

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

Meeting on Thursday, November 9, 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 5:15 p.m.

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

Directors Absent: Gregg Foster (excused)

Also Present: Heidi Chien, Doug Dawes, Roy Furshpan, Bridget Hand, Dave Nakamura, Linda Pereira, Ron Rudebock, Wendy Sotomayor, Ruth Sturtevant

**MINUTES**

SUBJECT: Approval of Agenda

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

ACTION: The Agenda was approved.

SUBJECT: Approval of Minutes

MOTION: It was moved (Catt) and seconded (Reitzel) to approve the Minutes of the Board Meeting on October 12, 2017.

ACTION: The motion was approved.

SUBJECT: Public Comment

There was no public comment.

SUBJECT: Chair's Report – Casey Park, reporting

December Holiday Board/Management Staff Dinner – The annual Board and Management Staff holiday dinner will be held on Thursday, December 7, following the Board meeting in Windows Café. Invitations with additional information are forthcoming. Board members are welcome to bring a guest to dinner.

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

IRS Form 990 Tax Return – Non-profit organizations are required to file this corporate tax return annually with the document made available to the organization's board of directors before it is filed with the IRS. Copies of the return for the 2016-17 fiscal year was available to interested Board members. It is also posted on the University Center's website as a transparency requirement. This item does not require action by the Board.

Other Reports – Executive Director, Dave Nakamura, recently attended the National Association of College Auxiliary Services (NACUS) annual conference in Colorado where he was part of a presentation panel. NACUS is a trade association that supports the non-academic segment of higher education through an array of campus services.

Dining Services and the campus are active in its sustainability efforts and addressing food insecurity. To that end, management staff is often asked to provide information to the Chancellor's Office and other campuses on these topics. This coming January, Dave and Dining Services Director, Ron Rudebock, will give a presentation at the annual Auxiliary Organization Association conference in Sacramento.

SUBJECT: Executive Committee Report – Casey Park, reporting

CalPERS 180-Day Wait Period Exception – The Executive Committee met on November 3, 2017, with Dave Nakamura. Under certain circumstances, CalPERS allows employment of a retired annuitant after meeting a 180-day wait period requirement or an allowable exception. One of these limitations enables the hiring of a retiree before the end of the wait period provided the governing body adopts a resolution certifying the appointment is necessary to fill a critical need. Committee members reviewed a resolution approving an exception to employ former Associate Executive Director, Heidi Chien, to fill a critically needed role in the University Center and pass on her organization and institutional knowledge to a successor. The Committee voted to recommend Board adoption.

CalPERS Agency Review Finding #6 – This item refers to the membership status of three staff members who are State employees where the UC reimburses the campus for the cost of their salaries and benefits. The Committee met in closed session to receive an update on this item. During Board discussion, Dave Nakamura noted that an Administrative Hearing on this matter was scheduled for November 15-16, in Eureka. However, the judge has requested to hold a settlement conference instead between the attorneys representing CalPERS and the CSU. The settlement conference is taking place in Oakland on November 15.

MOTION: It was moved (Kirakosyan) and seconded (Catt) to accept the Executive Committee report. The motion carried.

SUBJECT: Old Business

CalPERS Resolution #42, For a 180-Day Wait Period Exception per Government Code Sections 7522.56 and 21224 – A motion was called for from the floor to table this item pending results of the settlement conference referenced during the Executive Committee Report.

MOTION: It was moved (Reitzel) and seconded (Kirakosyan) to table this item until a future date. The motion carried.

SUBJECT: New Business

Student Center Fee Adjustment – Dave Nakamura provided a presentation on a proposed UC Student Center fee adjustment. He noted that the subject of a fee increase had been brought up in the past year as part of the budget process and reviewing the University Center's 5-year financial plan projection report. The purpose of the presentation is to officially bring this item to the Board for discussion, provide a history and overview of the current fees in place, the rationale for adjusting the fee, and the process involved with enacting an increase. If the Board wishes to move forward, this item will be brought before the subcommittees to review in terms of financial impacts to the UC's programs and facilities.

The current Student Center fee was established 30 years ago in 1987 and is \$89 per year. The Student Recreation Center (SRC) fee was put into place in 2001 and is \$96 per year. These mandatory fees totaling \$185 are paid by students as part of their tuition, and the funds are held by HSU. Before the money is returned to the University Center, bond payments for the KBR expansion and SRC renovation projects totaling about \$440,000 per year are subtracted from the total. After these obligations are met, the HSU Budget Office calculates the amount that is returned to the University Center. This revenue line-item in the UC's budget and financial statements is called Return of Student Fees, and support General Operations, CenterArts, and Center Activities.

Based on the Higher Education Price Index (HEPI), in terms of today's dollars, the current \$89 Student Center Fee set in 1987 would be \$181, and the SRC fee of \$96 from 2001 would be \$143. The HEPI is similar to the Consumer Price Index (CPI), except it's considered a more accurate measure on the impact of inflation related to a higher education setting and is tilted toward wages and benefits.

In comparison to other campuses throughout the CSU, taking into account the programs and facilities that the UC provides to the campus community, the organization's Student Center Fee is the lowest in the 23 campus system.

An item that will have a significant impact on the University Center's financial outlook is the upcoming California minimum wage increases. There is a high level of student employment within the organization. In 1987, the minimum wage was \$4.25 per hour. Currently, it's \$10.50 per hour, rising to \$11.00 in 2018, then \$12.00 in 2019, and continues to increase annually in \$1.00 increments until 2022 at which time it will be \$15.00 per hour. Currently, the University Center's overall hourly wages are about \$2 million per year, and in 2022 the wages will be closer to \$3 million. This will have a significant impact on the organization's financial outlook.

In addition to rising costs in wages and benefits, in 2014 the campus conducted a Facility Condition Assessment study of the University Center building complex and identified \$9.5 million in maintenance projects to keep the building in its present condition. Some of the major systems identified as part of the deferred maintenance assessment are those the building can't do without should they fail. These systems include two elevators, the electrical switch gear and transformers, the fire alarm and suppression system, and HVAC controls.

Over the years, the University Center has managed to maintain its programs and operations without raising the student fee. However, with future wage trends, inflation, and deferred maintenance, that time will be coming to an end. At the fee's present level, the organization would have to scale back its programmatic offerings in CenterArts and Center Activities, reduce hours of operation, increase costs for services, fall further behind on critical maintenance projects, and have no flexibility for future projects or programs. With a moderate fee adjustment, the UC can maintain its current operations, keep student wages at a similar level, and continue its focus on student programs. Additionally, the organization would be able to stay current on maintenance and equipment replacement, and provide flexibility for future projects and programs.

The process for a fee adjustment begins with the UC Board's review and support. Then staff will submit an application and supporting materials for the Student Fee Advisory Committee to review. There will be outreach such as meetings with individuals and key constituent groups. The Student Center fee is considered a category II fee, meaning it's mandatory and as a result, it must be voted on and approved by the student body during the AS elections held in April.

Following Board discussion, this item was referred to the Business Enterprise and Programs & Facilities sub-boards, and the Finance Committee for review.

Resolution #43, Adopting the FlexCash and Tax Advantage Premium Plan – The University Center provides an option for its benefited employees to participate in a Cafeteria Plan as defined under Section 125 of the Internal Revenue Code of 1986. The Cafeteria Plan includes a Premium Only Plan, which allows employees to choose between cash or UC sponsored medical coverage; a Dependent Care Flexible Spending Arrangement, allowing employees to set aside pre-tax funds to pay for qualifying dependent care expenses; and a Medical Reimbursement Benefit, allowing employees to set aside pre-tax funds to pay for certain out-of-pocket medical expenses.

Since the original implementation of the UC Cafeteria Plan on July 1, 1992, and restated on January 1, 1993, staff has consulted with benefit advisors to revise the plan document with current IRS provisions. The revised plan, FlexCash & Tax Advantage Premium Plan, would replace and rescind the Cafeteria Plan and must have formal Board approval. This item is to adopt the Resolution and revised Plan Document.

MOTION: It was moved (Shively) and seconded (Spurlock) to approve Resolution #43, Adopting the FlexCash and Tax Advantage Premium Plan.

ACTION: The motion was approved with one abstention.

Resolution #44, Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF) – Board members were referred to a copy of Resolution #44. The University Center established a bank account with LAIF in December 1991. LAIF, which is managed by the California State Treasurer, provides the University Center with a means to invest funds in a liquid investment pool. Currently, three staff members are authorized to transfer funds in and out of the account. Due to staffing changes, two authorizations must be updated. LAIF requires a Board resolution each time there is a change in personnel authorized to transact business with the fund. This resolution brings up to date the staff members allowed to do so. It rescinds Resolution #34 adopted on May 9, 2013, and replaces Heidi Chien and John Erickson with Wendy Sotomayor and Ruth Sturtevant respectively.

MOTION: It was moved (Reitzel) and seconded (Catt) to adopt Resolution #44, Authorizing Investment of Monies in the Local Agency Investment Fund.

ACTION: The motion was approved.

SUBJECT: General Board Comments

There were no comments

SUBJECT: Announcements

Chant'e Catt announced that the Homeless Student Advocate Alliance is hosting a 3-day event called *Housing Student Insights* on November 28-30. The first day will feature Native American storytelling about houselessness, the second day will present training on breaking stigmas, and the third day will consist of workshops featuring anecdotal solutions to housing insecurity.

Ron Rudebock reported that this Sunday, November 12, is the annual Fall Harvest Dinner at the "J" and costs \$3.75 in J-Points.

SUBJECT: Adjournment

The meeting adjourned at 6:25 p.m.

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

Agreed and Accepted:

 12/07/17  
Chair Date