

**California State University, Dominguez Hills**  
**Donald P. and Katherine B. Loker University Student Union, Inc. (LSU)**  
**Board of Directors Meeting Minutes ♦ Friday, December 4, 2015**

**1. Call to Order and Attendance**

The meeting was called to order at 10:07 AM by Chair, Erin Hardimon.

**Present**

Erin Hardimon  
Kristina Chandler  
Edwin Avelar  
Janette Solano  
Adriana Gamino  
Lily Yang  
Dr. Stephen Rice  
Richard Chester  
Jordan Sylvestre  
Cecilia Ortiz  
Sam Mori  
Dr. David Braverman

**Absent**

Robert Fenning  
Dr. William Franklin  
Patricia Ann Wells  
Barbara Gomez  
Tamala Lewis

**Staff**

Jaime Leal  
Arnecia Bryant  
Giselle Atallah

**Guests**

Katherine Rebeck  
Rolland Vasin

**2. Approval of Agenda**

Mr. Sylvestre moved to approve the agenda for December 4, 2015; Secretary Avelar seconded the motion. The motion passed unanimously.

***Motion passed. 8-0-0***

**3. Approval of Minutes**

Ms. Gamino moved to approve the minutes for November 6, 2015 Board of Directors (BOD) meeting; Vice Chair Chandler seconded the motion. The motion passed unanimously.

***Motion passed. 8-0-0***

**4. Chair's Report**

Chair Hardimon shared her excitement for the problem-based project that the Board interns will be taking-on in the spring semester. Once details regarding the project are refined and settled, Chair Hardimon plans to share the plans with the Board. Lastly, Chair Hardimon extended warm wishes and happy holidays to the Board.

**5. Director's Report**

In regards to Human Resources (HR) Director Ortiz reported that the Services Manager position is now vacant. With two professional staff vacancies, the LSU will post the positions of Services Manager and Facility Maintenance Assistant on the LSU website and affiliated professional organizations such as ACUI, NASPA and AOA.

The LSU has received bids for Ballroom Banquet Chairs, Director Ortiz expects the LSU to award a bid by January 2016. The decision will be based on quality of the chairs, cost, and delivery by spring semester. Director Ortiz wanted to take the opportunity to acknowledge LSU staff members Geovany Paiz, John Stigar, Arnecia Bryant, and student assistant Alex Soneriu for establishing two collaborative work stations for the LSU. In the beginning of the fall semester the LSU installed temporary collaborative work stations from furniture dealer Tangram. These work stations allow students to mirror their computer screens in order to work and collaborate in a group setting. The work stations provided by Tangram would have cost the LSU \$20,000 per station. Due to the innovation and hard work of the LSU operations team, they were able to create a more versatile collaborative work station at a cost of approximately \$1,500 per station.

**6. Audit Committee Report**

The Audit Committee met on October 12, 2015 and November 19, 2015. The committee reviewed the Annual Financial Audit and the results of the Auxiliary Compliance Audit respectively.

**7. Finance Committee Report**

The Finance Committee met on November 17, 2015. The committee reviewed the in-kind remuneration reports and long-term financial planning, the committee will continue to discuss the topics at the next meeting on January 26, 2016 at 3:00 PM.

**8. Open Forum**

No one from the gallery addressed the Board.

**9. Team Builder Activity**

Chair Hardimon led a team builder exercise to gain more insight on each Board member. The Board shared what holiday dish they love most.

**10. New Business**

**a. Financial Audit Report – Audit Committee**

Mr. Rolland Vasin from VASIN, HEYN & COMPANY presented the audit report for the year ended June 30, 2015 to the Board of Directors. He explained that as auditors they applied generally accepted auditing standards to test for the consistent application of generally accepted accounting principles to the financial statement and supplemental schedules included in the audit report.

Mr. Vasin stated that total assets increased by \$174,640 compared to the prior year. This change is primarily due to major furniture enhancement projects and equipment. LSU liabilities saw an increase by \$473,994 compared to the prior year, primarily due to the implementation of GASB 68 requirement. GASB 68 requires the organization to recognize net pension liability for its pension plans.

The organization saw an increase in operating revenues, attributed to an increase in amount of revenues from student fees brought back to support the operation. The organization incurred operational expenses related to major enhancements to the facility such as an air handler repair and furniture upgrades. Due to an increase in game room usage and increase in printing service, the organization saw an increase in non-operating revenues.

In the Statement of Net Position, the largest assets are cash and cash equivalents, and short-term investments which Mr. Vasin explained as the LSU having highly liquid funds. The most significant liability the LSU has is post-employment benefits other than pensions, which is actuarially determined. In the Statement of Revenues, Expenses, and Changes in Net Position, Mr. Vasin shared that it is common for student unions to have deficit/operating loss however the LSU's operating income is \$122,856.

In the Statement of Cash Flows, Mr. Vasin highlighted the LSU's net increase in cash and cash equivalents of \$847,407 and a surplus in operating income of \$122,856. Mr. Vasin stated that the LSU is incurring expenses and assets but still has a positive income.

**11. Old Business**

**a. Compliance Audit Findings – Audit Committee**

Jaime Leal, Assistant Director shared the Auxiliary Compliance Audit findings with the Board of Directors. Mr. Leal explained that every three (3) years the Chancellor's Office sends a team to review

the practices and procedures of all auxiliaries to ensure those auxiliaries are in compliance with their respective bylaws and policies. At the conclusion of each compliance audit a report of compliance findings is shared with the organization. These findings are areas in which the organization is not in compliance with its policies and/or lacks a policy on the matter.

The findings that Mr. Leal shared are preliminary findings some of which are being currently addressed. The preliminary findings encompass areas in corporate governance, conflict of interest, cash receipts, revolving funds, hospitality and bidding. In the area of corporate governance, the LSU had filed the amended Articles of Incorporation with the State of California however did not file them with the Chancellor's Office. In the area of hospitality, the LSU has recently approved a hospitality policy thus it is expected to be removed from the final findings list. Other areas have straightforward remedies such as ensuring all Board members complete their conflict of interest forms prior to their first meeting, and generating summary reports over individual receipts in regards to cash handling. The LSU is satisfied with the findings; the LSU will only need to refine processes. Once a list of the final compliance audit findings is generated, the report will be shared with the Board in depth.

**b. Risk Assessment Review-Event Management**

At the November Board of Directors meeting, Director Ortiz shared a comment from the compliance auditors, who wanted to see documentation that the Board is aware of inherent risks in the organization and which notes their approval of how the LSU manages those risks. The Board requested to review risk assessment for a respective area at Board meetings.

Director Ortiz reported two (2) types of risk and how the LSU manages those risks as it relates to event management. The two (2) types of risk include 1) LSU sponsored activities, events and programs, and 2) client (non-LSU sponsored) bookings in the LSU facility.

The LSU purchases insurance from AORMA/Alliant to cover a scope of routine business which includes events such as noon-time concerts, craft corners, etc. The LSU will purchase special event insurance when an event is outside of routine business such as an event co-hosted with other auxiliaries or university for major events on-campus. An example of a past event outside of day-to-day programming was when the LSU brought an ice-skating rink for Winter Wonderland for which special event insurance was purchased. The LSU ensures that all special events held by the organization are insured, and the insurance limits meet CSU requirements. For events held on the premises, the LSU requires clients to provide insurance, as needed per the scope and nature of the event. The LSU also ensures that the program, the LSU, university, CSU and the state are held harmless.

With regards to internal protocol, all routine business and events are vetted and insured in advance, non-routine programming is reviewed by the Director for approval. The LSU takes necessary measures to provide employee training in order to minimize risks. Trainings include but are not limited to safe lifting, safe use of equipment, safety/trip hazards, and potential damage to the facility. For example, if someone were to place a cable across a walkway, all of the teams are trained to remedy the hazard to minimize the potential for injury.

With regards to events held in the LSU, event planning meetings are conducted. These meetings are attended by police and risk managers. In order to assess possible risk or plan accordingly for possible risk, the following points are taken into consideration: nature of the event (conference, wedding, etc.), if alcohol will be served, if there will be cash handling, age of event guests, number of

