

**HUMBOLDT STATE UNIVERSITY CENTER
BOARD OF DIRECTORS**

Meeting on Thursday, September 6, 2018

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. Outgoing Chair, Casey Park, called the meeting to order at 5:15 p.m.

Directors Present: Emily Adams, W. Wayne Brumfield, Greg Foster, T. Mike Kirakosyan, Jourden Lamar, Destiny Mendoza, Armeda Reitzel, Mark Rizzardi, Joshua Sales, Jazmin Sandoval, Sylvia Shively

Directors Absent: Chant'e Catt (excused), Steve Martin (excused)

Also Present: Rob Christensen, Douglas Dawes, Roy Furshpan, Bridget Hand, Chris Knopik (via teleconference), Dave Nakamura, Linda Pereira, Ron Rudebock, Wendy Sotomayor, Ruth Sturtevant

MINUTES

SUBJECT: Approval of Agenda

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

ACTION: The Agenda was approved.

SUBJECT: Approval of Minutes

MOTION: It was moved (Reitzel) and seconded (Kirakosyan) to approve the Minutes of the Board Meeting on May 3, 2018.

ACTION: The motion carried.

Prior to the seating of new Board Members, Outgoing Chair, Casey Park, recognized Linda Pereira, Assistant to the Executive Director, for her outstanding service to the UC Board of Directors. Linda was recognized with a bouquet of flowers presented by Casey on behalf of the University Center Board of Directors. Casey thanked Linda for her service to the UC Board.

SUBJECT: Seating of New Board Members

MOTION: It was moved (Adams) and seconded (Sandoval) to seat:

Faculty Member, Armeda Reitzel, two year term,
Faculty Member, Mark Rizzardi, two year term,
RHA President, Joshua Sales, for a one year term, and;

RHA Representative Jourden Lamar, for a one year term.

It was noted that T. Mike Kirakosyan would serve in the role of alumni representative through September until a new alumni representative was confirmed.

ACTION: The motion carried

SUBJECT: Election of Officers

Board Chair – Casey Park opened the floor to nominations or self-nominations for the position of Board Chair

MOTION: It was moved (Sales) and seconded (Sandoval) to nominate Joshua Sales for Board Chair

ACTION: The motion to elect Joshua Sales as Board Chair carried.

Board Vice-Chair – Chair Sales open nominations for the office of Vice Chair.

MOTION: It was moved (Sandoval) and seconded (Reitzel) to nominate Jazmin Sandoval for the position of Vice Chair.

ACTION: The motion to elect Jazmin Sandoval as Vice Chair carried.

Secretary/Treasurer – University Center Bylaws stipulate the HSU Controller shall hold the Office of Secretary/Treasurer. Financial Services Controller, Sylvia Shively, will continue to serve in that capacity.

SUBJECT: Public Comment

There was no public comment.

SUBJECT: Special Presentation

2017-18 Independent Audit Report Draft – Executive Director, Dave Nakamura, reported that there are deadlines to bear in mind during the next month to get through the audit process and ensure that the report is approved by the Board and submitted to the Chancellor's Office by its deadline. Before sending the report, the University Center Audit Committee must first review the document and come forth with a recommendation on whether the Board should accept the financial statements. Historically, this item is referred to the Audit Committee, which is given the authority for review and final acceptance on behalf of the Board.

Board members were referred to a draft copy of the audited financial statements for the year ended June 30, 2018. Chris Knopik, a principal at

the accounting firm CliftonLarsonAllen LLP, appeared via teleconference and provided an overview of the University Center's audited financial statements. He reported that the audit is conducted in accordance with government auditing standards and at its conclusion, the auditors had an unqualified opinion on the financial statements, noting that they are materially correct in their presentation, and there were no material weaknesses in internal control or deficiencies in the report. It is their opinion that the financial statements presented fairly in all material respects, the financial position of the University Center as of June 30, 2018. At the conclusion of the report and a question and answer period with the Board, Chair Sales called for a motion from the floor.

MOTION: It was moved (Reitzel) and seconded (Mendoza) to delegate the Audit Committee final authority to review and accept the 2017-18 audited financial statements on behalf of the Humboldt State University Center Board of Directors.

ACTION: The motion was approved.

SUBJECT: Chair's Report – Joshua Sales, reporting

Conflict of Interest Statement for Board Members – Board members were asked to sign and return their conflict of interest statements to Rob Christensen by the end of the meeting.

Class Schedules and Committee Assignments – Chair Sales will determine committee assignments before the October Board meeting. The committees and sub-boards include the Finance Committee, the Programs & Facilities Advisory Committee, and the Business Enterprise Committee. Those with interest in a particular committee were encouraged to contact Joshua or Administrative Coordinator, Rob Christensen.

Board Member Privileges – Privileges include \$50 in J-Points per semester with the option to purchase additional J-Points; a pair of tickets to a CenterArts event; a 1-day Center Activities outdoor trip for two; a swim pass to the Arcata Community Pool; and Bookstore discounts. These privileges intend to provide Board members opportunities to experience and participate in the University Center's diverse programs and services.

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

Introduction of UC Management Team – Members of the management team were introduced: Center Activities Manager, Bridget Hand; CenterArts Director, Roy Furshpan; Dining Services Director, Ron Rudebock; Operations Manager, Ruth Sturtevant, and Financial and Administrative Director, Wendy Sotomayor.

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 disagreed with this employment structure and determined that the impacted employees should be enrolled into membership with the University Center and included a right to appeal the decision. A hearing before an administrative law judge took place in November 2017 and after a significant review by CalPERS, the issue was resolved favorably for the CSU and the Humboldt State University Center. One item that the Board did to resolve the outstanding issue was to revise the organization's bylaws to incorporate language that stipulates the Executive Director's employee relationship between the University Center and HSU.

Housing Project Update – Nakamura reported that the campus began discussions on a potential housing project to be located on the north side of Library Circle, and that the University Center had been involved in the initial conversation due to the need for a dining facility to be located within the project. Nakamura noted that the conversation has been put on hiatus at this time and that discussion of an appropriate dining facility would also need to take into account if *The Village*, a potential off-campus housing project, was to move forward. Currently, the Arcata City Council has not provided approval to the plan.

Dr. Wayne Brumfield stated that he had spoken to three private food service management companies who are interested in providing services to the HSU Campus. Discussion regarding outsourcing dining services to a private food service management company was referred to the upcoming Board Retreat.

Facilities Projects' Report – The University Quad Elevator Rebuild Project was delayed until Summer 2019 due to vendor workload. Flooring in the Windows Café's kitchen has been refurbished. Once the flooring project started it was determined that there was significant rot which caused the project's scope to be expanded.

UC Facilities Lease Agreement – The facilities lease agreement will be coming forward to the University Center Board of Directors in Fall Semester 2018.

UC and HSU Business Operations Integration Research Meetings – The University has requested that the University Center and HSU Financial Services review the University Center's accounting functions to see if a merger of accounting functions between the two organizations makes sense. Last year, the Board as a whole wanted a full review to see if the

effort would improve services, save work and justify the request. The process started in late August, and the HSU and University Center have begun exploring Accounts Receivable and Accounts Payable procedures to find similarities, differences, and justification for a consolidation of business services. The process is being facilitated and is scheduled to conclude no later than November. The findings from the meetings should be made available by December.

Other Reports – Nakamura also sits on the CSU Risk Management Authority (CSURMA) Board, which provides insurance and risk management services for CSU Auxiliaries. Over the summer, Humboldt State University was audited by the CSU Audit and Advisory Services Office on Cash Handling Procedures on both the state-side and auxiliary functions. The UC’s Student Recreation Center was selected as an area to be audited and received one recommendation to change how canceled transactions are processed. Nakamura noted that staff did a good job explaining the systems and controls in place for both the State and Auxiliaries.

SUBJECT: Old Business

2018-19 Board Meeting Calendar – Board members were referred to a copy of the proposed calendar. During the meeting held on May 3, 2018, the Board approved the first meeting date of September 6, 2018, and postponed approving the rest of the calendar until the first September meeting. This item is to set the schedule for the remainder of the year. There was one change made to the calendar presented in May. The October Board meeting has been pushed back one week to October 11, 2018.

MOTION: It was moved (Adams) and seconded (Brumfield) to adopt the 2018-19 Board Meeting Calendar as proposed.

ACTION: The motion was approved.

Special Board Meeting/Retreat – The Board retreat will take place on Saturday, September 22, 2018, at the Humboldt Bay Aquatic Center in Eureka. New Board member orientation is set for 9:00 a.m. The official meeting/retreat is taking place beginning at 10:45 a.m. with a legal briefing from the Board’s Attorney and then a discussion on the approach of the future of the University Center. Nakamura reported that the Board should be in session until approximately 4:00 p.m.

Foster mentioned that he would be unable to attend due to a prior family commitment but encouraged the Board to discuss visible budget scenarios that would be a “Best/Moderate/Worst” case scenarios. Nakamura noted that management is beginning to explore what program reductions may look like under a five-year budget situation.

Dr. Brumfield noted that if the trend continues of a decline in student enrollment the money potentially projected based on headcount would be significant. Brumfield stated that there might be an additional 2-3 years of enrollment decline before gains are seen at HSU.

Nakamura noted that first-time freshmen headcount is dramatically down and that first-year students are typically the highest spenders on campus, and the decline in headcount is noticeable in the UC's enterprise services.

SUBJECT: New Business

2019 Employer Health Insurance Contribution – Management staff reviews the University Center's contribution to employees' health insurance benefits on an annual basis. In 2015, the Board decided 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. Staff is in the process of developing a proposal for 2019. Modifying the amount requires a Board resolution with the California Public Employees' Retirement System. In 2018, health insurance premiums saw a decrease in cost. For 2019, premiums will increase significantly, and changes to the PERS Select PPO is being made that will change how consumers participate with the plan. This item will be taken up by the Finance Committee to develop a recommendation for the October Board meeting.

MOTION: It was moved (Sandoval) and seconded (Adams) to refer the 2019 Employer Health Insurance Contribution to the Finance Committee for a recommendation at the October UC Board of Directors Meeting.

ACTION: The motion carried.

Agreement between North Humboldt Recreation and Park District (DBA: Arcata Community Pool) and University Center – The University Center provides business and management services to the North Humboldt Recreation and Park District (NHRPD) which includes Accounting, Payroll, Reporting to the State on Behalf of the Special District, agenda and minutes publication. The University Center receives \$67,750 per year annually for providing services through the agreement.

Dave Nakamura reviewed the Agreement between NHRPD and the UC Board of Directors. Dr. Brumfield asked if in the future the agreement could be negotiated for a one-year term to better reflect the costs of the services provided. Nakamura explained that the current contract provides fewer services than what the Agreement did approximately ten years ago. Chair Sales noted that there is a 90-day clause if either party wanted to terminate the contract. Other than the services directly provided by the

University Center, all employees of the NHRPD on site at the Arcata Community Pool are directly employed by the Recreation and Park District.

MOTION: It was moved (Reitzel) and seconded (Brumfield) to approve the Agreement between North Humboldt Recreation and Park District (DBA: Arcata Community Pool) and University Center for the term July 1, 2018 through June 30, 2021.

ACTION: The motion carried.

SUBJECT: General Board Comments

Sylvia Shively provided background on the UC and HSU Business Operations Integration Research Meetings and reported that the process has been enlightening to her. Shively also shared that the Arcata Community Pool is an important community asset, and in the future the UC Board of Directors should consider what impacts to the community might be if they were to discontinue the agreement. Emily Adams stated her support for a second try at the University Center Fee Proposal and encouraged a better-worded question on the ballot. Mark Rizzardi acknowledged Board Chair Sales for running a good meeting.

SUBJECT: Announcements

Bridget Hand provided announcements regarding Center Activities' programs that were coming up, including Paddlefest at the Humboldt Bay Aquatic Center over the weekend. Emily Adams encouraged Board members to attend Women's lacrosse games.

SUBJECT: Adjournment

The meeting adjourned at 6:50 p.m.

Submitted:
Rob Christensen
Recording Secretary/Assistant to Executive Director

Agreed and Accepted:


Joshua Sales, Chair

11-13-2018

Date