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University of California, Berkeley
asuc.berkeley.edu

ASUC Student Union
Business Development and Finance Committee
Agenda & Minutes

Tuesday, October 20, 2020

1:00 PM, virtual meeting via Zoom

Meeting Link:
https://berkeley.zoom.us/j/9290682234?pwd=OFZ3UDg1akhrT3pmUThWdWJnNnYzdz09

Title	Name	Present
Committee Members		
Title	Name	Yes/No
GA VP of Finance	Martin Siron	Yes
ASUC Senator	Rex Zhang	Yes
SU Board Chair	Brian Zhou	Yes
EVP SU Affairs Director	Telian Espanta	No
SU Finance Director	Kirsten Casebolt	Yes
SU Board Undergraduate Analyst	Bryan Gallardo	Yes
Ex-Officio Members		
Title	Name	Yes/No

Call to order at _1:12_PM

I. Approval of the Agenda — 5 min

II. Public Comment — 5 min

III. Reviewing Updated Budget — 25 min

A. Variance column

1. Only received a portion of the revenue up to this point
2. So look at revised budget for most up to date "budget"
3. So amazon revenue in budget is not down

B. Discrepancy between revenue report and revised budget
1. Recharges are a contra expense, so rolls up differently for revenue report

C. Pepsi agreement
1. Disagreement between GA and ASUC regarding commercial revenues
2. Never a formal contract between GA and Pepsi
3. SU Director decided it was no longer necess. to include GA in Pepsi money + couldn't afford to pay an additional $15k
4. University-level concerns
    a) Pepsi is looking to significantly reduce the amount provided to the university (already down from $408k to $131k)

D. SU standalone contract vs. Campus-wide contract
1. Campus wide
    a) We have more leverage
    b) UnderArmour example
    c) But departments duke it out for portions of total contract funds

E. Peet's contract
1. SU doesn't get monetary value from this

2. It's a campus-wide contract
3. 1951 still serves some Peet's coffee
4. Used to get Peet's funding, but it went to other orgs (SERC, Student Services among others)
5. Despite stipulations that we have to serve Peet's, if there's no negative outcome from this, it's hard to advocate that we get a portion of the revenue. Also Peet's contract is relatively small. Also want to avoid removing revenue share from other campus departments.
6. Martin- opportunity cost may exist because we don't use any other coffee vendors.
7. Other shops that serve Peets are standard university dining. Thus they should receive monetary compensation. Meanwhile, we as SU earn revenue from rent (we can probably generate more from this than having Cal Dining coming in and we maybe get some sponsorship revenue share from them).

IV. LSP Fees 15 min

A. Parameters

1. Meant for renovation of Eshleman hall
2. Initially fairly low, would increase over time to cover the debt portion of renovations and cover operations of facilities.
3. $350 per student. 1st call: 33% goes to financial aid as with all new fees enacted via referendum. 2nd call: 26% pays down bonds. 3rd call: capital renewal and replacement (for example,

new roof, retrofitting, renovations for new space use).

4. Can't be used for art studio, finance team. Because they support ASUC, not the student union.
5. Gray areas
    a) Events, albeit controversial.
6. Lock project
    a) Manual locks in MLK basement. As we move staff in, we need to change these over to keycard access. Incredibly expensive, funds were allocated last year. Four doors--$100k. New doors, re-wiring, security safeguards.
7. AV project
    a) Partially funded from student technology fee as well as LSP fee. Also allocated last year.

B. Concerns
1. Funding for this year
    a) Concern of reduction in enrollment next semester. Will impact allocation to operations. We don't want to deficit LSP fee at campus level.
2. SU has required increasing levels of support
    a) Has become more dependent on LSP fee since commercial revenue has dropped over past few years.
    b) LSP goes up in 2025, coincides with repayment of debt service. Right now we're only paying off interest. Potentially have to re-finance bonds down the line. If debt

increase outpaces fees, we need other funds coming in.

V. Big Picture Conversations 30 min

A. "Rebranding"

1. Concern about confusion between ASUC vs. ASUC Student Union
2. Doesn't know who initiated or that it has to go to the board.
3. Probably bring it to org & gov or bring it to next meeting.

B. Before and during the pandemic

C. Student services

D. Revenues

1. Recap of initial brainstorming from last meeting.
2. Why is ASUCLA so profitable?
   a) ASUCLA has more of a monopoly and a larger student population that lives on campus.
   b) They have a huge licensing agreement that directly generates revenue (bigger brand).
   c) We struggle with not being the only game in town. We compete with all the other shops on Bancroft and nearby areas. We also can't come to an agreement with RSSP to accept flex dollars (Bahar has been working on this for years).
   d) We also have different values. UCLA is willing to bring in whoever makes the most money (usually big retailers).

E. A new model

1. Sourcing process has been absurd.

2. Previous exec. director (3.5 years right before Bahar) ran a one-man show, based on vendors coming to us or it was just him putting out RFPs. There was no vetting of vendors, no due diligence on if we were at least getting market rate.
3. So how do we source?
    a) Previously had a vendor support position to manage contracts and work with vendors. As SU didn't fulfill expectations of comm. revenue, this position was cut. Now falls on Kirsten and Bahar. Neither are experts, so they've been working with the campus real estate department.
    b) We have to be very specific with types of vendors we're looking for in order to even put out an RFP.
    c) This next year is going to be extremely hard to attract businesses to our space. Smaller orgs are not expanding.
    d) Competing interests. Basic needs looking for more space, so we could look there.
    e) Kirsten doesn't know exactly where RFP process is at.

VI. Ideas for the Agenda of the Next Meeting 5 min

A. Staggered bi-weekly sync without Kirsten.
B. More established chains local to Bay Area
    1. Martin will draft a list.

VII. Adjournment

Meeting adjourned at _2:07_PM

Motion	Owner	Vote	Notes
Motion to approve agenda	Brian	Unanimous	
Motion to			
Motion to adjourn the meeting	Brian	Unanimous	