University Enterprises, Inc.
Board of Directors Meeting

May 14, 2014

Board Chair Alexander Gonzalez called the meeting to order at 4:04 p.m. in the Boardroom of University Enterprises at California State University, Sacramento.

Members Present: Jude Antonyappan Lisa Bates Jeff Einhorn Caleb Fountain Anne Fuller Nielsen Gabriel Alexander Gonzalez Marti Gray Roseanne Lopez Randy Sater Donald Taylor

Staff Present: Arlette Barnard Craig Barth Steven Davis Monica Kauppinen Trina Knight Cossette Leos Meri McGraw Angela Rader Brigett Reilly Jim Reinhart

Members Absent: Larry Cook Crystal Ekanayake Mike Lee Joni Zhou

Guests: Steve Rosenberg Senior Consultant, Nyhart Epler

14-05-25 Accept the May 14, 2012 Board Meeting Agenda
– Discussion/Action

Following discussion it was moved and seconded to accept the May 14, 2014 Board Meeting Agenda.

Motion carried. (Fuller/Taylor)

14-05-26 Approve the March 20, 2014 Board Meeting Minutes
–Discussion/Action

Following discussion it was moved and seconded to approve the March 20, 2014 Board Meeting Minutes.

Motion carried. (Gray/Lopez)

Reports and Announcements

Chair’s Report
President Alexander Gonzalez reported that Governor Jerry Brown released his May Revise budget plan with no change to higher education funding with the exception of a small increment for infrastructure projects.
President Gonzalez announced that he will be at the Chancellor’s Office next week for a Board of Trustees meeting. Final exams are scheduled the week of May 19 and Sacramento State’s Spring Commencement ceremonies are May 23-24 at Sleep Train Arena.

President Gonzalez acknowledged student board members Nielsen Gabriel and Caleb Fountain who will be graduating next week and community member Roseanne Lopez who has completed her tenure on the board.

President Gonzalez stated the process has begun to hire new Deans for the College of Engineering and Computer Science, the College of Social Sciences and Disciplinary Studies, and the College of Business Administration.

**Executive Director’s Report**

Director Reinhart gave an update on Starbucks. Barista training will begin on May 27, and the store will open for business on June 10.

Reinhart reviewed the Porter Khouw survey results for dining services. Responses from 3,000 students, faculty and staff were received regarding meal plan redesign, expanding hours of operation, new concepts and quality food. Recommendations from Porter Khouw will be presented at the September Board meeting.

With the SEIU Side Letter Agreement and its impact on UEI’s student employment program and UEI’s budget, Reinhart discussed the postponement of renovations to the dining commons survey from summer of 2015 to the summer of 2016. Renovations to the exterior of River Front Center are postponed to the summer of 2015.

The Julia Morgan House renovation has a projected completion date of late June/July. Juice It Up! & Baja Fresh are currently under design with construction to follow. The Folsom Hall Café is anticipated to open in late fall.

Reinhart discussed two personnel changes. Pam Parsons, Director of the Bookstore under Follett, has been promoted to Regional Manager. Sac State will be in her territory. Danny Hyche, Community Manager of the Upper East Side Lofts, has been promoted by Education Realty Trust (EdR), and will be relocating to Memphis. The process of hiring for both positions has begun, and UEI will be involved in the interviews and approval of the new hires.

Reinhart stated that UEI’s budget deficit for 2014-15 was reduced through cuts in travel/conferences, attrition among staff in various departments and filling openings with part time staff rather than full-time benefitted staff. Reinhart said UEI is exploring ways of improving efficiencies and cutting costs, stating it will take time to recover from the loss of revenue from the student employment program.

**Committee Reports***

1. Executive Committee
2. Audit Committee
3. Budget & Finance Committee
4. Investment Committee
5. Personnel Committee

*All minutes for committee meetings are included in Attachment B of the May 14, 2014 Board Packet.

New Business


Following a presentation by Craig Barth, it was moved and seconded to approve the 2014-2015 Operating Budget, Capital Outlay and Schedule of Unrestricted Net Asset Reserves.

Motion carried. (Taylor/Nielsen)

14-05-28  **Approval of 2014-2015 Board of Directors Meeting Schedule – Discussion/Action**

It was moved and seconded to approve the 2014/2015 Board of Directors Meeting Schedule.

Motion carried. (Fuller/Sater)

14-05-29  **Election of Officers – Discussion/Action**

Following discussion, it was moved and seconded to elect Crystal Ekanayake as Vice-Chair and Anne Fuller as Secretary-Treasurer of the Board of Directors for 2014-2015.

Motion carried. (Einhorn/Lopez)

14-05-30  **Voluntary Employee Beneficiary Association (VEBA) Trust Funding – Discussion/Action**

Following discussion, it was moved and seconded to accept the recommendation of the Budget & Finance Committee of a contribution for UEI Central Staff to the Voluntary Employee Beneficiary Association (VEBA) Trust in the amount of $300,000. Contributions from the Union Well and Office of Water Programs, for which UEI is the employer of record, in the amounts of $67,000 and $90,000 respectively, are also authorized.

Motion carried. (Gray/Nielsen)

14-05-31  **Juice It Up!/Roundhouse Renovation Funding – Discussion/Action**

Brigett Reilly, Director of Property Services, presented a projected cost estimate for the Round House renovation, Juice It Up! operation. Following discussion, it was moved and seconded to accept the recommendation of the Budget and Finance committee for funding of $283,000 for the renovation and conversion of the Round House into a Juice It Up!

Motion carried. (Nielsen/Fountain)
14-05-32  Approval of Wells Fargo Bank Branch and ATM at the Hornet Bookstore – Discussion/Action

Reinhart discussed the longstanding partnership between Sac State, Wells Fargo Bank and the One Card Program. Following discussion, it was moved and seconded to authorize the Executive Director to negotiate and execute a lease between Wells Fargo Bank and University Enterprises, Inc. for a bank branch and ATM located at the Hornet Bookstore.

Motion carried. (Lopez/Sater) Abstention Jeff Einhorn

14-05-33  Compensation Study and Implementation Process – Discussion/Action

Trina Knight, Human Resources Director, introduced Steve Rosenberg, Senior Consultant of Nyhart Epler, who gave a presentation on a compensation study conducted on UEI’s regular benefited positions. Following discussion, it was moved to accept the recommendation of the Personnel Committee to approve the UEI compensation study and approve the following implementation process:

   a) adjust non-exempt pay ranges by +5% and adjust exempt pay ranges by +10%;
   b) adjust lowest exempt pay range to California 2014 minimum pay requirement;
   c) adjust lowest exempt pay ranges and employee pay January 1, 2016 to comply with California 2016 minimum pay requirement;
   d) change minimum to maximum pay range spread from 70% to 80% for grade 32;
   e) employees below the new minimums – bring up to new minimums and review individual employee/position pay for adjustments based on market data, internal equity, and as budgets allow;
   f) and implement initial changes July 1, 2014 and other adjustments as budgets allow.

Motion carried. (Taylor/Fuller)

14-05-34  Sacramento County Contract Resolution – Discussion/Action

Following discussion, it was moved to accept the proposed Resolution from the County of Sacramento to award $100,000 for services to “Campus Connections,” which provides psychological counseling services to Sacramento State students and staff.

Motion carried. (Einhorn/Gray)
Closed Session

14-05-35 Personnel Exemption – Personnel Matters – Discussion/Action

The Board went into closed session at 5:29 p.m. to discuss personnel matters. A discussion was held regarding the evaluation process and compensation for the Executive Director.

The Board reconvened in open session at 5:37 p.m. The Board approved the compensation level for the Executive Director for 2014-2015.

The meeting was adjourned at 5:38 p.m.

Respectfully submitted:

Jim Reinhart
Executive Director
University Enterprises, Inc.