BOARD OF DIRECTORS
ANNUAL MEETING
Thursday, December 12, 2013 – 4:00 P.M.
University Enterprises Boardroom

Minutes

Members Present: Happy Almogela
Andy Bodman
Ron Fremont
Bob Gardner
Brian Haynes
Juan Herrera for Anthony Ochoa
Josephine Mendoza
Tomás Morales
Ed Teyber
Val Zellmer

Members Absent: Bob Brown
Lois Carson
Dorothy Chen-Maynard
Yasha Karant

Others Present: Monir Ahmed
Debbie Burns
Lisa Iannolo
Cara-Marie Pham
Jeff Thompson
Diane Trujillo

Dr. Ed Teyber called the meeting to order at 3:08 p.m.

A. Approval of Minutes

The minutes of the September 18, 2013 meeting were reviewed and approved as written.
(Almogela/Fremont/Unanimous)
B. Approval of Children’s Center Handbook Amendments

Debbie Burns provided three pages of the Children’s Center Parent Handbook where minor revisions were highlighted. The three things that were updated were 1) Volunteers who worked in the classroom are required to have a TB test, 2) The Children’s Center will not accept cash for tuition payments, and 3) The Children’s Center refrains from religious instruction and worship. UEC holds the Children’s Center license and any changes made to the Parent Handbook require Board approval. The changes to the Parent Handbook were approved (Almogela/Herrera/Unanimous).

C. Executive Director Update

Debbie distributed an Executive Director’s report that included graphs and other visuals to show data for Sodexo and Follett. There was concern expressed at the last Commercial Enterprises Committee meeting about declining sales with both Dining Services and the Bookstore. Debbie created this report to show that the decline was not as severe as was originally thought to be.

A brief update was given by Debbie of the dining operations. A recent dining survey closed earlier this month. The final dining report with the recommendations from the dining consultant will be presented to the President and his cabinet in January. The goals for Dining Services for the upcoming academic year includes implementing a mandatory meal plan/declining dollar balance for all campus residence, renovating Starbucks to more than double the size, and adding a Jamba Juice “juicing station.” Although, customer counts are currently down approximately 5% from this time in 2012, they are up from 2011.

Juan Herrera expressed his concern that a lot of students will not be supportive of a mandatory meal plan, especially the students who have kitchens. Debbie pointed out that every other CSU has some type of mandatory meal plan or declining dollar and it is important to be able to expand dining areas and be able to accommodate more of what the students want in regards to dining. It was agreed that it will be important to communicate with the students as soon as possible and focus on positive marketing well in advance.

Debbie Burns also gave a brief update on the bookstore operations. Follett had recently reported a YTD textbook decline of 18.5% and a rental decline of 8.0%. Debbie followed up by asking them to give comparative data from other CSU’s who also outsourced to Follett. Results indicated that the CSUSB bookstore is not the only store facing these declines. There are other CSU’s that are seeing an even larger decrease in total dollar sales. The data shows that the decline in sales for all stores was seen after the implementation of the Rental Program in 2011.

Looking at a snapshot of Dining Services and the Bookstore net incomes it is evident that outsourcing was the best choice this campus made. Capital contributions and guarantees have made a huge difference which we could not have done without outsourcing.

Debbie touched briefly on the VEBA trust fund. The VEBA trust was set-up to prefund some liability to reduce retiree medical obligations. Every auxiliary at CSUSB participates
in the VEBA trust. The first deposit was made in December of 2012, another deposit was made in August of 2013, and with interest earned the trust is funded with $867,679 as of December 11, 2013.

Additionally, Debbie updated the Board on the HRIS/Payroll System. UEC is collaborating with ASI, SMSU and auxiliaries at Cal State San Marcos. There are three vendors in the running and they will be demonstrating their systems in the next couple of weeks. The first year quote for this new system ranges from $45,000 - $75,000, including implementation fees. The new system will begin on July 1, 2014.

Finally, Debbie informed the Board of an upcoming change that will be impacting UEC employees in 2014. The California minimum wages will increase from $8.00 per hour to $9.00 per hour on July 1, 2014. It was recommended that Diane Trujillo notify and work with PI’s and their budgets for this change.

D. **Financial Review**

Lisa Iannolo, Director of Auxiliary Financial Services, briefly reviewed UEC’s October 31, 2013 financial statement. She pointed out that the UEC’s net income year to date is approximately $20,000 above what was budgeted. The current year to date’s net income is significantly lower than last year to date’s net income which is primarily contributed to the decrease in the Bookstore’s commission structure.

Lisa reported on UEC’s Statement of Financial Position. As of October 31, 2014 the cash and cash equivalent is well over 3 million dollars and the short-term investments are over 3 million dollars as well. Lisa assured the Board that UEC needs this much cash and that it is completely collateralized. UEC needs liquid because grants are constantly spending and we need the cash flow available.

E. **Sponsored Programs Review**

Diane Trujillo, Director of Sponsored Programs Administration, and Jeff Thompson, Associate Provost for Research, reviewed the financial status of Sponsored Programs for the period ending October 31, 2013. The total activity is down as anticipated. Jeff explained that the reduction of expenditures has a direct relationship to the decrease in indirect that is available to distribute to the campus. Although there has been a reduction in the effective recovery rate, this is consistent among other CSU campuses. Jeff shared that the past five months have been looking up. He felt confident that there are large awards coming in to help the bottom line.

F. **Committee Reports**

In lieu of committee presentations to the Board, drafts of all minutes of Standing Committees are provided with this Board meeting package.
G. Closing Remarks

Dr. Morales thanked everyone for serving on the University Enterprises Corporation's Board of Directors. He was happy to hear that the Bookstore textbook sales are not as bad as was assumed during the last Executive Committee meeting. President Morales is concerned about the Infant Toddler Center on the UEC Financial Statements. There net income is in the negative and Dr. Morales would like Lisa to research this more and bring the information back to the Board. It was also suggested that we invite a guest, Amanda Wilcox, from the Infant Toddler Center to join one of our Board meetings this year and educate the entire Board on the wonderful center that CSUSB offers.

President Morales reported that CSUSB continues to attract more students. Moving forward with mandatory meal plans, a new Commons, and a new on-campus residence hall continues to be researched and discussed. Juan Herrera emphasized that a mandatory meal plan will be a change that is difficult on the students. He recommends that a lot of communication and time be given to students to adjust if this was to move forward. Dr. Morales clarified that CSUSB is the only CSU that does not have a mandatory meal plan.

The meeting adjourned at 4:12 p.m.

Minutes approved by:  

Date: 3/13/14