

**HUMBOLDT STATE UNIVERSITY CENTER**  
**BOARD OF DIRECTORS**

Meeting on Thursday, October 12, 2017

The Humboldt State University Center Board of Directors met on the above date in the University Center Banquet Room, at Humboldt State University, Arcata, California. Chair, Casey Park, called the meeting to order at 5:25 p.m.

Directors Present: Dana Carrillo, Chant'e Catt, Gregg Foster, T. Mike Kirakosyan, Nicole Laureano, Steve Martin, Destiny Mendoza, Casey Park, Armeda Reitzel, Mark Rizzardi, Sylvia Shively, Sarah Spurlock

Directors Absent: W. Wayne Brumfield (excused), Chant'e Catt (excused), Joey Mularky (excused)

Also Present: Heidi Chien, Roy Furshpan, Bridget Hand, Dave Nakamura, Linda Pereira, Ruth Sturtevant

**MINUTES**

SUBJECT: Approval of Agenda

MOTION: It was moved (Reitzel) and seconded (Kirakosyan) to approve the Agenda.

ACTION: The Agenda was approved.

SUBJECT: Approval of Minutes

MOTION: It was moved (Kirakosyan) and seconded (Spurlock) to approve the Minutes of the Board Meetings on September 7, 2017 and September 30, 2017.

ACTION: The motion was approved.

SUBJECT: Public Comment

There was no public comment.

SUBJECT: Chair's Report – Casey Park, reporting

Committee Assignments – Board members were referred to a roster of assignments contained in their meeting packets and asked to make note of the subcommittee(s) they have been appointed.

Board Roster and Email Contact Information – A roster with email contact information was also included in the meeting packets. The roster is posted on the University Center's website.

Special Board Meeting/Retreat – The retreat held on September 30 went well. Notes from the afternoon group work sessions are being prepared by the facilitator and will be provided to Board members.

SUBJECT: Executive Director's Report – Dave Nakamura, reporting

University Center Operating Agreement Update – The operating agreement between the UC and the campus expires in June 2018. The process to update and renew the contract at the staff level started last year and was delayed in part because some of the language is extensive and outdated. Also, the Chancellor's Office came out with a new template to use for all auxiliary operating agreements. Merging the two is a challenging task. Another item that came to the forefront is that the University Center is not only just a building, it is also an organization that manages a fair amount of rooms and facilities, with many of them added to the agreement over the course of more than 20 years. The way some of those facilities are managed has changed during that time, so this is an opportunity to ensure the agreement reflects those responsibilities accurately.

Facilities Projects' Update – Most furniture in the Depot has been replaced with new mixed-use furnishings that include window seating, booths, and tables that can be moved to create collaborative spaces. The main boiler that supplies heat to the UC building is down. HSU Facilities Management has identified a solution to repair the boiler that's a fairly minor fix, and it should be up and running within the month.

Housing Master Plan – Last year, HSU Student Affairs and Housing initiated a demand study of housing stock both on campus and the surrounding community to determine the anticipated demand for student housing compared to what's available and concluded there is a shortage. The study considered options HSU may have to increase student housing such as constructing a new building on campus or purchasing property off campus to build or work in partnership with private developers. The demand study provides a framework to establish a master plan that will have considerable more detail and thought behind it to make some final decisions. It's incumbent for the UC to be involved with the process. Depending on which pathway is chosen, it could have a significant impact on Dining Services. This process will take time, most likely four or five years in the best-case scenario.

CalPERS Agency Review, Finding #6 – This item refers to the membership status of three staff members who are State employees where the University Center reimburses HSU for the cost of their salaries and benefits. CalPERS disputed this employment structure where there is a crossover between two entities. The Chancellor's Office filed an appeal in the matter and retained a law firm to represent the UC, HSU, and CSU. An administrative hearing is set for mid-November, with a determination potentially in January. The attorneys will be on campus at the end of October to interview and prepare witnesses.

The Executive Committee spent a significant amount of time reviewing this item last year and will meet again to go over details before the hearing.

SUBJECT: Audit Committee Report – Casey Park, reporting

Review & Accept the 2016-17 Audited Financial Statements – The Audit Committee met on September 14, 2017, with Executive Director, Dave Nakamura; Associate Executive Director, Heidi Chien; and Accounting Manager, Wendy Sotomayor. Casey Park was elected Chair. Chris Knopik, CPA, a principal with the firm CliftonLarsonAllen LLP, presented a report on the financial statements. Following discussion and review, the committee voted to accept the audit report on the Board’s behalf in accordance with action during the meeting on September 7, 2017. A copy of the final audit report was provided to Board Members.

MOTION: It was moved (Reitzel) and seconded (Rizzardi) to accept the Audit Committee report. The motion carried.

SUBJECT: Finance Committee Report – Sylvia Shively, reporting

2016-17 University Center Financial & Audit Report Update – The Finance Committee met on October 5, 2017, with Dave Nakamura, Heidi Chien, and Wendy Sotomayor. The Committee reviewed the Audited Financial Statements report and in-house comparative financial statements prepared by staff for the years ending on June 30, 2017 and 2016. Committee members discussed declining Bookstore proceeds and the contract renewal with Follett. They also examined Dining Services revenues in terms of its inability to increase meal plan pricing for this academic year at the request of campus administration.

2018 Employer Health Insurance Contribution – Committee members discussed management’s proposed health insurance contribution rates for 2018, and reviewed CalPERS Resolution #41, fixing the University Center’s employee health insurance contributions. The Committee agreed to recommend Board adoption. Additional information on this item is under Old Business.

Voluntary Employees’ Beneficiary Association (VEBA) Trust Update – Committee members received a report on the VEBA Trust’s performance with staff. The purpose of the Trust is to fund health benefits for retired employees and their spouses.

University Center Reserves Review – The Committee reviewed the UC’s reserves policy and reserves balances for the years ending in 2017 and 2016.

Board discussion ensued on the University Center’s financial outlook over the next five years, and it was noted that there might be some difficult decisions to be made ahead. The organization’s five-year budget projection plan

presented to the Board in May 2017 shows in the next two years the organization's finances are on the plus side, then in year three, its net income goes into a deficit. Reserves can only be used for so long to cover shortfalls before they are depleted. The UC does what it can to control the expense side of its finances. However, significant expenses that are out the organization's control are increasing such as California's minimum wage which is currently \$10.50 per hour and will continue to rise to \$15 per hour by 2022. The University Center employs over 400 student/hourly employees. What can be controlled to a certain extent is the revenue side of its finances such as meal plan pricing and student fees. The UC's student center fee is the lowest in the 23-campus CSU system. The current fee, while it worked for some years, is no longer sustainable. Raising it comprises a lengthy process. Staff is collating information to begin this process that includes a comparison of student fees throughout the system, how they would look concerning revenue for the University Center, and anticipated expenses. There are several steps involved in a fee adjustment, including a review by the campus Student Fee Advisory Committee and a referendum that comes before students for a vote.

MOTION: It was moved (Kirakosyan) and seconded (Rizzardi) to accept the Finance Committee Report. The motion carried.

SUBJECT: Old Business

2018 Employer Health Insurance Contribution: CalPERS Resolution #41, Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act – Board members were referred to a copy of CalPERS Resolution #41. Management staff reviews the University Center's contribution toward its employees' health insurance on an annual basis. Modifying the contribution requires a Board resolution with the California Public Employees' Retirement System.

Up until 2015, the University Center's employer health insurance contribution mirrored the State's rates. In 2015, the Board voted to augment the UC's contribution so that its employees' share for the most commonly used insurance plan, PERS Choice, was equal to that of a State employee's share of contribution. To that end, staff again recommends modifying the 2018 health insurance contribution in the same manner. The total cost will be approximately \$20,000 to fund the increase.

MOTION: It was moved (Foster) and seconded (Shively) to adopt CalPERS Resolution #41, Fixing the Employer Contribution at an Equal Amount for Employees and Annuitants Under the Public Employees' Medical and Hospital Care Act, that the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members in a health benefits plan, up to a maximum of \$813.96 per month with respect to employee or annuitant enrolled for self alone, \$1,556.60 per month for employee or annuitant enrolled for self and one family member, and \$1,999.48

per month for employee or annuitant enrolled for self and two or more family members, plus administrative fees and Contingency Reserve Fund assessments.

ACTION: The motion was approved.

SUBJECT: New Business

CalPERS 180-Day Wait Period Exception – Under certain circumstances, CalPERS allows retirees to work for a CalPERS agency as a retired annuitant without reinstatement from retirement. To do so, the retiree must meet a 180-day wait period requirement or an allowable exception. This requirement applies to retiree employment effective January 1, 2013. There are exceptions to the 180-day wait period requirement. One of these exceptions allows an agency to employ a retiree before the end of the 180-day wait period if the governing body certifies by resolution that the appointment is necessary to fill a critical need. This item was referred to the Executive Committee for consideration and recommendation at the November meeting.

SUBJECT: General Board Comments

Associated Students is coordinating donations to assist fire victims in Sonoma County. Additional information is on the AS website.

The Resident Housing Association adopted a resolution to recommend changing Meatless Monday at The “J” by offering fish and fowl options and increasing vegetarian choices throughout the week. The association felt this is beneficial for all students.

The Outdoor Nation Campus Challenge runs through Sunday, October 15. Currently, HSU is second in the western region to Sacramento State.

SUBJECT: Announcements

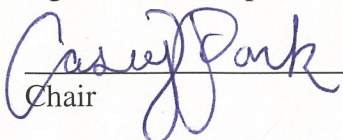
There were no announcements.

SUBJECT: Adjournment

The meeting adjourned at 6:20 p.m.

Submitted by:  
Linda Pereira  
Recording Secretary/Assistant to Executive Director

Agreed and Accepted:

  
Chair

11/09/17  
Date