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

Thursday, April 9, 2015 7:30 a.m. BMU 205

Members Present: Taylor Herren, Nicole Lung, Michael Pratt, Darion Johnston, Jeffery Zawoysky, Deanna Jarquin.

Members Absent: Drew Calandrella, Teddy Delorenzo, Lori Hoffman.

Others Present: David Buckley, Karen Bang (recording), Susan Jennings, Sally Parenti, Thang Ho, Jon Slaughter, George Rankin, Jason Anton.

I. CALL TO ORDER – The meeting was called to order at 7:34 a.m. by the Chair, Herren.

II. AGENDA – Herren removed Item VII. C. 1. because the 4/6/15 ASBC meeting was cancelled. Motion to approve the revised agenda (Johnston/Pratt) 6/0/0 MSC.

III. MINUTES – Minutes of the 3/9/15 and 3/23/15 regular meetings. Motion to approve the minutes of the 3/9/15 and 3/23/15 regular meetings, as presented (Johnston/Lung) 6/0/0 MSC.

IV. ANNOUNCEMENTS – None

V. PUBLIC OPINION – None

VI. OPINION – None

VII. 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 – Zawoysky noted that budget season and the elections process have begun.
   1. GAC Actions of 3/24/15
      a. Approved the revised 3/24/15 meeting agenda.
      b. Approved the minutes of the regular meeting of 3/10/15.

B. Bell Memorial Union Committee – Jarquin said they will not be leasing the warehouse at 7th and Oak Streets due to safety concerns at that location.
   1. BMU Council Actions of 3/25/15 Meeting
      a. Approved the revised 3/25/15 meeting agenda.

C. Associated Students Businesses Committee – No meetings held.

VIII. BUSINESS

A. Action Item: Approval of Investment Committee’s recommendation for investment of LAIF funds as follows:
   - Utilize Asset Management Group as Investment Advisor for RAC Endowment and Wildcat Store funds.
   - Transfer approximately $231,000 from Wildcat Store Reserves to fund RAC Endowment to reach a balance of $1 million. Invest $1 million of RAC Endowment Funds in Certificates of Deposit.
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Motion to approve Investment Committee’s recommendation for investment of LAIF funds as follows:
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   - Invest $1 million of Wildcat Store funds in Certificates of Deposit. (Zawoysky/Jarquin) Herren reviewed the items with the Board. 6/0/0 MSC.
B. Information Item: Revisions to Associated Students Corporate Code Book – Records Retention Policy – Jennings explained this policy was revamped in 2010, including review by Jeff Carter. She said as they've moved forward, they've realized that there are additional items that need to be included on the retention list, as well as additional clarification is needed for some items. Jennings noted that under Banking on page 7 of the policy that “Bank Reconciliation” will be changed to “Bank/Local Agency Investment Fund Reconciliation,” and “Bank Statements and Work Papers” will be changed to “Bank Statements/Local Agency Investment Fund Statements and Work Papers.”

C. Information Item: Addition to Associated Students Corporate Code Book – Wildcat Store Net Assets Reserve Policy – Jennings explained that when the AS contracted out the Wildcat Store to Follett, they realized that the existing Auxiliary Activity Net Asset Reserve Policy didn’t fit anymore because it was dealing with day to day operations, etc. of the bookstore. She noted this current policy will be deleted via approval of ASBC; however, the Board is scheduled to approve the new Wildcat Store Net Asset Reserve Policy because the Board oversees the contract with Follett. Jennings reviewed the new policy with the Board and explained that Dining Services will have their own reserve policy.

D. Information Item: Board resolutions required for the amendment and restatement of the Associated Students Exempt and Non-exempt 401(k) Plan documents – Jennings said the Board went through a similar process a month or so ago, as requested by Bidwell Consulting Group, our third party administrator. She noted the IRS requires plan review every six years. Jennings said they were advised by Bidwell Consulting recently that they were going through a language clean-up/typos process, which caused changes to the exempt and non-exempt plan documents again. She noted these language changes do not change our plans at all and new Board Resolutions are required. Jennings said many of the sections don’t apply to our plan documents but we’re still required to go through this process. She noted that military severance distributions as well as loans weren’t addressed in the previous plan documents. She said the AS has always allowed 401(k) plan loans (employee borrows against their plan and then pays it back); however, the plan was silent on the issue.

E. Information Item: 2/28/15 Activity Fee Fund Budget to Actual Experience – Zawoysky explained that 66.67% was the benchmark for February. He said total revenues were at 97.66%, with total expenses at 52.60%. Zawoysky reviewed the report with the Board.

F. Information Item: 2/28/15 Student Union and WREC Summary Income and Expense Statements – Jarquin reviewed the budget, noting that the Student Union has expended 60.12% of the approved annual budget and generated 88.86% of projected income. She said the WREC’s total revenue was at 97.87% of approved budget and total expenses were at 57.84% of approved budget. Various areas of the budgets were reviewed and discussed.

G. Information Item: 2/28/15 Dining Services Financials – Lung said Dining Services had an excellent first full month of the spring semester with retail posting positive numbers for sales growth (15%) and profit ($35,864). She noted that retail is currently in the positive YTD ($14,598) and reviewed other areas of the budget.

H. Information Item: 2/28/15 Chico State Wildcat Store Financials – Lung said there was no operating income to report. She said operating expenses were at $62,651. She noted that $25,927 is the monthly rent and commissions income was at $56,324. Lung reviewed the report with the Board.

I. Information Item: CSSA MOU – Herren said she and Johnston wanted the Board to see this recently approved and revised MOU between CSSA and the campuses next year because CSSA is shifting their funding model from where Associated Students are paying, to where students are paying. She said it completely changed the contract and the relationship with the Associated Students. She said this is an annual contract which is signed every year. Herren said it became not so much a financial commitment but a commitment about relationship and role of campus representatives and CSSA and vice versa. She explained the MOU starts on the fiscal year of July 1, ending on June 30. She noted the concern from some campuses, including CSUC, that this doesn’t necessarily align with the timeline our officers are coming in and out of their positions and they’re concerned about May/June. Consensus is that language is designating the Board of Directors for CSSA and however campuses transition in and out for those two months. She said as long as campuses are sending their current elected representatives at the time, they’re recognized as a voting member on the Board. Herren said it also talks about what happens if on your own campus you lose your voting seat, and explained. She said regarding voting designation, the California Corporations
Code requires that we have a designated voter at all times. She noted there’s a form on file that Johnston is our designated voting member and she is to keep the Board updated regarding CSSA information.

Johnston questioned where the term of a Board member is at in the document and Herren said it just talks about the CSSA Board of Directors operating under the fiscal year. Herren said we base it on our campus elections. Johnston said she’d follow up with Herren regarding this as she thought there was an amendment to the MOU. Regarding the fifth paragraph of the document, Slaughter suggested changing the sentence to, “In the event of incapacitation or removal of office or succession of office of any particular voting member . . . .” The education of first year students regarding CSSA and SIRF was discussed.

J. Information Item: Funding Executive Order 2015-02 – Herren reviewed the E.O. with the Board.

K. Director of University Affairs Report – Pratt reported he’s working on the white paper on shared governance with the Student Academic Senate. He said they’re putting a resolution together to propose an adjustment to shared governance on campus through the implementation of an E.O. which will outline responsibilities of chairs of various committees to inform students when meetings are being held because it falls mainly on his position to inform students about every meeting on campus. He said they’re trying to ensure student representation on all the acting committees that make decisions on behalf of student based issues. Pratt said he is also working on transition of senators after the upcoming elections and noted there will be no returning senators.

L. Director of Legislative Affairs Report – Johnston said CSSA is this weekend in San Francisco and they’re also bringing Oliver Montelbano, who is applying for the student trustee position. • Johnston said she met with the Financial Services Office to talk about how we can communicate SIRF and be a liaison of communication between CSSA and students regarding SIRF. • Johnston said the Title IX Oversight Committee met yesterday. She said there will be a screening, jointly hosted by the committee and GSEC for the film Hunting Ground on April 22, which is about sexual assaults on college campuses nationwide. She explained the screening. Zawoysky asked if the next person in her position will take a seat on the Title IX Committee. Johnston said she doesn’t know yet, and this is still being discussed. She said this is not an official committee and that it was created due to a recommendation from the audit.

M. University Vice Presidents’ Reports – Absent.

N. Executive Director’s Report – Buckley said not enough applications were received for the Associate Executive Director position that closed a few weeks ago so recruitment has been extended until April 24. He noted that they are finding that both AS and University pools on campus haven’t been strong pools. Buckley said part of the problem is that people don’t want to come to California due to the budget, capping of PERS system, cost of living, etc. He also explained that at a conference Curtis Sicheneder recently attended, a succession planning session noted that it’s also a national problem. He said it was their opinion that quality of life is becoming more and more important to people. • Buckley said Rankin notified him that his wife has been accepted in to the PhD program at University of New Mexico and they’ll be moving. He said it’s sad to see him go but a great opportunity for his wife, and he has done a great job since he has been here. • Regarding the Operating & Lease Agreement, Buckley said they’re still waiting on the Chancellor’s Office to give them a comment on one section regarding disposition of assets. Buckley said a Special Board meeting will be scheduled with this Board in order to review the Operating & Lease Agreement with them as he wants this Board to approve the document. • Buckley said we may be hearing something soon about an Executive Order from the Chancellor’s Office regarding student organization bank accounts. He explained that the Chancellor’s Office has now dictated that there can no longer be off campus bank accounts for student organizations, except for Greeks. He explained will have to be handled by the campus or auxiliary, but it’s the campuses’ responsibility to deal with this. Buckley said discussions are being held and in addition, this will be more complex due to additional checks and balances required by the Chancellor’s Office. He said Activity Fee in essence subsidizes the accounts we have on campus by $16,800 to offset the cost. Buckley said by doing this, costs will definitely increase whether the AS handles the accounts, or the University does. He said a decision regarding this campus as to how it will be administered has not yet been made. Buckley said costs will go up for student organizations to implement this new policy. • Buckley reminded the Board that they’ll be going over the budget next week and he will provide an overview of all budgets, but in particular the Board will be reviewing the Corporate Overhead budget. • Buckley reminded the Board that what the Board had agreed to last year, because of us contracting with Follett, that there were costs that the Wildcat Store covered, that they paid a portion of the overhead and when that went away, there was concern that we didn’t want costs to go up for Activity Fee, Student Union or Dining. He said through the budgets that they’ll see, from part of that commission that Follett pays, some of that money is going to go back to Activity Fee, Student Union and Dining to help offset those overhead costs. • Buckley
reminded that Choose Chico is Saturday and the BMU will be packed with people. Zawoysky requested an update on the new HR software and Buckley said they're getting closer. He said there was a hang up on the financial piece that had to do with NetSuite and explained that the campus has their own security requirements for any software that's done on campus. He said there was an issue between NetSuite and Campus IT agreeing to certain conditions; however, they've finally come to agreement regarding these conditions. Buckley said they're still working with ADP regarding language in regards to check printing.

O. President’s Report – Herren said she has an opportunity to connect with Sean Morgan and Acting President Richmond on Friday to chat about Town & Gown and get them both up to speed with what's been going on with our students. She said she hopes to secure a follow-up meeting regarding the Rally against Violence. Herren said she has also been working with Courtney Silver to communicate with Mark Stemen’s class regarding the Real Food Challenge and advisory measure. Herren said there is support from Acting President Richmond; however, he may not be signing any documents regarding the Real Food Challenge. She said it’s important that we’re being receptive to the class and students and helping them with this process. • Herren said she, Zawoysky, Pratt and Lung have been reviewing CFAC Learning Fee proposals Friday mornings from 10 to 11:30 a.m. and that they're very interesting. • Herren thanked everyone for being flexible and attending this morning’s 7:30 a.m. meeting.

IX. ANNOUNCEMENTS – Slaughter requested that for those that were able to attend presentations for the Wildcat Leadership Institute Program Coordinator, to send him an email or talk with him regarding their impressions. Also, he said that Ann Wilson from Kendall Hall just sent information out about a meeting with the Vice Presidents for University Advancement and to attend if possible.

X. PUBLIC OPINION – None

XI. OPINION – Herren congratulated Rankin and said she’s glad he can finish the year with us.

XII. ADJOURNMENT – The meeting was adjourned at 8:35 a.m. by the Chair, Herren.