

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
AUGUST 26, 2019
GRAND SALON ROOM
MINUTES**

I. Call to Order

The regular meeting of the USU Board of Directors was called to order at 12:30 p.m. by Chair Tyrone Carter.

II. Roll Call

Present	Absent	Staff	Guests
Melanie Alvarez		Jimmy Francis	Khachik Baghumyan
Stephanie Barboza		Kristen Pichler	Navid Mahkhatam
Tyrone Carter		Joe Illuminate	Ronnie Medrano
Matthew Contreras		Freddie Sanchez	
Arrah Ebot Enaw		Kaila Lavin	
Sharon Eichten		Sharon Kinard	
Marquita Gammage (arrived at 12:43 p.m.)		Samantha Liu	
Debra Hammond		Tim Rasmussen	
Catleya Maralit		Dave Ross	
Gabriella Nguyen		Jonathan Navarro	
Christopher Ordonez		Steven Wein	
Tammy Rassamekiarttisak		Jeremy Hamlett	
Giselle Reyes		Elias Gallegos	
Timmothy Roberts			
Shelley Ruelas-Bischoff (arrived at 12:33 p.m.)			
Tonee Sherrill			
Diana Vicente			

III. Approval of Agenda

M/S/P (T. Rassamekiarttisak/G. Reyes) Motion to approve the agenda for August 26, 2019.

Motion passed 13-0-0.

Director Ruelas-Bischoff arrived at 12:33 p.m.

IV. Approval of Regular Meeting Minutes

M/S/P (M. Contreras/M. Alvarez) Motion to approve the minutes of the July 15, 2019 meeting.

Motion passed 14-0-0.

V. Open Forum

No report.

VI. Chair Report

Chair Carter welcomed everyone back from the summer and emphasized the importance of mindfulness, self-care, and communication with the Board as the new school year begins. He offered support to anyone that needs it. He gave a reminder about the Meet the Clubs event on September 3 and Matafest on August 28. He thanked presenters from the Committee Chair/Co-Chair & Executive Secretary Training that took place on August 12, listing various topics covered such as Recruitment, Training,

Retention, Purpose of Committee, BOD Organizational Chart, BOD 2019-20 Committee Roster, Non-Profit Decision Making, Group Observation Criteria, Logistics & Running Effective Meetings, Keeping Meeting Minutes, and Meeting Facilitation. He announced that two student representative positions were appointed and accepted – Director Roberts to the Food Advisory Committee and Director Maralit to the Campus Fee Advisory Committee – and thanked them for accepting. He spoke about attending the Association of College Unions International (ACUI), Institute for Leadership Education and Development (I-LEAD) at the University of Vermont in Burlington from July 20-26. He said it was an incredible one-week event with students from differing backgrounds. Workshops include the topics of Diversity & Inclusion and Servant Leadership. Carter said Student Summit took place on August 21 with student-facilitated workshops on topics inspired by Brene Brown’s book “The Gifts of Imperfection.” He said the leadership development offered by the USU is the best he has seen, as students from other universities that he met at I-LEAD do not have such opportunities. He thanked presenters from the Graduation Preparation Seminar held on August 23 including Interim Student Recreation Director Kaila Lavin; Interim Assistant Director, Administration & Technology Sharon Kinard; and Human Resources Specialist Jenny Aw. He said the interview process for the USU Renovation project’s architect selection had concluded with the final firm selected (announcement of the firm’s name to come soon). He congratulated Chair Contreras’ appointment to The University Corporation Board of Directors and Pride Chair at the Stonewall Democratic Club for the City of West Hollywood. Chair Contreras said that the Stonewall Democratic Club is a non-profit for LGBTQ rights and said that he is available for anyone that has questions. Chair Carter concluded by stating the importance of networking. He said the marketing of the USU starts with individual efforts.

Director Gammage arrived at 12:43 p.m.

VII. Vice Chair Report

Vice Chair Barboza said that she hoped everyone enjoyed their summer and had an easy return to class. She and Chair Carter attended project development meetings with Director Hammond and Associate Executive Director Jimmy Francis and will continue to do so. In these meetings, they brainstormed ways to increase the BOD’s visibility on campus such as tabling at Matafest and Meet the Clubs. The goal also is to differentiate the USU from Associated Students (AS). On July 22, Vice Chair Barboza, Directors Rassamekiarttisak, Maralit, Alvarez, Contreras, and Associate Director, Marketing & Programs Freddie Sanchez visited the USU’s Pride Center, Veterans Resource Center, and Dream Center where the staffs communicated interest in seeing more student Board members at their events, staff meetings and developmental meetings to gain insight into what is happening in the centers. Directors were encouraged to attend each of the center’s ally trainings. By cultivating closer relationships with the centers, directors are fulfilling their duty as servant leaders said Barboza who encouraged Board members to talk to center employees and spread awareness about their events and resources. She and Chair Carter visited the Pride Center and the Veterans Resource Center to connect with the centers’ supervisors and employees. They had great, meaningful conversations about how they can support as student Board members. She encouraged directors to sign up for both centers’ email lists to stay up to date with their events. She said that the Retirement Committee held its first meeting to discuss goals for the year. The committee will meet quarterly.

VIII. Executive Director Report

Director Hammond asked Associate Director, Accounting & Finance Joe Illuminate to discuss the background of the overall deficit for 2018-19. Illuminate reported that since the previous executive director’s report was published, the actual deficit for 2018-19 changed to \$225,359.38 because of an additional accounting entry made during the course of the annual audit. This number will appear in the audit report to be presented to the Board at the September meeting. The downward adjustment for 2018-19 was unexpected. In 2017-18, there was a significant downward adjustment that did not create a deficit because there was sufficient surplus to absorb the deficit. As a result of the unexpected adjustment in 2017-18, Illuminate said a plan was made to avoid surprises in the future. The strategy in 2018-19 was to receive the USU valuation report from its actuarial consultant earlier in the fiscal year in order to record any large adjustments. In 2018-19, the USU received a preliminary report in March 2019 and the final report in June 2019. Since the preliminary report was received in March and then finalized in June, the expectation was that there would not be any significant changes during that three-month period. However, Illuminate said that there was a significant change during the three months because

the discount rate that actuaries use in the valuation report went down more than expected. In general, Illuminate said if the discount/interest rate goes down, the USU earns less investment income on funds set aside to pay for retiree medical benefits. This means that the USU must increase its projected expense to pay for the expected increase in benefits. An increase in expense has a negative financial impact. In order to combat more surprise adjustments, Illuminate said the USU has made an agreement with the actuarial consultant to alert the USU to any potential significant changes on a quarterly basis so these adjustments may be recorded earlier in the fiscal year. If the USU had known that there was going to be a downward adjustment, Illuminate said the USU would have slowed down spending during the fourth quarter in order to not incur a deficit. There had only been one other fiscal year where there was a deficit and that deficit was intentional and planned. In that year, the USU transferred excess cash from its operating fund to the campus Major Repair & Replacement Fund in order to provide a loan to Housing for a construction project. Illuminate pointed out that even though the USU incurred a deficit in 2018-19, the USU had an operating surplus. This means is that the USU had more revenue coming in for operations than expenditures for operations (i.e. operations include student programs and services that the USU provides). The downward adjustment is considered a non-operating expense and is a book entry, not an expenditure of cash. Cash balances in USU accounts did not decrease as a result of the downward adjustment. Illuminate noted that adjustments are not always negative; there can be positive adjustments resulting in a decrease in expenses and a corresponding increase in any projected surplus. He acknowledged Director Contreras for reading the executive director's report and asking questions prior to the meeting. Director Contreras then asked if Illuminate could give another example of non-operating costs. Illuminate gave the example of interest income that the USU earns on its investments, such as from SWIFT (Statewide Investment Fund Trust). Director Gammage asked Illuminate if there was any plan to buffer further, and Illuminate said that is something they will look for in 2019-20. Director Hammond said she wanted to make sure the Board knew about this information for transparency purposes. While the USU cannot control interest rates nor go back in time, procedural changes can be made. Chair Carter asked what impact the political climate had on this topic. Director Hammond said that it impacted the USU via a) enrollment and b) asking USU departments to look at spending on a quarterly basis and return what they do not spend departmentally to the corporation's bottom line for possible reallocation. Illuminate said he updates the long-term financial plan as needed. Director Hammond said the USU will be mindful about future changes as it relates to the USU financial plan. Hammond announced a number of changes in USU personnel and said she would send a revised organizational plan. She mentioned a number of individuals who took on new responsibilities, shifting roles, or joined the organization as new hires, and said she was grateful for their cooperation as current and future staffing needs are explored. She said she was available for questions, concerns and feedback.

IX. A.S. Report

AS President Vicente welcomed the Board and invited directors to stop by AS offices. She said she plans to show support to the USU and invited anyone who wants more support to let her know. She said the first Senate meeting was a success and thanked Chair Carter and Director Contreras for their support. Important upcoming AS dates:

- AS Fair (August 27 from 10:00 a.m. to 3:00 p.m.)
- Meet the Clubs (September 3-4 from 10:00 a.m. to 2:00 p.m.)
- Commuter Week (Third week of the semester from 8:00 a.m. to 11:00 a.m.)

Vicente said Commuter Week is new this semester and targets commuting students to inform them about events, ways to get involved, parking options and what the AS is doing to help. She encouraged everyone to stop by. She held a monthly meeting with President Harrison to talk about pressing issues and would like to open the meeting to include any interested Board directors. The AS started its 100 Day Initiative where Senators reach out to professors to present about AS to 100 classrooms in 100 days. Senators would support Matador Day of Service on September 7 and would be involved in the Transportation Initiative support for the North San Fernando Valley metro line (NSFV BRT) that she said would simplify student transit. Vicente said she was making transportation arrangements for anyone interested in attending a September 27 meeting in downtown Los Angeles about the transportation plan. She said the California State Student Association (CSSA) is addressing the anticipated rise in CSU application fees from \$55 to \$70. AS wishes to help with fee waivers in response. AS has opposed an effort to increase the high school math requirement for CSUs from three

years to four years and invited directors to submit letters to present at Thursday's Board of Trustees meeting. AS won its bid to bring a CSSA meeting to campus. Vicente said the University Budget Planning Committee has discussed with President Harrison the recent \$1.4 billion in CSU reserves. Vicente said she would send out an OpenBook link to the Board so they could see how the fees are used at CSUN. As a member of 13 committees, Vicente encouraged the Board to ask her any questions. Vice Chair Barboza asked Vicente where she could obtain the letter for gathering signatures regarding the fourth year math requirement topic. Vicente said she would forward the link to the website and asked for signatures by August 28. Director Hammond asked for the dates of the CSSA meeting. Vicente said November 15-17. Chair Carter asked Vicente to describe the meeting. Vicente said different AS representatives travel to CSUN where Saturday would entail all-day committee meetings and dinner, and a Sunday Board meeting would be followed by a to-go lunch. Chair Carter asked if the \$1.4 billion in CSU reserves was illegal or a matter of transparency. Vicente used parking services as an example. When fees are garnered for parking services, those funds can only be used for parking and nothing else. The money is equivalent to rainy-day reserves. CSUN ideally should maintain six months of reserves but actually has only two months reserved. The \$1.4 billion is the amount amassed CSU-wide across its 23 campuses.

X. Action Items

A. Audit Committee Member Approval

M/S/P (S. Barboza/M. Contreras) motion to approve Khachik Baghumyan and Navid Mahkhatam as student members of the Audit Committee.

Both Baghumyan and Mahkhatam, accounting majors in their senior year, were present at the meeting and stated that involvement with the Audit Committee would be great experience in helping them determine whether to pursue tax or auditing post-graduation. They also want to use the opportunity to make connections.

Motion passed 15-0-0.

B. USU BOD Goals 2019-2020

M/S/P (T. Rassamekiarttisak/T. Roberts) motion to approve the USU BOD Goals for the 2019-2020 academic year.

Director Hammond asked the Board to review its overarching goals for the year. She said Board members are primarily responsible for these goals, in addition to staff and committee members. She asserted that the Board was voting on the list of proposed strategies and asked directors to pay particular attention to Strategy 2.3.1 to make sure it was right. About Strategy 2.3.1, Chair Carter said that one way USU awareness spreads is through participating in the various developmental opportunities offered to students. He encouraged Board involvement. He also welcomed any questions or concerns related to that goal.

Motion passed 15-0-0.

XI. Discussion Items

A. USU Project Update

Director Hammond said this topic would be a monthly discussion item. The three goals for this year:

1. Architect selection: The architect has been selected. Its terms and contract are being negotiated and the goal is to finalize the contract in mid-September.
2. Contractor selection: A Request for Qualifications (RFQ) has been sent to various contractors. Upon receipt of proposals, the information will be reviewed and three or four contractors will be selected for on-campus interviews during the first week of October.
3. Design and development: Director Hammond said USU work teams would be formed to assist with these phases. One would be a work team led by Associate Executive Director Jimmy Francis that would center on the project. Board members interested in participating should respond to an email request for participants by September 4. A second work team would be the U-Rise Committee whose name would change due to an NIH grant on campus with the same name. She said the Board would receive updates about this team.

B. ACUI Region I and IV Conference

Director Hammond invited Manager, Reservations and Operations Samantha Liu to speak about this year's ACUI Region I and IV Conference taking place in Reno, Nevada from November 14-16. Liu, who has been affiliated with ACUI since 2008, said that the deadline for submitting educational session applications had been extended to September 30 to allow for more topics and students to apply. She welcomed to have questions directed to her; Coordinator, Building Operations Tim Rasmussen, or Director Sherrill. Director Hammond said that combining the two regions would provide cross learning for all.

XII. Announcements

- Director Ruelas-Bischoff introduced herself and welcomed everyone to the fall semester, stating her excitement to be at the Board meeting and to be working with the Board. She has worked with the USU for a number of years and said she looked forward to getting to know this year's directors. She said that her role is to keep everyone informed about on-campus initiatives, secure the Board's input and be an advocate for the Board in ongoing campus conversations. She highlighted the upcoming President's Picnic on August 29 and said she looked forward to seeing everyone. Her door is always open.
- Director Eichten acknowledged AS President Vicente in addressing the complicated topic of the \$1.4 billion CSU rainy day reserves. Director Eichten explained that the \$1.4 billion includes all CSU campuses and all funds. There are enterprise fund areas and auxiliaries where funds only may be used for those specific areas. She said the \$1.4 billion has to be broken into pieces to understand it. There is a CSUN website in its infant development stages that will detail what CSUN's rainy day reserves consist of. She said a recession is inevitable and it is hard to know if CSUN will have enough rainy-day funds. During the last recession, there was a 6% cut; today that equates to \$27 million in general funds.
- Director Eichten also stated that in regards to the increase in application fees that AS President Vicente had mentioned earlier in the meeting, that fee had not been looked at since 1989. She said there is additional information on the Cal State Apply website that makes it easier to understand.
- Chair Carter asked Director Gammage and Director Sherrill to introduce themselves.
- Vice Chair Barboza said she would send a Doodle to fill shifts at Matafest, with shifts starting at 10:30 a.m. She also said she would share a digital calendar of events and asked the Board to forward it to its constituents. She reminded everyone that they are responsible for distributing fliers and spreading the word about programs.
- Chair Charter said that Multimedia Coordinator Steven Wein would be taking Board photos at the conclusion of the meeting.

XIII. Adjournment

Chair Carter adjourned the meeting at 2:00 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director