Wednesday, October 5, 2016 2:30 p.m. BMU 205

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

Members Absent: Drew Calandrella

Others Present: Susan Jennings, Karen Bang (recording), Jamie Clyde, Jen Halford, Nan Timmons, Thang Ho, Shar Krater, Susan Jennings, Leah Railey, Curtis Sicheneder, Katrina Robertson

I. CALL TO ORDER – The meeting was called to order at 2:30 p.m. by the Chair, Pratt.

II. AGENDA – Motion to approve the 10/5/16 agenda (Nguyen/Dumas). 7/0/0 MSC.

III. MINUTES – Minutes of the 9/21/16 regular meeting. Motion to approve the minutes of the 9/21/16 regular meeting (Delorenzo/Dumas) 6/0/1 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 – Nguyen reviewed with the Board. He noted the alternative Halloween program will be on October 29.
   1. GAC Actions of 9/22/16
      a. Approved the 9/22/16 revised meeting agenda.
      b. Approved minutes of the 9/8/16 regular meeting.
      c. Consent Agenda – 2016-17 Associated Students Committee/Council Appointments
         Confirmation of appointment to Bell Memorial Union Committee (BMUC)
         - Government Affairs Committee appointment: Salma Hegab
      d. Confirmation of appointment to Associated Students Businesses Committee (ASBC)
         - Government Affairs Committee appointment: Patrick Wong
   2. GAC Actions of 9/29/16
      a. Approved the 9/29/16 meeting agenda.
      b. Approved the minutes of the 9/15/16 regular meeting.
   3. GAC Actions of 9/29/16 Special Meeting
      a. Approved the 9/29/16 Special meeting agenda.
      b. Consent Agenda – 2016-17 Associated Students Committee/Council Appointments
         Confirmation of appointments to Diversity Affairs Council (DAC)
         - Commissioner of Diversity Affairs appointments: Sherman Stacey, Desiree Garcia
         - Executive Vice President appointments: Alexandra Dooley and Samantha Bautista
         - Commissioner of Sustainability Affairs appointment: Mark Texeira
         - Commissioner of Community Affairs appointment: Kathy Pha
         - Commissioner of Diversity Council and Commissioner of Student Organizations and Programs Joint appointment: Romel Fessehatzion
         Confirmation of appointments to Event Funding Allocation Council (EFAC)
         - Executive Vice President appointment: Christy Walowit, Jennie De Rose, Mitchell Foster
         - Commissioner of Student Organizations and Programs appointments: Arlene Villalobos, Davion Johnson, Eduardo Carvalho
         - Commissioner of Diversity Affairs and Commissioner of Student Organizations and Programs Joint appointment: Romel Fessehatzion

B. Bell Memorial Union Committee – Andrews said the first meeting will be held October 10. He noted the basement should be open by the end of the week.

C. Associated Students Businesses Committee – Rahtz reviewed the items with the Board.
   1. ASBC Actions of 10/3/16
      a. Approved the 10/3/16 meeting agenda.
      b. Approved minutes of the 5/9/16 regular meeting.
VI. BUSINESS

A. Action Item: Approval of June 30, 2016 Audited Financial Statements and Report to the Board of Directors per the Audit Committee recommendation as it stands – Jennings said the Audit Committee met with the auditors on 9/16/16 to review the June 30, 2016 financial statements. The statements were also emailed to the Board. She said we received an unqualified opinion, which is a good thing and the opinion that we want. **Motion to approve the June 30, 2016 Audited Financial Statements and Report to the Board of Directors per the Audit Committee, as presented (Roberts/Nguyen).** (Hyatt joined the meeting at 2:40 p.m.). Hyatt said the Audit Committee recommends to the Board that the financial statements be approved. **8/0/0 MSC.**

B. Information Item: Health Premiums – Railey said that last year the Board asked them to look into the possibility of creating a tiered approach to premiums; a different level of employer contribution to some of our lower paid staff. She said she reached out to Wells Fargo, our current broker and they’re not recommending this. They said the IRS guidance on ACA nondiscrimination testing is expected soon and it’s possible we’d have to retrait it. Railey noted for 2017, the HMO premium is decreasing by 2% and the two PPO Plans will be going up by 6.5%. She said the BUG group with Wells Fargo will be remaining at 11 members because although Research Foundation is leaving, another group is joining. Railey said she provided census information to two different brokers for quotes, noting we’re hovering right at 100 employees, which is the break between being considered a small group or a large group. She said a small group rating is a disadvantage and explained. Railey said she didn’t know how quickly they can provide quotes, but the plan offerings are not the same. She said the Blue Shield HMO plan would open up to all employees; however, there are concerns regarding providers in this region accepting new patients on the HMO plan. As a sample, Jennings reviewed the PPO Low Plan, which has the most employees on it. She noted three scenarios, 50/50 split, 60/40 split and Flat dollar amount (new option). Total monthly premiums, the amount the AS would pay, and the amount the employee would pay were reviewed. The affordable plan (PPO Low) is approximately $95.50/month, and it was noted that the Federal Poverty Level was used to come up with the amount. Jennings explained the Flat dollar amount scenario, noting that currently the AS contributes different amounts based on which plan is selected. She said campus sets a flat amount that they will pay for all plans. She said this last option applies a fixed amount to the PPO Low and High. It won’t include the HMO because the HMO is locked down (people can’t jump to that plan). She said this scenario would allow equalizing the plan premiums for the PPO Low and High and explained the numbers. Jennings said she spoke with Buckley regarding the preference to use a flat amount across plans as it’s a more typical rate structure from an employer’s standpoint. Last year a Special Board meeting was held to review health premiums and Jennings suggested a Special Board meeting for next Wednesday. She said the grand total of the cost increase is $71,320 and next reviewed estimated costs to each area based on the three scenarios. She said their favorite option is the flat dollar amount and noted there are funds available because of excess funding we currently have. She’s estimating based on today’s information, to spend down reserve that the AS has. In addition, there may be excess to refund to the projects six months later. Delorenzo requested statewide premium comparisons as in the past and Jennings will email the information to the Board. Jennings said this year the campus employees took the majority of increases; however, their employee contributions are well below ours because they’re in a much bigger group and get better rates. Delorenzo questioned how they developed the numbers for the flat rates and Jennings explained the process.

C. Information Item: In Range Progression (IRP) – Jennings said during last year’s budget process, there were a few conversations with the Board, as well as with staff directors regarding performance based increases. She said IRP on campus can be applied for by an employee or their supervisor, is for employees going above and beyond all the time, goes to HR and is quite a process. She said we want to do something similar although not the exact same process. Jennings noted funds were budgeted in the amount of $21,500 for this. She said they have not been able to develop the very specific criteria needed yet so it’s now being suggested to do a one-time bonus so it doesn’t go to an employee’s base salary every single year. Discussion was held and it was noted that Policy No. 570, Salary and Wage Increases, would need to be followed.

D. Information Item: June, July and August 2016 Activity Fee Fund Budget to Actual Experience – Nguyen reviewed the reports with the Board.
E. Information Item: June 2016 Student Union and WREC Summary Income and Expense Statements – Andrews reviewed the reports with the Board.

F. Information Item: July & August 2016 BMU and WREC/AO Summary Income and Expense Statements – Andrews reviewed the reports with the Board.

G. Information Item: June, July and August 2016 Wildcat Store Financials – Rahtz reviewed the reports with the Board.

H. Information Item: June, July & August 2016 Follett Financials – Rahtz reviewed the reports with the Board. Jennings said these reports come from Sarah Foisy, the Wildcat Store manager, and we get our commission income of 16.6% off their sales.

I. Information Item: June 2016 Dining Services Financials – Rahtz reviewed the reports with the Board.

J. Information Item: June 2016 Corporate Services Budget to Actual Income and Expenses – Jennings reviewed the report with the Board (Fleet left the meeting at 3:50 p.m.).

K. Director of University Affairs Report – Fleet’s report was included in the agenda packet.

L. Director of Legislative Affairs Report – Dumas’ report was included in the agenda packet.

M. University Vice President’s Report – Hyatt had no report.

N. Executive Director’s Report – Absent

O. President’s Report – Pratt’s report was included in the agenda packet. In addition, he said he attended the Shared Governance Conference in Washington, D.C. He will be condensing his notes down to one page and the Shared Governance document will hopefully be finalized in December.

VII. ANNOUNCEMENTS – Andrews said California passed the UK as the fifth largest economy in the world. Nguyen said it is Walktober.

VIII. PUBLIC OPINION – Limited to three minutes per speaker, five minutes for entire topic – Krater appreciated all and welcomed Pratt back.

IX. ADJOURNMENT – The meeting was adjourned at 3:54 p.m. by the Chair, Pratt.