. For August, total revenue was at 2.55% of approved budget, total expenses at 13.59% of approved budget.
- K. Information Item: June, July and August 2017 Wildcat Store Financials – Jennings first reviewed FY 2016-17, noting income at \$35,611, a net increase of \$207,713. She said August income was at \$296,027, net increase YTD at \$112,794.
- L. Information Item: June, July and August 2017 Follett Financials – Jennings explained these reports come from Sarah Foisy, the Wildcat Store Director. For 2016-17, course materials were down 3% to last year. August had an additional day of rush. Text was down 13% to last year.
- M. Information Item: June, July and August 2017 Dining Services Financials – Jennings reviewed 2016-17 FY overall results, noting Residential Dining had a \$425,000 fixed fee for Sutter Dining. Cost of Sales was 3.56% lower than budget. Cash Operations operating income was 0.62% less than budget. Combining both, total change in net assets of \$180,623. August was next reviewed and Jennings explained that if the new contract is approved, University Housing would be paying a flat rate of \$500,000 for Residential Dining. Cost of Sales was at 39.2% more than budget. Total expenses 9.5% less than budget. Cash Operations operating income was 14.4% less than budget. Net Income YTD of (\$85,417) compared to budget of (\$107,786).
- N. Information Item: June 2017 Corporate Services Budget to Actual Income and Expenses – Jennings explained this report is presented quarterly and reviewed it with the Board. Percent generated was 96.61% of budget.
- O. Information Item: Review of Investments – Quarter ending 6/30/17 – Jennings reviewed both reports with the Board.
- Local Agency Investment Fund (LAIF) and Certificates of Deposit – Net interest earned for LAIF was \$30,095. CD net interest earned was \$7,854. Quarterly investment earnings on Activity Fee Fund was \$1,988.
  - Board Designated Fund – Balance at the end of the quarter was \$1,029,817.
- P. Director of University Affairs Report – Camacho reported that at the last SAS meeting they discussed the proposal that was brought to EPPC regarding making foreign language a requirement for all students except for those with high unit majors. Similar discussions were held at both EPPC and SAS.
- Q. Director of Legislative Affairs Report – O'Donnell said she'd have seven nominations for LAC on the next GAC agenda for approval. She said she is focusing on keeping policies up to date.
- R. University Vice Presidents' Reports – Stivers said he was in Long Beach yesterday for various meetings. He said later this week he 'd be meeting with the University Foundation Board relative to production and strategies to help this university fund itself via philanthropic gifts, alumni donations, etc. He said he attended last week's Research Foundation Board meeting. Gray said University Advancement will be doing the Big Day of Giving soon. Douglas said that on Monday there should be a posting for the Director of Student Services position. He said he'll be at the Chancellor's Office next week for three days of meetings and that one of the main issues they'll be discussing is graduation initiatives and the fact that one of the areas they're not making appropriate advancement on is the figures for African American males so they will be spending half a day discussing what can be done to address the graduation retention rates for African American males.

S. Executive Director's Report – Buckley passed.

T. President's Report – Gray said next week they'll be in Long Beach for GI 2025 and that he and Camacho met with our Academic Senate Chair today regarding how the AS can assist with GI 2025. Initiatives regarding how this can be addressed will be discussed at next week's meeting. He said he and Sharma would be going to President Hutchinson's home this evening for the Welcome Reception for the University Foundation.

**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 5:06 p.m. by the Chair, Gray.