Members Present: Deanna Jarquin, Vu Nguyen, Matt Zaleski, Michael Pratt, Nick Howell, Charlie Curtis, Teddy Delorenzo, Drew Calandrella, Lori Hoffman

Members Absent: None

Others Present: David Buckley, Karen Bang (recording), Susan Jennings, Jamie Clyde, Sally Parenti, Thang Ho, Leah Railey, Curtis Sicheneder, Jon Slaughter, Shar Krater, Katrina Robertson

I. CALL TO ORDER – The meeting was called to order at 8:33 a.m. by the Chair, Jarquin.

II. AGENDA – Motion to approve the agenda (Pratt/Zaleski) 6/0/0 MSC.

III. MINUTES – Minutes of the 10/7/15 regular meeting and the 10/14/15 special meeting. Motion to approve the minutes of the 10/7/15 regular meeting and the 10/14/15 special meeting, as presented (Nguyen/Zaleski) 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 – Nguyen reviewed with the Board and noted that regarding Item A. 2. c., the EVP appointee’s name is Mitchell Billington, not Michael Billington. In addition, Item A. 2. e. was approved in the revised amount of $1,563. Item A. 2. f. was approved in the revised amount of $1,060.48. Also, Mitchell Billington, not Michael Billington.

1. GAC Actions of 10/13/15
   a. Approved the 10/13/15 meeting agenda.
   b. Approved the minutes of the 10/6/15 regular meeting.
   c. Consent Agenda

2015-16 Associated Students Committee/Council Appointments
   Confirmation of appointment to Event Funding Allocation Council
   - Commissioner of Student Organizations and Programs appointment: Liz Buhler
   Confirmation of resignation from Sustainability Affairs Council
   - Commissioner of Sustainability Affairs appointment: Lucy Skillman
   Confirmation of appointment to Sustainability Affairs Council
   - Commissioner of Sustainability Affairs appointment: Shameel Safiq

2. GAC Actions of 10/20/15
   a. Approved the 10/20/15 meeting agenda.
   b. Approved the minutes of the 10/13/15 regular meeting.
   c. Consent Agenda

2015-16 Associated Students Committee/Council Appointments
   Confirmation of appointments to Activity Fee Capital Expenditure Committee:
   - Executive Vice President appointment: Michael Mitchell Billington
   - Government Affairs Committee appointment: Jerad Prevost
   d. Approved DAC allocation in the amount of $1,245 for Second Symposium of Hispanic Literature and Culture hosted by Expresiones, Literarias, Artisticas Y Culturales de Chico on 11/9/15 from 5:30 p.m. to 8:30 p.m. in BMU 203.
   e. Approved DAC allocation in the revised amount of $1,563 for Latina Youth Conference hosted by Lambda Theta Nu on 11/6/15 from 8 a.m. to 4 p.m. in the BMU Auditorium.
   f. Approved EFAC allocation in the revised amount of $1,060.48 for the English Symposium presented by the English Graduate Student Council on 11/4/15 from 5:30 p.m. to 9 p.m. in the BMU.
B. Bell Memorial Union Committee – Buckley reviewed with the Board.
   1. BMUC Actions of 10/20/15
      a. Approved the 10/20/15 meeting agenda.
      b. Approved the minutes of the 10/6/15 regular meeting.
      c. Approved the $8,000 budget increase for purchase of marquee. (Curtis and Hoffman joined the meeting at 8:37 a.m.)

C. Associated Students Businesses Committee – Zaleski reviewed the items with the Board and explained why the motion failed regarding the Resolution.
   1. ASBC Actions of 10/12/15
      a. Approved the minutes of the 9/28/15 regular meeting.
      b. Motion failed regarding Resolution in support of the Associated Students committing to the Real Food Challenge’s Campus Commitment.
      c. Approved purchase of new equipment for Common Grounds in an amount not to exceed $15,665, as presented.

VIII. BUSINESS

A. Action Item: Affirmation of compensation/benefits for Executive Director, Associate Executive Director and Financial Services Director, Railey said information had been emailed to the Board and explained that this item was being presented in order to meet requirements for SB 1262, Non-profit Integrity Act of 2004 as well as to meet requirements for the Chancellor’s Office audit. She explained that the Associate Executive Director position was not included in the Act, but was listed in the Chancellor’s Office audit (Calandrella joined the meeting at 8:45 a.m.). Motion to affirm compensation/benefits for Executive Director, Associate Executive Director and Financial Services Director, as presented (Pratt/Howell), Delorenzo asked about the temporary 10% increase and Buckley said this is only until a director is hired. He noted this will also temporarily impact the benefits. 9/0/0 MSC.

B. Action Item: Approval of 2016 Health Premiums, Motion to approve 2016 Health Premiums, as presented (Howell/Nguyen), Buckley recapped what was discussed at the October 14 Special Board meeting. He said it seemed like from that discussion that they were talking more about the 50/50 or 60/40 splits. He noted that Delorenzo asked if the staff directors would be making a recommendation and he said the staff directors were recommending a 60 (AS)/40 (employees) split. Buckley said they also addressed the conversation regarding trying to be thoughtful about additional increases and the issue was raised regarding the Compensation Study which is the next action item. Hoffman questioned when the 80/20 split was done and Jennings said it was done the year before last. She said the split last year was 50/50 and previous to the 80/20 split, she thought it was 50/50. Jennings explained that the 80/20 split was done because of excess reserves. Hoffman questioned the motivation to do something other than the 50/50 split. Jennings said there is about a $15,000 projected difference between the two scenarios. She said they’re requesting a 9 1/2 % increase in to what the projects are paying in to the reserve, which would leave the reserve consistent at about $60,000 if we did 50/50, and about $45,000 if we did 60/40. Buckley said they’re recommending the 60/40 split because this is the largest increase they’ve seen, and especially how it affects employees. He said the 60/40 split would still be a big hit for employees, but would be a little more palatable than the 50/50 split. Hoffman said as a general rule a 50/50 split is normally done. She said this year the AS also had to absorb the 7% increase. Curtis questioned if it’s wise to be inconsistent of going from the 50/50 split to other percentages. Buckley explained that this is the first year that the percentage increase jumped at this level. He said this came up because they were asked about the individual rates last week when they met and what the difference was between the 60/40 and 50/50 splits. He said if the Board felt OK with the 60/40 split the staff directors felt the 60/40 split would serve the employees better. He said the challenge is that they don’t know what rates will look like in future years. Jennings said if we do the 9 1/2% increase to project contributions into the pool of money that helps to pay for premiums, the cost is around $112,000. She said the impact of going with 50/50 or 60/40 is about a $15,000 difference. She said she’d still recommend doing the 9 1/2% increase to project contributions because it impacts the excess reserve by about $15,000. Railey noted that the AS has quite a few employees that make $12 or $13/hour and only work 9 months per year. She said if employees also insure a spouse or family, the additional 10% that the AS would pick up would make a big difference to those individuals. Delorenzo expressed concern about the level of pay of the employees. She said it seemed like with the staff directors that one of the concerns with the 50/50 split would be that we would be more conservative and vote for the 50/50 split, but not support the Compensation Study. However, if we went with the 50/50 split and moved forward with the Compensation Study, Delorenzo questioned if the staff directors would be more secure with this if we move forward with looking at everyone’s salaries. Buckley said that would be correct. He said if the Board felt good with the 60/40.
split as well as Compensation Study that would be ideal. Hoffman she’d be in support of a tiered approach such as for those making less than $20/hour. In lieu of that she said she would like to support a 50/50 split, but rather than waiting for the Compensation Study, for anyone that makes under $15/hour perhaps information could be brought back to the Board and it would be a larger impact on cost, but if it is mainly in Dining it would only effect the Housing contract. Jarquin asked if they’re up against a time crunch and Buckley said yes because open enrollment starts on November 1 so employees have to know what their premiums are going to cost. He said they probably can’t pull off the wage study Hoffman is requesting that fast. He said although there isn’t time to look at the tiered approach this year, they could come back to the Board next year with this information. Delorenzo asked how many employees are at the lower salary level and Railey said approximately 30 out of 80 of the staff. She noted lower paid staff are mainly in Dining Services, custodial and Child Development Lab teachers. Jarquin suggested the most immediate solution would be to approve a 60/40 split, which would help those at the lower salary range to take less of a hit than if they do a 50/50 split. Discussion was held regarding increasing lower paid employees’ salaries and Buckley said that’s what the Compensation Study is for. He said he compared our wages to other auxiliaries in the system and the NACUFs Salary Survey and said we’re pretty close in wages. He said we need to be deliberate in how we look at this. He explained that if they start bumping those employees’ wages up and it’s not comparable, it will create other problems, such as with the Compensation Study. He said wages for all of our employees need to be reviewed and compared with others. For those positions that are off in their wages, wage adjustments would be presented to the Board. Buckley said he’s especially concerned for those employees that are barely making it from check to check due to the few hours that they work every year. Results of the previous Compensation Study were discussed. Delorenzo said she’s worried that with benefits continuing to do weird things that if there’s a bigger increase next year, and if they’re more conservative next year, it would be an even bigger impact. Delorenzo said she’d like to see them be consistent with only a small margin of variation and that the highest split she was comfortable with was 60/40. Hoffman said they have a fiduciary obligation to the AS and the 60/40 split over time would create a financial impact and would have to be incorporated in to the financials. Calandrella said if we stay with the 50/50 split it’s easier to explain. He said he also would have liked to have seen tiered rates as well for lower paid employees. Jarquin said there is a discrepancy between consistency and supporting our staff members at the lower end of the salary range. Curtis said it would probably not be in the corporation’s interest to start consistently going with a 60/40 split. Buckley said every year they need to assess where we are, we can’t predict future premium costs and premium costs have been split differently depending on costs.

Friendly amendment to approve for the 2016 calendar year that the Board approve a 50-50 split between AS and employees and we ask the AS executive team to review the possibility of a tiered approach for next year, or some other different rationales that can be moved forward to protect the lower paid. (Hoffman/Calandrella). Buckley said if the motion passes, that by next fall when the Board is voting, they’ll provide another option for the Board. Delorenzo said in the meanwhile, they’d be working on the Compensation Study and Buckley said yes, presuming they approve it today. Jarquin stated, All in favor of approving the amendment to approve a 50/50 split with the stipulation of a tiered study in the future. 6-3-0 MSC. Jarquin next stated the main motion, All in favor of approving a 50/50 health premium split with a stipulation for a tiered health premium study. Hoffman said she was uncomfortable moving forward with a majority if there are Board members that are against the 50/50 split. Howell said the reason he voted against it, and the reason he’s in favor of the 60/40 split is that it was his understanding that there’s an abnormal premium increase this year. He said while it’s important to stay consistent with the 50/50 split, there’s not a consistency to what they are reacting to. He said the 60/40 split would help employees with this large increase. Curtis said even though there’s a large increase this year that it’s likely that it will not increase this much again next year. Buckley said they don’t know whether or not premiums will increase at such a high rate next year, and that they could. Jennings said she doesn’t remember increases ever being over 10% before. Curtis said the reason he voted for the 50/50 split was because if the purpose of the 60/40 split was to counter a large increase, but we’re not sure if there will be a significantly smaller increase in the future, this coverage of the large increase could cover the year afterwards. He said we could make it up in the future via the Compensation Study and via the tiered approach. Jarquin said she voted against the 50/50 split because she feels the same as Howell regarding this being the biggest jump that they’ve seen. She said she also has a lot of respect for staff directors and that their recommendation was for a 60/40 split. Jarquin said she’s in favor of the future tiered approach, but doesn’t want to negatively impact salaries now because of something that’s going to happen in the future (Hoffman left the meeting at 9:25 a.m.). Premium increases for 2016 were reviewed: 11.5% HMO increase and 16% increase to the PPO Low and High. Jennings said last year there was an 8% increase to the HMO and 1.6% increase to the PPO Low and High. Zaleski questioned if they’ll be doing the tiered study for 2017 regardless which split is chosen and Buckley said if the Board wants them to, they will. Delorenzo said she was swayed by the comments and the Board should respond to the significant increase of 16% vs last year’s 1.6%. She noted that if the same set of circumstances exist next year, the Board may have another basis for doing a 60/40 split. Move to amend the main motion to strike 50/50 and replace it with 60/40, still including the
tiered approach as previously stated (Howell/Pratt), 8-0-0 MSC. Calandrella reiterated that it needs to be articulated to staff that this is a one-time change and the split could be different next year. Curtis said he hoped that if they go back down to the 50/50 split next year or whatever is done, that the tiered split will make it OK for the quality of life for lower salaried people. Jennings said she did a quick calculation on historical analysis and said there was an average increase of 7% for PPO Low and High and less than a 5% increase for HMO for the year they did the 80/20 split and that she doesn’t recall increases being over 10% before. Jarquin said it's important to note that this is a one-time increase split based on percentage increases. Jarquin stated the main motion, Approval of 60/40 health premium split with stipulation of tiered health premium plan, 8-0-0 MSC.

C. Action Item: Approval of Employee Compensation Study conducted by Human Resources Strategies, Inc., not to exceed $12,000. Motion to approve Employee Compensation Study conducted by Human Resources Strategies, Inc., not to exceed $12,000, as presented (Calandrella/Curtis). Buckley said they're recommending to use Richard Lane of Human Resource Strategies, Inc., the same individual that has performed the last two studies. He said the advantage of using Lane is that he also does salary studies for all of the auxiliaries. Buckley noted that Lane’s bid came in around $9,800 but there will also be travel costs. He explained that Lane comes to Chico, reviews job descriptions, talks with staff, then goes home and prepares the study. He then returns to present his findings to the Board. Howell questioned the cost for the last time he did a study and Buckley said the last one was more expensive because he did a wholesale change regarding grade/pay levels. Buckley said a Compensation Study hasn’t been done for 8 years. Delorenzo questioned the time line and Railey said they’d like it completed by February 2016. 8-0-0 MSC.

D. Action Item: Approval of revisions to Associated Students of CSU, Chico Strategic Plan, Pratt requested inserting an additional We Will to the first Long Range Issue as follows: Emphasize the importance of student voice in the shared governance process through the continued support of the Student Academic Senate and other student led endeavors in the area of University Affairs. Motion to approve revisions to Associated Students of CSU, Chico Strategic Plan, as revised (Nguyen/Pratt), 8-0-0 MSC.

E. Information Item: Funding Executive Order 2015-05 – Jarquin reviewed the E.O. with the Board, noting that it will not be common place to send out Funding E.O.’s; however, there was a short timeline for these events.

F. Director of University Affairs Report – Pratt said a big area of concern in University Affairs is regarding the faculty authorization to strike. He said student senators have been hearing from students in their areas regarding this. He had asked the CFA representative to explain the process at their Student Senate meeting but the representative wasn’t able to attend the meeting. He said he’ll be following up. Buckley said he and Calandrella discussed that if there is a strike, sometimes delivery trucks won’t cross the picket lines to deliver. He noted that this is a concern regarding food for residence halls and other areas and will keep the Board apprised of the situation if a strike happens.

G. Director of Legislative Affairs Report – Howell said CSSA was held the weekend of October 9 in San Francisco and they discussed a sustainable financial model. He noted that Taylor Herren is now sitting on that committee. He also advised that CSSA will pay for the three of them to stay for the Board of Trustees meeting in Dominguez Hills.

H. University Vice Presidents’ Reports – Calandrella reported that they're preparing for Halloween and the concern of the city and campus is that Halloween is on Saturday this year. In addition, they're also concerned about out-of-towners coming to Chico. He said there will be a number of other CSU police officers coming to Chico, along with Chico PD, sheriffs, CHP, etc. He noted the bottle ban will be in effect and that dorms and residence halls won’t allow guests from Wednesday night through the weekend. Calandrella commended the students for their involvement.

I. Executive Director's Report – Buckley said regarding the Strategic Plan that it will be shared with the committees and passed along to the staff directors for them to start working on supporting of We Wills for their areas.

J. President's Report – Jarquin said Staff Council is doing their University Needy Children’s Project and raffle tickets can be purchased. Jarquin reminded everyone to vote by October 30 regarding the Wildcat Statue placement. Jarquin said last year Government Affairs and Student Senate passed a resolution for adoption of a Dream Center on campus and she’s working with Aaron Thao regarding this. Jarquin said Government Affairs
is going to draft a presidential qualities letter to provide a concise message regarding what students are looking for on our campus in our next university president.

IX. ANNOUNCEMENTS – None

X. PUBLIC OPINION – Krater thanked all for their conversations today and wished Happy Birthday to Bang.

XI. OPINION – Howell requested an analysis of items passed that have had monetary increases and how that effects the budget over the past couple of months. Delorenzo thanked all for the conversations held today. She said she was swayed by the comments the others made and it was helpful to have that discussion because it was significant and really helped.

XII. ADJOURNMENT – The meeting was adjourned at 9:56 a.m. by the Chair, Jarquin.