

## STORE OPERATIONS BOARD MINUTES

October 21, 2011

Present: (Members and others)

Shahryar Abbasi (ASUC Senator)	Aviv Gilboa (ASUC Senator)	Behar Navab (Board member)
Andrew Albright (ASUC Senator)	Elliot Goldstein (ASUC Senator)	Michael Nicholas (GA)
Hedy Chen (Board member)	Erin Gore (AVC, Bgt&Resc.PI'g.)	Beth Piatnitza (proxy)
Sydney Fang (ASUC Senator)	Noah Ickowitz (ASUC Senator)	Justin Sayarath (ASUC Sen.)
Robert Flaharty (Board member)	Sheldon Lam (ASUC Senator)	Sukhpreet Sembhi (proxy)
Joey Freeman (proxy)	Ryan Landis (Board member)	Tom Spivey (Auxiliary)
Anthony Galace (ASUC Senator)	Safeena Mecklai (ASUC Senator)	Daniel Tjandra (Senate intern)

## SUMMARY OF THE MEETING

The meeting was called to order at 2:12 p.m. in the Senate Chamber.

Proxies introduced themselves.

### Discussion of How Board Meetings Should Take Place

SOB meetings will be for votes. If people want to take a position on something the Board will vote on, they should do that at committee meetings.

### Public Comment

Mr. Goldstein said he would ask the Board to change the new policy of not allowing Senators to sit at the table with Board members.

### Report from the Chair

The Eshleman Library focus group met. From now on, committees will be responsible for focus groups. Regarding the search for an ED, they want more applicants and might use a search firm, paid out of the Auxiliary budget. It was recommended that the Auxiliary Committee consider this.

### Report from the Bookstore Committee

They talked about current plans for the new location of the Bookstore, square footage, and the guarantee the Store has with the Auxiliary.

Report from the Food Committee

They talked about what student space will look like in the new Lower Sproul and where student initiative space will be located. They also talked about food carts and looked at a proposal from a food cart in Davis. Board members suggested campus units that could provide information on food carts.

Report from the Auxiliary Committee

They talked about the Cal Lodge briefly. The Senate had to decide what to do with the property. It was noted that the Art Studio Manager was selected. They also talked about financial reporting and a new budget and planning system the campus will use. They also talked about general UC auxiliaries and how they tend to fit structurally across the System. It was somewhat related to the kind of accounting system in use. There was no consistency across campuses.

Report from the ASUC Auxiliary Director

Ms. Stager was on vacation and Mr. Spivey reported. Ms. Stager sent out a summary of the first quarter.

Henry Pham, of Saigon Eats, will make double payments to catch up on his rent.

There are outstanding items for the Coffee Spot and Saigon Eats for work done to rebuild their hood systems. The Auxiliary guaranteed payment of \$40,000 to a third-party contractor in order to move forward, with the two businesses to pay the Auxiliary back. But the businesses have been grumbling about the amount.

Mr. Alloun, of the Coffee Spot, has not signed an extension agreement the Board authorized a couple of years ago. So the 2009 lease is what's current; and it doesn't talk about improvement costs or buy-out clauses. The Auxiliary is discussing this with campus counsel. Saigon Eats has a buy-out clause and any money owed to the Auxiliary can be applied to a buyout.

The campus has brought on David Robinson to help with this, an expert on real estate. All leases have a clause relating to suspension of the contract due to construction. All leases had to be structured such that there's no obligation when the Union comes down and there are agreements with the tenants on how to reinstate their businesses to finish their contracts. It was very complicated.

The Auxiliary is working to extract businesses from leases in June, 2012. Anything after that would be a month-to-month lease.

Regarding financials, the first quarter is difficult at the University, as bills haven't hit the books and the campus shuts down.

For the meditation room, it's very quiet in the morning and is used quite heavily in the afternoon. Word about it was spreading.

Report from the Assistant Director

Mr. Spivey reported on vendor contracts and the impact on the Auxiliary's budget. All revenue, other than the Store, totaled \$678K. Their target was \$580K. The revenue target was re-done, removing out-of-date projections and adding Pepsi income, and revenues now total \$758K.

Lecture Notes doesn't have a manager and was suffering a bit, with income and expense ledgers not as good as last year. The Art Studio was doing very well and is ahead of last year's numbers. Event Services was doing quite well. The season for the Cal Lodge was about to begin.

Lower Sproul Update

There was a food service charrette, with various food service and retail consultants. The scenario was to have four food vendors in the MLK Food Court. The level up from the Plaza was open to the Food Court area and would be general lounge space, not a food service area.

At the next Food Committee meeting, vendor selection will be discussed.

Retreat Update/Follow-up

This part of the agenda was to raise matters the Board talked about at the retreat. A request was made to find ways to allow observers to be active and not have barriers for doing so.

It was noted that as they talked about at the retreat, committees were meeting and bringing their discussions back to the Board.

A request was made to complete work on the Board's mission statement. Board members volunteered for a focus group for this, to be under the purview of the Bookstore Committee.

OLD BUSINESS

Tully's Update

Mr. Spivey said that Grace and Jay Hwang, owners of the Tully's kiosk, have been asked for an update on their coffee company, plans to change the sign, and their thoughts on the terms the Auxiliary offered, which they haven't responded to.

It was recommended that that the Board be more proactive on lease performance and the choice of vendors, instead of suggestions coming from the Auxiliary, which manages vendors.

Eshleman Library Update

Proposed rates for Eshleman Library were:

	Campus	Off-campus	Student Groups	Student Government (grad &undergrad )
Half-day	\$350	\$450	\$250	\$0
Full-day	\$650	\$850	\$450	\$0

The focus group discussed fee waivers and other waivers. It was decided that this was under the control of Senators.

A possible mistake was noted in the rates.

**BY A VOTE OF 6-0-1, THE BOARD APPROVED THE ABOVE RATES FOR ESHLEMAN LIBRARY, AS COMMERCIAL SPACE.**

New Business

Bear's Lair Halloween Event

The Bear's Lair met with the Auxiliary and the UCPD regarding a Halloween “dance” in the Food Court. Andy Goldblatt advised that Pauley was the designated dance space. There was no opinion whether a DJ or party could happen in the Food Court. The Pub will produce a room diagram and a capacity number for this for the UCPD. Another meeting will be held on this matter with the UCPD, CSL, Event Services, and possibly counsel.

It was suggested using campus counsel for these questions rather than OP, to streamline the process.

New Leasehold Business Proposal

A potential new leasehold has been proposed by Aida’s Salad Factory. Rates were being negotiated. It would be located in Naia Lounge. Items wouldn't compete with current vendors’ choices. The proposal was related to the Pub in that Mr. Erakat’s wife has a catering company.

It was noted that there were theoretical liabilities associated with having new contracts, given that construction will commence in October or December.

The vendor would pay for all infrastructure upgrades. The location has a cold kitchen.

This proposal didn't go through the Food Committee because of the timing of meetings and of the proposal. Ordinarily, such a proposal would be vetted by that Committee. The Food Committee was asked to, at the least, set up an online e-mail thread to discuss the proposal. The Board could vote on this online or at its next meeting.

The meeting adjourned at 3:23 p.m.

# End Summary of the Meeting

Discussion of How Board Meetings Should Take Place  
Public Comment

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This regular meeting of the Store Operations Board was called to order by Ryan Landis at 2:12 p.m. in the Senate Chamber. Mr. Landis asked to have only Board member seated at the table.

Mr. Landis said that some people were standing in for Board members, and asked them to introduce themselves. Beth Piatnitza introduced herself and said she's with the campus Capital Projects office, Physical and Environmental Planning, and is a proxy for her boss, Emily Marthinsen. Sukhpreet Sembhi introduced herself and said she's a proxy for Ms. Loomba, who will be there later. Mr. Landis said that Mr. Freeman will be there shortly, representing Mr. Alabastro. And Erin Gore should be there shortly as well.

## DISCUSSION OF HOW BOARD MEETINGS SHOULD TAKE PLACE

Mr. Landis said he'd recap the last Board meeting and try to set some ground rules for what they learned of the Eshleman Library discussion. He wanted people to be comfortable with the idea that they could have a position, but that there was also policy. At SOB meetings, they'll try to limit things to votes on policy, and to take away individual positioning. Rather than doing that at Board meetings, he would ask people please bring their discussion to committee meetings, and to have their voices be heard there. They're trying to make Board meetings decision-making meetings. They'll recap and update Committee reports, and then they'll vote on recommendations that have panned out in committees.

Ms. Navab said that if that was their policy, she was fine with that. But she'd ask if things coming up for a vote could be sent to Board members in advance so they have a chance to flesh it out and so proxies will know about it. Mr. Landis said that everything that will be discussed at a Board meeting will be sent out the Friday before. Material was sent out last Friday to Senators as well as to the entire Board.

Ms. Navab said that as part of the material that was sent, she didn't see fees for Eshleman Library. Mr. Landis said the Senate didn't send him that information. Everything they have prepared will be sent out.

## PUBLIC COMMENT

Mr. Landis called for any public comments.

Mr. Goldstein said he wasn't at the last Board meeting and some of the procedural rules that have been implemented by this Board he found to be distasteful. One of them was that Senators weren't allowed to sit at the table, especially when there are extra seats. It seemed unnecessary. He wanted that to be in the minutes. He would request having that policy changed.

Mr. Landis said he had baklava that he'd pass around. He would ask that Board members please get some first.

Approval of the Minutes  
Report from the Chair

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### APPROVAL OF THE MINUTES

Mr. Landis called for any changes to the minutes and seeing none, called for a motion to approve. It was so moved and seconded by Ms. Chen and Mr. Nicholson. THE MOTION TO APPROVE THE MINUTES FROM THE SEPTEMBER 23, 2011 MEETING PASSED WITH NO OBJECTION.

### REPORTS

#### Report from the Chair

Mr. Landis said he wanted to thank people he's met with for meeting with him. For those he had yet to meet, they should figure that out. Standing monthly meetings will hopefully take place.

Mr. Landis said he was able to also have the focus group meet for Eshleman Library. He believed that was the first time they've done that. One suggestion they'll implement from now on will be to have a committee responsible for every focus group. The Eshleman Library focus group would have been under the Auxiliary Committee. That way there would be a chain to those groups. Anybody could be on a focus group, but there will be a structure as to how focus group discussions pass through the entire SOB.

Regarding the search for an executive director, Mr. Landis said he spoke about this with Mr. Poullard at their monthly meeting, and they'll try and figure out a way to increase the number of applicants. One possibility they thought about was to use a search firm. The way it would be implemented was to have the cost under the Auxiliary budget. He would recommend that this be moved to the Auxiliary Committee to figure out whether or not it was worth it, or how they wanted to go about evaluating this decision, and with input to be provided at the November meeting. He called for any questions.

Ms. Navab asked if that meant hiring a firm to do a search. Mr. Flaharty said that was correct. Up to now it's been a passive search, run by the University through public and academic postings. The proposal would be to hire a specific firm they've used for some other searches.

Ms. Navab said that if the Auxiliary Committee will evaluate this, and asked if they had any guarantees from Mr. Poullard that they wouldn't move forward with a firm between now and the next SOB meeting. Mr. Landis said he'll e-mail Mr. Poullard to clarify that. If they need to do so, the Board could take an electronic vote. He didn't know if people felt that a focus group needed to be created for this, under the Auxiliary Committee. It was probably a good idea for this group to meet sooner rather than later and have a recommendation on the protocol going forward that they could then inform Mr. Poullard about.

Ms. Navab asked if the protocol would be whether they think it's a good idea to spend part of the budget on it. Mr. Landis said the recommendation would include exactly that, whether they think it's a good

Report from the Chair (cont'd)  
Report from the Bookstore Committee  
Report from the Food Committee

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idea to appropriate a portion of the budget to have an ED search, and anything else they feel was appropriate to include in a recommendation.

Mr. Landis said that Ms. Epstein wasn't present, and asked if there was another representative of the Auxiliary Committee present. He asked if they could have this group meet in the next week or two. They could have an e-mail exchange and didn't have to hold an actual meeting, but to discuss this if Mr. Poullard informed him of a time constraint.

Mr. Flaharty said that Mr. Poullard specifically suggested that funding come from the Auxiliary. So that was a particular question.

Ms. Navab asked if there were any other alternatives that were recommended before going on this route. Mr. Landis said they'd consider that.

#### Report from the Bookstore Committee

Mr. Landis said that the Bookstore Committee met and things were going well. They spoke a lot about current plans for where the Bookstore might be located in Lower Sproul. They talked about the square footage and the considerations regarding the guarantee the Store has with the Auxiliary. Other than that, he believed that for the next Board meeting they'll have an update on how many professors have agreed to turn in their book listings and have adoptions take place, so they're strong on that front. Hopefully, someone from the GSI and the faculty will come to this committee meeting and provide their input. Ms. Navab will hopefully help them figure out who might attend.

#### Report from the Food Committee

Ms. Chen said the Food Committee meets every two weeks and has met twice since the last SOB meeting. The Manager from the Food Co-op joins them for meetings. That's something they talked about, what student space will look like in the new Lower Sproul and where they want to place student initiative space in the new Lower Sproul. They also talked a lot about food carts. They decided they didn't want to have food carts spread out around campus and instead, have a cluster in one area. Ideally they'd like the Barrows parking lot. But they don't know how feasible that would be. So they're looking at other areas, such as the grassy area in front of Evans. But this is still up for discussion. As a Committee, their goal for the next meeting was to set guidelines for these food carts, such as hours of operation, rent agreements, clean up, things like that.

Ms. Chen said another concern they had was that food carts on Bancroft and Telegraph would be competition. So they'll reach out to the Chancellor and ask who controls that area and ask about City control

over it. Ms. Piatnitzka said that area is City property. Ms. Chen said the idea is that they're building a new Student Union and they don't want the City to have control over this gateway to campus. That will probably be a long-term question. But that came up in the Committee.

Finally, Ms. Chen said the Food Committee looked at a proposal from a food cart in Davis. Mr. Spivey suggested that the Committee take a trip to Davis and look at the food cart there. He volunteered to drive, and the Committee might do that in November.

Mr. Landis asked Ms. Chen to keep the Board up-to-date on this.

Mr. Flaharty said there are a whole bunch of campus guidelines on food service and food carts. Mr. Spivey was well aware of that, as was the Capital Projects group. So the Committee could shortcut its fact finding. RSSP has gone down this path as well, and it usually involves regulatory groups that deal with allocations of space.

Ms. Piatnitzka said she would also suggest EH&S, which is the unit that really controls these issues. Patrick Kaulback, from EH&S, would be a good resource.

#### Report from the Auxiliary Committee

Reporting for the Auxiliary Committee, Mr. Flaharty said the Committee includes himself, Prof. LaPorte, and Ms. Epstein. People could see the notes that were submitted. The Cal Lodge came up, but they quickly got to a point where there really wasn't much for the Committee to do until the Senate decides on the resolution of that property and whether to sell it. They pretty much tabled that rather than spend much time on it.

For the Art Studio, the primary issue was the upcoming hiring of a permanent manager. Mr. Spivey said that's been done. They made an offer and the new manager starts on Monday. Mr. Flaharty asked if that was the external candidate. Mr. Spivey said it was. Mr. Flaharty said there was a short discussion of what happens if they pick the external candidate over the internal candidate. He asked if Mr. Spivey wanted to respond.

Mr. Spivey said an offer was made to Katelyn Nomura-Weingrow last Friday. She's been on campus that day on-boarding. The employee who was also interviewed for the position has been notified and they're moving forward.

Mr. Flaharty said one of the Auxiliary Committee's questions was what happens to the two current employees, and asked if one of them would go away. Mr. Spivey said the employee who was filling the manager position will be in the position behind him on the line, which was his original position. That position wasn't filled and was saved for him to fall back to, if necessary. Originally there were two posi-



tions in the Art Studio, with 2.6 positions, with benefits. The manager has been hired and it's now the manager's purview to choose her resources. That's what's happening at that time.

Report from the Auxiliary Committee (cont'd)  
Report from the Auxiliary Director

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Mr. Flaharty said the other topic, which will be a future topic for the Board, is financial reporting. A new budgeting and planning system is rolling out on campus, and the question was whether the Auxiliary should convert to the campus system, or if there were other options. The Committee talked at length about some of that. That will be coming forward as a topic of conversation by the Board very quickly.

Mr. Flaharty said the Auxiliary Committee then discussed auxiliaries and how they tend to fit structurally across the UC System. It somewhat relates back to what kind of accounting systems they have. He conveniently had a Housing Directors meeting that week and did an informal survey; and he found that there's absolutely no consistency across campuses. In fact, about one-third of the campuses don't even formally constitute a non-profit entity like the ASUC, let alone an Auxiliary as part of that. He'll summarize this at the next Auxiliary meeting.

Mr. Nicholson said they might want to invite food carts for the next meeting.

#### REPORT FROM THE ASUC AUXILIARY DIRECTOR

Mr. Landis said that Ms. Stager was on vacation and Mr. Spivey would report.

Mr. Spivey said people asked if everybody got a chance to read the first quarter summary that Ms. Stager sent out on Friday. The third-page snapshot wasn't stapled to the report but was in the packet. He called for any questions.

Ms. Navab said that in reading the report, it looked like a couple of vendors, the Coffee Spot and Saigon Eats, still owe the Auxiliary some money. They're still paying rent, but owe the Auxiliary from previous stuff. She felt this was an ongoing problem. Mr. Spivey said it is. Ms. Navab asked if there was a backup plan on how to deal with this.

Mr. Spivey said it was actually in the Vending Report, which had an addition as a result of talking to Henry Pham for 45 minutes on the phone that day. He'll actually make double payments to catch up on his rent. The two items outstanding for both the Coffee Spot and Saigon Eats is the work that was done to rebuild their hood systems. They hired a third-party contractor that the campus worked with to install the hoods and make them compliant. As part of that process, they got to December of 2010 before the Food Court opened. There was a logjam. Basically the hood contractor refused to move forward without guaranteed payment of about \$40,000 split between Haitham Alloun and Henry Pham, of those two operations.

Mr. Spivey said there was a meeting with himself, Nick Peterson, and the two owners. Mr. Spivey said he said he guaranteed the payment to the food contractor in order to move forward, and that the two

businesses would have to pay the Auxiliary back. He initiated that. The restaurants opened in the middle of January and he added that cost to their statements and their bills. Since then, both have been

Report from the Auxiliary Director (cont'd)

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grumbling about it being too much money. He told them it was their contractor. So they've been having these conversations.

Mr. Spivey said there are two points. Mr. Alloun has not signed his extension agreement that the Board authorized a couple of years ago. So his 2009 lease is the one that's current. It doesn't talk about improvement costs or buy-out clauses to his lease. So Mr. Spivey said he wasn't quite sure what was happening with that. The Auxiliary is discussing that with campus counsel.

Mr. Spivey said that Saigon Eats has a buy-out clause. This was in the other report he just handed out. The Auxiliary can apply what monies are owed to the buy-out clause. That was his impression. Counsel has discussed it, but he needed to make sure things were on track. If, e.g., Mr. Pham has a build out of \$130,000 and the buy-out clause says the Auxiliary will pay a prorated \$130,000 when they buy out Saigon Eats, since the buyout will come up literally within a year and a half, that would be a substantial amount of money. So what they could do with the money that's owed to the University plus rent that's not paid is to apply that to the buyout and reduce the buyout. That currently was his tack.

Ms. Navab asked when they expect to have an answer from counsel. Mr. Spivey said that counsel is working on all the leases and how to extract this out of all the leases. A lot of that will be from a gentleman they brought on, David Robinson, an expert on real estate. Mr. Spivey said he was so happy about that. They're going to start working on that. It will probably be a long and difficult process that will probably lead up to December, '12 before they actually take action. Some actions might happen before. For example, all leases have a suspension of contract clause due to building. So the Coffee Spot would, e.g., be given 180-days notice that the Union was going down and that his contract would be suspended. But that leaves him in a lease for somewhere. This is an area that has not been crossed, but it's an area they're going to work into. Both Subway and Saigon Eats have a buyout. The Pub knows that its lease will be ending. The Auxiliary was currently working with the English Studies Institute that has a lease that goes beyond this time, to basically sever that lease. The CUBS Credit Union also has a lease that goes into the future as well, and it has a spot right now under the stairs. The Auxiliary was contractually obligated to CUBS. He believed the lease was written in 2008 or '09, and so it was a fairly current lease. So all of these leases had to work in a way so as not have an obligation when the Union comes down, and agreements with the tenants on how to reinstate their businesses to finish their contracts. It was very complicated. That's where they are right now.

Mr. Spivey said he wanted to collect rent from all of their leaseholders. Rent was due and was payable. So if Mr. Pham says he's going to pay rent over the next two or three months, the Auxiliary should get that. The money over the build out, all that, the Auxiliary pretty much paid that, and was waiting to get paid back. They'll apply that to the leases, if they can, based on counsel's advice.

Ms. Piatnitza asked the date they're working on. Mr. Spivey said they're working to extract them from the lease in June, 2012. There is no date yet because the Regents haven't voted on doing construction in one phase or two phases. As a good landlord, they're telling tenants it could be December 2012.

Mr. Flaharty asked if it was Mr. Spivey's opinion that December '12 was the earliest that surge could be required. Mr. Spivey said it was looking like that. He had to push that into Capital Projects' court. He

Report from the Auxiliary Director (cont'd)  
Report from the Auxiliary Assistant Director

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was working on how the Auxiliary was going to extract itself out of these leases. If a date was actually set, that's what they and counsel will work with for the leases to extract people out. One way or another, the businesses will shut down.

Ms. Navab said she understood the date might be earlier than December '12. That's not the earliest possible date. Mr. Spivey said that what they did with the Pub was to give them one year and then, after that, a month-to-month lease. The next lease they're looking at will be one year and month-to-month. It will be June 30, month-to-month. The Auxiliary had to basically not agree to December because they don't know about that.

Ms. Piatnitsa said it was her understanding that the demolition of Eshleman may start as soon as October '12. But that was pretty ambitious. MLK might be a little bit later than that. It's not at the same time.

Mr. Spivey said he didn't want to promise anything that was inappropriate.

Mr. Landis said the take away is that whatever was communicated to other groups, that Mr. Spivey was up-to-date on it, and that month-to-month leases were a good idea after a certain point.

Mr. Spivey said he wasn't making any agreements that go past June 30, 2012.

Mr. Spivey said the first quarter is very difficult at the University because a lot of bills that had been initiated haven't hit the books. The campus spends about a month shutting down, and then it has two or three months of paying its bills. So the report gave a pretty good snapshot, and he supported the statement that Ms. Stager wrote.

Regarding meditation room usage, they got a report for September. The initial verbal was that the room is very quiet in the morning and is used quite heavily in the afternoon. It's used by many groups. Individuals sit in a corner using their computers, since it's a quiet place. It's getting heavy use in the afternoons, which was good. Mr. Landis said it was mentioned by Mr. Poullard that it was really good. The first day or two it took some getting used to, but he thought the numbers picked up, and it's going rather well. Mr. Spivey said the word was spreading.

Report from the Auxiliary Assistant Director

Mr. Spivey said his report was on vendor contracts and the impact on the Auxiliary's budget. He pulled out the Auxiliary's original budget minus the Store. The Store is a guarantee, so he didn't usually focus too much on it, other than trying to boost sales, since the Auxiliary gets extra revenue, by contract, once the Store sells its limit. What he usually does is to create a grid and monitor it by month and quarter. All revenues, besides the Store, totaled \$678K. Their target was \$580K. ?? He re-did the target about two

weeks ago, taking out the Jupiter Pub, taking out Fresh Choice, taking out some sort of proposed ice cream stand somewhere in the old CUBS space, he believed. And he put in the Pepsi guarantee vending

Report from the Auxiliary Assistant Director (cont'd)  
Lower Sproul Update

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dollar amount, and total revenue now comes out to \$758,608. The Pepsi contract had quite an impact and basically gobbled up three anemic places that didn't materialize and pushed the Auxiliary forward.

He also wanted to report that he's gotten two vending commission checks from Pepsi already. The first was \$749.00 for August, which was a partial month. As they knew, Pepsi machines didn't really get fully functional until the end of August and September. But he was proud to report that September's revenues were \$7,322, just from campus vending machines. That's not RSSP. He believed \$145,000 is the Auxiliary's yearly total from them. Just eyeballing it, they're going to make more money from Pepsi than they forecast. He called for any questions on revenues.

Mr. Landis asked if there was a quick update on how Lecture Notes was going. Mr. Spivey said he briefly reviewed Lecture Notes. It doesn't have a manager and was suffering a little bit, and the income and expense ledgers aren't as good as last year. He had a worry about the marketing budget because marketing requires careful feeding day in and day out. Without a manager watching that, it's really difficult to try and raise revenues or track expenses. The position for the Lecture Notes manager is listed and they had to get this person on board quickly. It was very important. Dawn Trecker and Antoinette Bishop were doing great jobs, sort of holding things together with Lecture Notes and marketing, but that position needed to be filled.

The Art Studio is doing very well and is ahead of last year's numbers. He was very happy to report that. Revenue is up and expenses are down.

What wasn't on the report was Reservations. Event Services was actually doing quite well. They had a very nice summer and their revenue is up as well.

For the Cal Lodge, Mr. Spivey said he couldn't report good numbers other than just a snapshot. Their season was about to begin, so he couldn't really blame them too much. Mr. Landis said the Cal Lodge will be discussed in a Senate subcommittee. Mr. Spivey said that's not the SOB other than they have an update that there was supposed to be a structural inspection yesterday. He called for any questions.

Mr. Landis said that he and Ms. Chen sit on the Cal Lodge subcommittee and they'll keep the Board as informed as they could. There was one meeting so far. It went pretty well, and as it progresses, they'll update the Board.

### LOWER SPROUL UPDATE

Mr. Landis said they tried to institute a Lower Sproul update. Ms. Marthinsen led the last Lower Sproul meeting, and was very productive. Most of the student reps were there. He thought everybody was

actually there from the student side. They were able to see the map-out. He didn't know if anybody would like to give a quick recap of the Lower Sproul working group meeting that occurred.

Lower Sproul Update (cont'd)

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Ms. Piatnitza said that at the food service charrette they had various food service consultants and retail consultants there to help with the meeting. The upshot was that the decisions that were made were to go with a scenario of having four food vendors in the MLK Food Court, and that the group preferred that the level up from the Plaza level, which is the space that is open to the Food Court area, would serve as a common lounge space and not as a food service area. They'll have a vendor there. And the area they're calling the "northeast corner of Upper Sproul Plaza," where the Student Store was currently located is undetermined, and is currently considered out of scope for the project, unless it's included in another additional source of funding. There has been no decision on the use of that space.

Mr. Landis said he e-mailed LeNorman Strong to clarify functions of the Board and the Lower Sproul working group, and the togetherness of those groups. He just wanted to clarify that the Board still has purview over who will be officially in the spaces. Even though names get dropped at the Lower Sproul working group, the Board will maintain that.

Mr. Flaharty said the presentation for the business plan has been scheduled for the 9th, he believed. Mr. Landis said he would include that in the after-meeting notes. He was e-mailed about that and it would be good to go. He believed it was November 9 at 2 o'clock. If people could attend, that would be great. That's when the SOB section is. People could actually attend a different one, if they need to. They should just let him know if that works for them, and he could put them in touch with Mr. Strong and they could figure that out.

Mr. Freeman asked Ms. Piatnitza why there were four vendors, and if there was a specific reason for that number, and a reason why that number was chosen. Mr. Landis said it wasn't Ms. Piatnitza's report, and this was just an update. Students were there. The contractors came in and consultants kind of gave them different layouts. The group needed to ultimately decide a direction for that. The students provided their input; and they felt that four vendors on the bottom was a good idea.

Ms. Chen said three and five vendors were two other options. Ms. Navab said it was three through seven. Ms. Chen said this was just for the bottom. Ms. Piatnitza said she thought it was three and four. Ms. Chen said there were also two up top. There were possible layouts. She wanted to add that they discussed the balance of seating. They had a discussion on that for quite a while. Down on Lower Sproul there would be a hybrid of dining seating and lounge seating, but leaning more towards dining room seating. There would be about 130 outdoor, dining seats. On Upper Sproul, in MLK, there would still be a hybrid of lounge seating and dining seating, but leaning towards lounge seating.

Ms. Navab said they looked at some possible things to put into the northeast corner, which isn't used. They decided to table that until they have a better idea of other expansion parts. The report only looked at vending versus not spending and retail possibilities.

Mr. Nicholson said that two other factors were having more choice. There are four vendors now, and they wanted to keep that variety, and also produce revenue.

Mr. Freeman said his only question was why not have more vendors. Mr. Landis said there are limitations on the structural space. There's also an issue with how many people they could have there and serve.

Lower Sproul Update (cont'd)  
Retreat Update/Follow-up

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Ms. Navab said she would like to ask the Chair to allow a Senator to ask a question. Mr. Goldstein said that in the layout plans, he asked if a structural difference would be applicable if they go with a one-party vendor versus individual contracts. For example, a one-party contract would just be with a central office. He asked if that was something the working group talked about. Mr. Landis said this is an update that they could bring to the next meeting. People actually represent and attend the Lower Sproul meetings. People could bring that up.

Ms. Navab said current layout allows them to do combinations, so it doesn't preclude that. Mr. Flaharty at this point it's just space and it wasn't saying anything about programs.

Ms. Piatnitsa said it would be a great benefit to the project if the SOB or the Auxiliary was moving ahead on vendor selection well in advance of completion of the project. Mr. Landis said that will take place in the next Food Committee meeting. That needs to begin to get discussed. They talked about that needing to get discussed.

#### RETREAT UPDATE/FOLLOW-UP

Mr. Landis said the Board wanted to institute a follow-up after their last retreat, just to make sure everybody continued to discuss the matters that the Board talked about at that time. He'll also open it up for Mr. Spivey for the retreats and how they can pass it around so everybody could get a chance at that.

Mr. Landis said he would like to welcome Erin Gore.

Last time they kind of just talked about one thing to remember from the retreat. Mr. Landis said he didn't know if anybody in particular would like to take a moment to say something they would like to either have discussed again at another committee or where the Board would like to go from here in terms of this subject.

Ms. Navab said that one thing she would like to see happen was for the Board to find ways to uphold what they talked about at the retreat in terms of observers versus Board members, but which would also allow observers to feel that there aren't lots of barriers to be active. She would like to see the Board consider that.

Mr. Landis said that during the SOB retreat, they discussed the role of observers.

Ms. Chen said one thing she wanted to acknowledge that she thought was a good change created at the retreat was committees taking up responsibilities and meeting, and actually having discussions and

bringing them back to the Board. She thought that was a positive trajectory and she'd like to see that continued. That was just positive acknowledgement.

Mr. Flaharty said he would like completion of the work they did on the mission statement, or whatever phrase they want to put around that. They came up with two or three really good examples. Also, the

Retreat Update/Follow-up (cont'd)  
Tully's Update

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energy around that exercise was really positive, about putting the right words on paper. He thought they had three or four groups, and they actually came up with fairly similar messages. But they had to narrow that down and pick one final version, so they could move on. Otherwise, it would have felt that they did the work on the process but didn't finish it.

Mr. Landis said he thought they could set up a focus group to try to present a mission statement that they could then go by for the remainder of the year. They would consider all the mission ideas that were discussed and they could have that as an item for the next Board meeting, because he didn't want to give everything to the Auxiliary group. He asked if anybody would have a problem with the Bookstore or the Food Committee representing the focus group for the mission statement.

Ms. Navab said she would rather not have the Bookstore Committee do it. That was partially because she and Mr. Landis were the only members there from the Bookstore Committee. But if nobody else wanted it, they could do it.

Mr. Nicholas said it would be under the purview of all members, but not necessarily those members. Mr. Landis said that was correct.

Mr. Landis asked for a show of hands of who would be interested in being on this focus group, under the Bookstore Committee, which he chairs. Mr. Nicholas and Ms. Chen indicated an interest. Mr. Landis said he would e-mail everybody who wasn't there to make sure they have the ability to provide input.

Mr. Landis said they'd talk about the event that was discussed at the dinner on their retreat date, to have a Board event that will take place. People didn't have to come, but it will be fun.

## OLD BUSINESS

### Tully's Update

Mr. Spivey said that Grace and Jay Hwang, the Tully's vendors, have only answered saying they would like to come up and talk to the Board about things. Mr. Spivey said he told them they had to let him know what was going on with their coffee company, what their plans were to change the sign, and what they thought about the terms that the Auxiliary offered, because they have not responded to that. He sent them a note that week saying he needed their response to these terms and conditions, because they had to sever the lease. The Auxiliary will give them permission, but this was the end of their lease. The vendors want to have something after. Their performance as such has been stellar, although he wasn't going

to tell them that, but that was a review based on them being a known element to the SOB when it came to a bid or a process.

Mr. Spivey said that brings up one other comment he wanted to make, and to put the Food Committee back on alert again, which they had to do. He would recommend that the Board take more proactive

Tully's Update (cont'd)  
Eshleman Library Update

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action on lease performance over the next year so that when they go to sever awards and do things in the future, they actually have something that comes out of the body to choose vendors instead of suggestions coming from the Auxiliary, which manages vendors. If they have a Food Committee and they went through the leases with the owners, and talked about what they're doing and not doing, there would be better compliance, but it would also be more of a Board-generated concern.

Mr. Landis said he wanted to let the Board know that the report that will be sent out on a weekly basis. He's talked to Bob Flaharty about this and they'll to work with Ms. Stager on it. He couldn't guarantee this would happen for the next one, but sometime in the future, hopefully by the end of the year, they'll recommend what should be enclosed in the e-mail that's sent out so it's standard and so people know what to expect every single time. It won't be nine pages, and the financials will be financials that they feel are relevant to be brought up every time at a Board meeting. And the other items would be kept in committees, unless there's a big issue. As opposed to that, there's been no direction in the past and they're just going to try and make that kind of a standing thing going forward.

Mr. Spivey said they have a bSpace that he thought everybody could get into, and if they want to revive that place, there is a Store Operations Board bSpace.

Ms. Navab said she would prefer that they not use bSpace because it's so cumbersome. For the Lower Sproul meetings, it's impossible to find stuff. She asked if there was another deposit. Mr. Landis said the bSpace issue was just left in the dark in terms of the Board not using it at all, because they don't have access to the numbers because there's some stuff with personnel. But he didn't want to get into that. Sending something out was the only way that they guarantee that every single Board member has access to it. So the weekly for-meeting e-mail will include the exact material to look at. Members were asked to look it over before the meeting.

Ms. Navab said the issue was with things they don't need to look at, but they might want to have access to. There are other documents that Mr. Landis won't send out. Mr. Landis said he believed they could use Cal Share. Ms. Navab said Cal Share can't get in it. Ms. Gore said that she and administration were blocked from Cal Share on all the workgroups she's in.

Mr. Landis said the Auxiliary Committee will look at what to do with regard to these matters.

Eshleman Library Update



Ms. Navab said she had a request for Eshleman Library. Just for this portion, she asked if the Board could allow Senators to speak without having to ask for permission, and to have them recognized as speakers for this portion of the meeting.

Mr. Landis said the way the ten minutes are allotted for this was for a quick update on the focus group that occurred. The Senate has approved Eshleman Library as commercial space. He was going to allow

Eshleman Library Update (cont'd)

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Mr. Albright to quickly let him know the exact rates that Senators determined. Those rates are what the Board would vote on. Unless the Board does not want to decide exactly on these rates, it was going to go back to the focus group. So this ten-minute allotment was not to actually be ten minutes, and that time limit was listed just in case. He didn't believe it needed to be ten minutes. He thought it was more of a one-minute item.

Ms. Navab said that was fine. But should there be questions from Senators, since they're the ones who had discussion, she moved to allow Senators to speak as speakers for this portion of the meeting, with just raising their hands. Mr. Landis asked what questions she was thinking of. Ms. Navab said she didn't know, and maybe it wouldn't occur.

Mr. Landis said this was a procedural type of thing where he didn't know if the purpose of the Board was to have votes on recommendations. This has gone through a focus group and was e-mailed. Ms. Navab said she understood that, but she made a motion. Mr. Landis asked if there was a second. The motion died for lack of a second.

Mr. Landis said the Board wasn't discussing the actual rates, and they'd just see the rates that the Senate was under the assumption the Board will approve, assuming they'll vote on them. If they do not like those rates, it will go back to the focus group. Basically, they want to make sure that Senators are 100 percent represented in the vote in terms of the Board not trying to do anything that the Senate did not approve of.

	Campus	Off-campus	Student Groups	Student Government (grad & undergrad )
Half-day	\$350	\$450	\$250	\$0
Full-day	\$650	\$850	\$450	\$0

Mr. Landis said he would like to thank Mr. Albright for writing that out. Discussed at the focus group were fee waivers and other waivers. It was decided that this was under the control of Senators. There was nothing really to do with the Board telling the Senate exactly how to do fee waivers. The Senate could come to the Board for advice, but ultimately, it was up to the Senate. The budget result of that will take effect accordingly.

Ms. Navab said she believed they made a decision about waivers. Maybe they could hear that. Mr. Landis said there was a discussion at Fi-Comm and he'd be content to send out the exact result, if that's what was actually read, or he could find that from the Chair of the Finance Committee and send that. He felt like this discussion happened last month, and there was a lot of things people thought were going on.

He wanted to make sure this was just very straightforward and clear. So he would personally send out the Fi-Comm results in the Board follow-up e-mail, unless people felt that needed to be discussed at that time.

Ms. Navab said she didn't understand why they couldn't simply hear this information. An e-mail was just sent to Mr. Landis that clarifies what the Senate's decision was. She didn't understand why they

Eshleman Library Update (cont'd)

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couldn't just say to everyone there, at that time, what the decision was. Mr. Landis said he doesn't use his phone during meetings, so he didn't get an e-mail. Ms. Navab said that's why she was asking to let Senators talk at the meeting. Mr. Landis said what they'd do was to have one Senator clarify exactly what Fi-Comm decided in terms of waivers. But he didn't feel that represents the voting process the Board will be having on the rates. The Board will vote on the rates first and then they'll get an update on the waiver structure, because the waiver structure was semi not under the Board's purview.

Mr. Freeman said he didn't want to turn this into more of a circular conversation it is, but because Fi-Comm has already made a decision on policy it might not necessarily change the rates but it could, because of the way student government deals with them. So if they could just read the e-mail and have the policy explained before the vote, if that was okay. Ms. Chen said she just got an e-mail 30-minutes ago from Fi-Comm. She asked if that was what people were talking about. Mr. Freeman said it was.

Mr. Landis said they'd have to go back into raising hands to speak. Secondly, he wanted to make sure it was clear that this was not a discussion. The Board would vote on the rates. It's a commercial space. The Senate decided on these rates and accepting what the Board was trying to do is vote on those rates that the Senate has accepted. They ultimately determine waivers, not the Board. The waiver policy was ultimately up to the Senate and it should not matter with the rates that the Board was just basically deciding that they have approved.

Ms. Navab said it was her understanding that the Board also makes decision about Pauley rates as part of this, and student government. She asked if that was included in this vote or not. Secondly, she thought the question was if they're using these rates to tell them how much they expect to make, she thought waivers do matter. It's the Board's ability to make a decision about these rates. That's why she was asking for that information. But it seems that she was the only one who felt that way. And she read the e-mail. So she was fine with moving forward.

Ms. Chen said the e-mail says that student government uses Pauley for free, which is not the case. She believed that was a mistake in the e-mail. Mr. Landis said that's why what he was concerned about, and he'd speak to the Fi-Comm Senator directly so the Board would have only the facts. He had asked to have this information sent to him beforehand, but it wasn't sent. Senators were not able to respond to the e-mail he sent yesterday, after they didn't respond to his first e-mail. The Board wanted to make sure it was only voting on exactly what Fi-Comm was representing, and he wanted to make sure that stuff like this doesn't affect a decision that the Board was making.

Ms. Navab said that if Mr. Landis finds out that Pauley rates were affected, she asked if he could let them know at the next meeting how that might change things. Mr. Landis said he will include in his

update meeting notes the Pauley rates, if they were affected, and the waiver structure the Senate has implemented.

Mr. Landis called for a motion to approve the rates on the board for Eshleman Library. It was so moved and seconded by Ms. Navab and Mr. Freeman. THE MOTION TO APPROVE THE RATES FOR ESHLEMAN LIBRARY, AS COMMERCIAL SPACE, PASSED BY HAND-VOTE 6-0-1. Mr. Landis said he would e-mail out the exact language of the waiver structure that the Senate voted on and Pauley, if there were any affects on Pauley.

Bear's Lair Halloween Event  
New Leasehold Business Proposal

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## NEW BUSINESS

### Bear's Lair Halloween Event

Mr. Landis said it came to their attention that there might be something along the lines of the Bear's Lair having a Halloween event. He asked if Mr. Spivey could give them a quick update.

Mr. Spivey said the Bear's Lair met with him, the Auxiliary Vendor Relations Manager, the UCPD, and said they were having a Halloween quote "dance" in the Food Court. This causes some worry with the UCPD. So what he did to clarify use of the Food Court was to call campus counsel and sought their advice. The advice of Andy Goldblatt was that they don't use it for a dance, and that Pauley Ballroom was a designated dance space. Mr. Goldblatt did not render an opinion whether a DJ or party could happen in that space. So right now the Bear's Lair still had to produce a room diagram and a capacity number for the UCPD. Mr. Spivey said they're working on that right now for the holiday party on the 28th. Also, that comes with their event security at the door, which is to monitor for 21 and over, which the police require. The Pub was about to put a banner up that he's seen on the MLK wall until the party, after which they'll take it down. The banner will announce the party. The police were saying they couldn't really broadcast out and get 5,000 people trying to get into the place. But they're vetting for capacity, and for the Pub to have a DJ and a party and to be responsible for 21 and over. That's their business. Whether they need police security or not, that was something they'll work on, probably in two weeks, when there's a meeting with the UCPD, CSL, Event Services, and possibly counsel. There's been a lot of discussion about security costs.

Ms. Gore said she would like to make a strong recommendation that they continue to use campus counsel for these questions rather than going to OP, in order to make sure that their policies continue to make things easier for student events. The more they get campus counsel in the loop will streamline their process. When they go to UCOP things get out of the loop, and then they don't actually make things easier and don't continue to improve the experience on campus.

Mr. Landis said this wasn't an action item and was just an update. They'll see if people want the Halloween event to occur and to support the Pub. That will be next Friday.

### New Leasehold Business Proposal

Mr. Landis said the next item is a potential new leasehold business proposal, from Aida's Salad Factory. Mr. Spivey said they've countered. He just wrote down some numbers to see what would be in revenue. They basically came up with a counter of \$1,500 and the 15% fees. The Auxiliary's offer was to pull in \$24,800 from them if they were open through December 1. They countered with \$20,000. They've agreed to pay \$500 in CAM fees and \$1,500 in rent.

#### New Leasehold Business Proposal (cont'd)

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Mr. Landis asked where they'd be located. Mr. Spivey said it would be the old Naia Lounge, and turning it into Aida's Salad Factory. They'd do items that wouldn't compete with current vendors' items. Mr. Landis said that was an idea by which vendors specifically would retain products that were already in. Mr. Spivey said that was correct. Aida's Factory Salad is related to the Pub family, as Mr. Erakat's wife has a catering company as well. So this might be a catering opportunity that she would like to participate in. Mr. Landis said the Board might need to vote on this matter at the meeting that evening; or they might need to do an online vote. He could try to address anything that he's aware of.

Ms. Navab said you said through December, those rates that were given, \$20,000. That would be through next December. Mr. Spivey said that was correct. Ms. Navab asked how that will be impacted, because they talked about leases that are being signed would be month-to-month after June. If the vendor terminates in August, she asked how that would impact the \$20,000. Mr. Spivey said it would be that much less. Ms. Navab said it would be the monthly rate less. Mr. Spivey said he was assuming they'd collect this rent through next November. That would be the potential revenue, if the vendor was allowed to work for that long. He would sign a lease through June 30, '12, and then month-to-month after that.

Mr. Landis said he had standing meetings with members, and during those meetings, he wanted to make sure that everybody was aware of the risks of signing any new contract would pose for the Auxiliary and the basic timeframe they have in terms of how much services would provide, if it was an essential part of Lower Sproul, etc. All those things may be factored in. Although it's great that current vendors were posing new ideas, the Board needed to understand why they would want to propose a certain idea to do a new space, and all those decisions need to get weighed against the potential revenue that would be generated. Just so they factored in a timeframe, with theoretical liabilities that could be associated with having a new contract outstanding, knowing that the Auxiliary was going to basically have construction in October or December.

Ms. Piatnitsa asked if this involves infrastructure upgrades. Mr. Spivey said the vendor would pay for all infrastructure upgrades. Right now it's a cold kitchen. The vendor surveyed the site the last two days. The site will need electrical work. The lighting is poor. The vendor will have to rewire the salad bar and counter. The rest of the cold kitchen can be put into place with a little bit of plumbing.

Mr. Nicholas said it was mentioned at a standing meeting with the Chair that there were issues with putting in what he thought was a kind of weak offer and a weak space for such a limited amount of time. It didn't seem worth it. The Auxiliary wasn't offering a great service and wasn't make a huge amount of revenue. Mr. Landis said that usually they would prefer that something like this go through the Food Committee and get panned out, making sure everything was approached properly. The only reason it

didn't occur properly was because of the timeframe of their current meeting and of the proposal, the length of the contract, stuff like that. In the future that would definitely go to the Food committee.

Mr. Spivey said that if they start this in December, they'll get \$750 plus \$500 in CAM fees. So it's a \$1,250 question, unless the vendor starts in January. So if the Board wanted to have another month and a half, it might be \$1,250 to make that decision. It was up to the Board to vet it and to continue discussion, since they're not starting yet. The vendor's first proposed rent payment was in December, at \$1,250.

New Leasehold Business Proposal (cont'd)

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Ms. Navab said that maybe the Board could have an online vote, and the Food Committee could have time to go through the proposal. Ms. Chen said that would be fine.

Mr. Landis asked for a straw poll of who felt comfortable having this vote take place at the November meeting as opposed to an online vote. He just wanted to see about the timeframe.

Ms. Navab said she thought it was too close to the time the vendor wanted to start, so she would like to see the Board vote between now and then.

Mr. Landis asked if the Food Committee could at least, if not meet, set up an online e-mail communication thread that discusses this proposal. Maybe they could speak to Mr. Spivey about it, get the exact details, and give the Board a recommendation on what they should do in terms of the space. Ms. Chen said they could do that. Mr. Landis said that recommendation will most likely entail an online vote, but possibly a vote at the November meeting. They'll just play it by ear on how fast the Food Committee could provide a recommendation. That recommendation didn't need to be in favor and could be against.

Mr. Landis asked if there were any other questions or things people would like to bring up, keeping in mind that they were slightly over schedule.

Ms. Navab said that she just had a brief comment. She understood the Board was trying to be efficient. But she just felt that if members felt like they needed information to feel comfortable with a vote, the Board should be comfortable giving them that information, especially if it only takes 30-seconds or a minute to give that information, or if it's a decision that had to do with the Senate deciding something, giving Senators a chance to speak in that capacity. That doesn't take away from the Board's idea of having observers. She felt the Board was creating a situation that reduces their efficiency and reduces their ability to have fully participating members. She just wanted to voice her frustration with that.

Mr. Landis called for a motion to adjourn the meeting. It was so moved and seconded and passed with no objection.

This meeting adjourned at 3:23 p.m.

These minutes respectfully submitted by,

Steven I. Litwak

Recording Secretary

DECISIONS OF THE BOARD

Procedures

- Sept. '11      Established standing rules for Board meetings.
- July '11      Elected Mr. Landis as Board Chair
- Nov. 10      Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10      Decided to have shorter minutes.
- Oct.'10      Mr. Zuo elected as Board Chair
- Oct.'10      Ryan Landis joins the Board, undergraduate representative.
- Sept.'10      Mr. Daal elected as Board Chair.
- Sept.'10      Prof. Edwin Epstein joins the Board.
- Sept.'10      Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10      Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10      Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10      Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09      Welcomed to the Board Khira Griscavage.
- Nov. '09      Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09      Heard a presentation from Business Services on RFP procedures.
- Sept. '09      Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09      Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09      Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.

Procedures (cont'd)

- July '09      Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09      Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.
- May '09      Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09      Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08      Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07      Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07      Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07      Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07      Mr. Smith's first Board meeting as undergraduate representative.
- May '07      Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06      Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06      Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06      Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06      Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.



Procedures (cont'd)

- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.
- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.

Decisions of the Board (cont'd)

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Procedures (cont'd)

- June '03      Agreed to hold a Board members orientation by August 30.
- May '03      Agreed on the need for a Board members orientation to be held before the start of the school year.
- Dec. '02      Enhanced Board minutes by adding "Decisions of the Board."

Vendors

- April '11      Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
- Mar. '11      Heard from a consultant on Lower Sproul and heard the results of a major survey.
- Mar. '11      Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11      Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10      Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10      Approved the extension of the Coffee Spot lease by two years.
- April '10      Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10      Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.

Vendors (cont'd)

- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.
- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.

Vendors (cont'd)

- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.
- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.

Vendors (cont'd)

- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.
- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.

Vendors (cont'd)

- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved use of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- Oct. '11 Approved rates for the use of Eshleman Library, as commercial space.**
- Sept. '11 Voted to not charge for student government use of Eshleman Library until the next SOB meeting, when policy would be re-evaluated.
- April '11 Voted to make the Tilden Room meditation and reflection space.

MLK Student Union / Pauley Ballroom (cont'd)

- Feb. '11        Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03        Formed a subcommittee to further consider the Daily Cal lease.
- May '03        Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02        Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02        Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10        Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09        Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09        Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08        Work began on the seismic retrofit of MLK.
- Oct. '08        Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07        Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05        Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05        Voted to explore options for the expansion of the Art Studio.
- Oct. '04        Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03      Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03      Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03      Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03      Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10      Had a session to envision the Auxiliary budget.
- July '09      Approved the 2009-10 Auxiliary budget.
- April '06      Approved the 2006-7 Auxiliary budget.
- April '05      Approved the 2005-6 Auxiliary budget.
- Sept. '04      Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04      Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04      Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03      Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."



Budget (cont'd)

- June '03      A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03      Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.

## STORE OPERATIONS BOARD MINUTES

November 18, 2011

Present: (Members and others)

Andrew Albright (ASUC Senator)	Elliot Goldstein (ASUC Senator)	Vivi Nordahl (Auxiliary)
Hedy Chen (Board member)	Ryan Landis (Board member)	Sharay Pinero (Auxiliary)
Jeff Deutsch (Bookstore Mgr.)	Todd LaPorte (Board member)	Justin Sayarath (ASUC Sen.)
Mollie Epstein (Board member)	Philippe Marchand (GA)	Julie Scrivner (BEF)
Sydney Fang (ASUC Senator)	Emily Marthinsen (Board member)	Sukhpreet Sembhi (proxy)
Robert Flaharty (Board member)	Bahar Navab (Board member)	Tom Spivey (Auxiliary)
Joey Freeman (proxy)	Michael Nicholas (Board member)	Marilyn Stager (Auxiliary)
Anthony Galace (ASUC Senator)	Katelyn Nomura-Weingrow (Aux.)	Daniel Tjandra (Senate intern)

### **SUMMARY OF THE MEETING**

This was the last meeting of the semester. It was called to order at 2:15 p.m.

#### Public Comment

Mr. Marchand questioned the electronic vote for a third-party firm to help conduct the ED search. A decision by the Chair turned the vote in his favor, raising questions of trust.

Mr. Goldstein said the Senate passed SB 139, In Support of the Berkeley BicyCAL Bike Cooperative in the New Lower Sproul, resolving to give the group space and asking the Lower Sproul Working Group to allocate scope money for this.

#### Presentation on the Art Studio, by Katelyn Nomura-Weingrow, Art Studio Manager

Ms. Nomura-Weingrow has been there for three weeks as Manager of the Art Studio. She does her own art but considers herself an arts administrator. She has experience in New York at Sotheby's and the Museum of Modern Art. She enumerated core values for the Studio and a list of goals. She hoped to continue classes during the Lower Sproul transition and wanted to broaden revenue avenues. Doing that by selling ceramics was a great idea, but problematic. She would like to develop digital offerings, especially in Naia. They offer five classes of digital photography throughout the week, held in Naia. Classes start January 22, hopefully to again be held in Naia.

The Studio has tried to offer more digital classes, in photography, video, and graphic and Web design. The issue was space. Having these classes in the Studio would be very difficult.

Ms. Nomura-Weingrow suggested creating a Naia media lounge, having classes in collaboration with the OCF. She thought a digital program would appeal to more students than their regular art program and thought this could increase revenues by \$20-40,000.

They now have five digital photography classes a week, which fills the time available. Instructors like ten students per class and get \$40 per student, with the rest going to the Studio. For these classes, Naia is perfect, dark and quiet, with a modern feel. Changing it to a media lounge could be easily done.

Mr. LaPorte said Education Technology would see the Art Studio as an opportunity.

#### Revisit Discussion of How Board Meetings Should Take Place

Mr. Landis said that members who can't attend a meeting have e-mailed him for a delegate to come in and represent them. He wanted to make sure the Board was okay with that. Some proxies are for a whole semester and are engaged, some were knowledgeable about topics at hand, and some just took notes. Administrators have had proxies with permission to vote.

It was noted that whatever procedure is decided, there should be notification about proxies to the Chair beforehand.

After discussion, it was determined that students and administrators would have different proxy practices.

By a vote of 7-1-0, the Board approved allowing administrators to have one-time designees and allowing students and administrators to have long-term designees.

Committee membership is as follows:

Auxiliary -- Mr. LaPorte, Mr. Flaharty, Ms. Stager, Mr. Freeman, Ms. Loomba, and Ms. Epstein (Chair).

Bookstore -- Mr. Freeman, Ms. Navab, Mr. Deutsch, Mr. Landis (Chair), and Jasneet Hora.

Food -- Ms. Chen (Chair), Shahryar Abbasi (Senator), Mr. Nicholas, Ms. Marthinsen, Mr. Spivey, Alex Jones (Food Co-op), and Ms. Loomba.

The Board discussed researching recommendations that are made. Chairs organize agendas and oversee meetings, but aren't responsible for vetting every recommendation. It was determined that the Board Chair would put an item on the agenda, assign it to Committee, with the Committee Chair to determine how to do the task, and report back to the Board Chair.

Regarding e-mails, rather than being sent to the whole Board, an e-mails about a concern from someone outside the Board should go to the Chair of the Committee dealing with the matter. E-mails from grads and undergrads should go to their reps, or a Committee Chair.

As for recommendations made to the Board, hopefully there could be two or three options, if available. It could be awkward to just have one option to consider.

It was noted that with the proposed e-mail polls, it's difficult for the rest of the Board to be involved when committees have all their conversations electronically. It was suggested that the Board have a page on perhaps the ASUC Web site for internal usage, for people to post recommendations and comments.

Committees are supposed to meet at least once a month, and at the retreat they talked about the Auxiliary Committee meeting twice a month.

The Auxiliary Committee was charged with figuring out a way for members to post, communicate, and store things.

### Standing Committee Reports

#### Report from the Bookstore Committee

There was an vote only regarding hiring an Executive Director search firm, and problems with online voting quickly became apparent. So they'll avoid voting online. The ASUC Student Advocate was commended. Adoptions were okay, but not great. Members met with Follett reps that day.

#### Report from the Food Committee

They met with owners of Aida's Salad Shop, which wanted to use Naia space. The Committee will start to write guidelines for what they want from food carts. They'll also take a trip to Davis during Dead Week to check out food carts.

#### Report from the Auxiliary Committee

The campus offered to contribute up to \$25,000 for the Director search, which the Auxiliary contribution will match. The Art Studio has a great new Director.

### ASUC Auxiliary Reports

#### Report from the Director

October financials will be ready at the December meeting.

The Board was invited to a presentation by the Brailsford & Dunlavey about the report the Board received.

A subcommittee was being formed to select the Marketing and Communications Manager. They hope to fill it by January 1. There were 52 applications. Only four were really strong.

Students worked hard to make sure the administrative part of the Auxiliary was in proximity with students and student government.

Sacramento State is looking into having meditation space and canvassed other campuses, including Berkeley. They found students here had very positive feedback about the ASUC's meditation space. It's well used.

UC Auxiliary Directors met at SF State last Monday and Tuesday. Auxiliaries do not receive funding from their campuses. Auxiliaries have different configurations, but they all deal with giving good service to the campus and the students with limited resources.

### Vendor Contracts Update

There was a night-and-day difference for the Pub when it got food. The Coffee Spot has not signed the Auxiliary's buy-out option and the offer has been withdrawn. Subway is up to date. Saigon Eats is in arrears, although payments were made for July and August. The owner hasn't contacted the Auxiliary. North County Vending is now owned by Canteen.

Per advice, the Auxiliary is proceeding to work out ways to end the leases they have.

The Tully's has a term lease and ending it or suspending it, with it to reopen after construction, will be difficult. The space was really cool and was worth five times as much. The Auxiliary might be able to invoke performance clauses.

The goal was to end as many leases as possible. Vendors recommended to continue are the CUBS Credit Union and the Bookstore. The Auxiliary was not unhappy with Subway, which is performing.

Vendors have a performance obligation, but vendors have also experienced strikes on campus, so there's a give and take.

For the new Food Court, the Board had to consider how to run it. It's very difficult for the Auxiliary to do and there are other models to operate it. Having one provider, e.g., might make better use of the space, such as having one refrigerator. This topic is also being touched on by the Transition Planning Team.

It was noted that people have been sending e-mails about "Fiesta Wings" making it seem like the Bear's Lair was replaced, and were really upset.

#### Lower Sproul Progress Update

A recommendation was made to add another elevator to the northeast corner of MLK, by the Bookstore, to make the space better for any future vendor. The Program Committee will vote on that.

Event space was added to the top floor of Eshleman. The Senate will decide whether it will be commercial space. There was also a suggestion that the Cal 1 space become Auxiliary commercial space since they're losing Naia lounge as commercial space and giving it to the OCF.

It was noted that the Lower Sproul project will only remodel the shell of the Bookstore, not the interior. It was suggested that this should be revisited.

The Bookstore will go from 50,000 square feet to 30,000. The Bookstore Committee has considered the plans somewhat. Floor plans will be sent out.

The northeast corner of the Union, Upper Sproul, is not allocated to anybody and is outside the scope of the project.

#### Retreat Update

#### Mission Statement

A focus group of Board members chose as a mission statement, "Improving the quality of student life." Also, some people don't like the "SOB" acronym and the group came up with "commercial and student

services board.” There would be additional core values. After discussion, it was determined that the focus group would think up a new mission statement.

As for the name change, formal approval would be required from the Chancellor and the Senate. By a hand-vote of 6-2-0, the Board approved a motion to combine or replace “Store Operations Board” with “Commercial and Student Services Board,” and to pursue a formal change to their name.

### Old Business

#### Executive Director Search

The result of the online vote to use a search firm was 6-4. The Chair doesn't vote unless there's a tie, which is how Chairs have operated in the past. As many of them knew, he had a huge issue with the process. No matter what the Board decides, the campus will pay up to \$25,000 for a third-party search firm. The Auxiliary Committee will decide on a recommendation to forward.

With no objection, the Board approved a motion to have the Auxiliary provide up to \$25,000 to match the campus' contribution to hire a search firm.

### New Business

#### Lower Sproul Discussion

Architects met with Board members for recommendations. Only students attended, all but one. One decision was to give up Naia commercial space for the OCF to occupy, after LS construction. Hopefully the Board would be compensated by the Cal 1 Card office space. Naia is not part of the LS project and the proposal assumes the \$30 million savings would renovate the space.

The Cal 1 space might not materialize. But the students felt there was a lack of space in the new building.

It was noted that Naia is 2,500 square feet.

It was also noted that Naia space was terrible for retail, and that giving it to the OCF was a brilliant solution.

Giving Naia space to the Studio wasn't considered as a possibility. Also, any major renovation to Naia, beyond the cosmetic, would result in having code issues arise.

There are also two spaces, about 550 square feet plus another 450, with really low ceilings. The Board would decide on them. The architects recommended giving one space to SUPERB.

With no objection, the Board approved a motion to give up Naia space, for a media center, contingent upon renovations paid from the \$30 million in savings.

Also at the LS meeting with the architects, the students united in a decision to recommend installing an elevator in the northeast corner of the Union. It would make the space more attractive for any vendor. The cost was about \$600,000. It would be up to the Program Committee.

With no objection, the Board approved a motion recommending that the Program Committee continue to plan for an elevator in the northeast corner of the Union.

### New Business

#### Aida's Salad Shop Update

Aida's Salad Shop wanted to sign a lease for next semester for the Naia space, until surge, probably from December to June. The Food Committee unanimously recommended against doing that. Potential lost revenue was \$9,000, about \$1,500 a month. The Committee thought it would be hard to market and operate it successfully for four months.

The Food Committee recommended giving Naia space to the Art Studio until surge begins. The Studio was okay with moving in just for a semester.

With no objection, the Board approved a motion to allow the Art Studio to use the Naia space for at least next semester, until the Studio had to relocate due to construction, with no commitment for any kind of investment or follow-on commitment.

The meeting adjourned at 4:18 p.m.

## **End Summary of the Meeting**

This regular meeting of the ASUC Store Operations Board, the last meeting of the Fall Semester, was called to order by Ryan Landis at 2:15 p.m. in the ASUC Senate Chamber. He said people would get agendas shortly. He suggested changing the order of the agenda to accommodate the Manager of the Art Studio, so she wouldn't have to wait through the entire meeting.

### APPROVAL OF THE MINUTES

Mr. Landis called for a motion to approve the minutes from the October 21 SOB meeting. It was so moved and seconded by Ms. Chen and Ms. Sembhi. THE MOTION TO APPROVE THE MINUTES OF THE OCTOBER 21 STORE OPERATIONS BOARD MEETING PASSED WITH NO OBJECTION.

### PUBLIC COMMENT

Philippe Marchand introduced himself and said he wanted to comment on the action taken to contract a firm to search for a new Auxiliary Executive Director. He didn't think this was strictly a procedural issue.

Presentation on the Art Studio, by Katelyn Nomura-Weingrow, Art Studio Manager

They trust someone to hold an electronic vote, receive votes, and give the results. The result of the vote that the Board was given was that the SOB approved the motion to have a third-party firm help conduct the search. But people independently found out that a number of votes weren't there. His question went beyond this specific decision, which might or might not be a good one. But considering the fact that a decision by the Chair turned the vote in his favor, Mr. Marchand asked if that was someone they could trust with the power of the chair, especially to run an electronic vote where he's the only one who sees the results and then reports on them.

Ms. Epstein said the committee was not informed that they were given the vote and the number of people was then incorrect. It would have been good if that were requested.

Mr. Landis said this was an agenda item and 25-minutes were allotted for the Board to address all of this.

Mr. Goldstein said he wanted to read into the Board's minutes that the Senate has passed SB 139, In Support of the Berkeley BicyCAL Bike Cooperative in the New Lower Sproul. It doesn't exactly relate to the SOB because it could be a student activity space, but it's within the scope of the new Lower Sproul project. The bill resolves to have a space for BicyCAL in new Lower Sproul, adequate in size for the group to realize the vision of a student bike center. The bill asks that the Lower Sproul Working Group prioritize additional scope money towards this important student service. Mr. Goldstein said he realized some people present were on the Lower Sproul Working Group and he just wanted to bring this to their attention.

Seeing no more public comment, Mr. Landis said he would recommend that they hear the Art Studio presentation at that time, moving item 12, the presentation.

Ms. Navab asked if they would move both the presentation and the vote on the proposal as well. Mr. Landis said they should hear the presentation at least. He'd prefer having the vote later. Seeing no objection, Mr. Landis said they without hear the presentation at that time.

#### PRESENTATION ON THE ART STUDIO, BY KATELYN NOMURA-WEINGROW, ART STUDIO MANAGER

Katelyn Nomura-Weingrow introduced himself. She's been there for three weeks and is the Manager of the Art Studio. It's an absolutely fantastic place and she couldn't be happier to be there and to be a guiding hand and a consistent hand in the Art Studio, which hasn't had a manager for more than a year and a half.

For a little about herself, she's from New York and has been working in the fine arts world for the past 12 years or so. She has a Masters in Art Administration, so even though she does her own art, she considers herself an arts administrator. She wanted to use her past experiences with the Art Studio. Her first job experience was in Sotheby's, in the Modern Art Department. She then moved on to the Museum of Modern Art in New York, where she was Manager of the Media and Performance Arts Department. This pertained to some ideas she had. At MOMA she worked on creating a video lounge and media lounge for the Museum. It involved 2,000 videos people could watch, in a nice place to relax and learn about video and media.



As for what she saw happening with the Art Studio, Ms. Nomura-Weingrow said that when she first came to the Art Studio she thought about its core values. She felt there wasn't really such a list. She wanted the Art Studio to be a welcoming place for artists, a clean and safe environment; and she definitely saw some issues there she wanted to amend immediately. She wanted it to be fun and a little weird; to have people communicate better; have more of a family spirit; and a big one, to do more with less; and to be passionate about the Art Studio. There's a lot of passion among the Studio's members and employees and she wanted to see more of that. She wanted people to be positive and to also take more responsibility.

Ms. Nomura-Weingrow said she wrote down a list of Art Studio goals. She also wanted to stabilize the Art Studio by recruiting and encouraging a committed, well-trained staff. She was very committed to the space.

Another thing she wanted to do was to refresh the space. Right now it was a bit of a Frankenstein monster. People come in and have added and added. She would like to maybe take a step back, look at the space, and see where things could be cleaned, and to make more sense for a student who walks in.

Ms. Nomura-Weingrow said she would like to continue to provide classes during the Lower Sproul transition. That would mean changing a lot of the schedule to their students' expectations. She also wanted to "broaden," as opposed to "diversify," current income avenues. There were a lot of things the Art Studio does great at that time, providing classes. She thought they could do more of that and do it better.

She worried about diversifying income such as by making and selling ceramics. It was a great idea, but she didn't know if they had the skill level. It worried her to expect students to make art work and to make the Studio into a retail outlet. But the Studio does lots of great things that it can continue, and continue to do better.

Ms. Nomura-Weingrow said a lot of decisions have been deferred in the Studio that she would like to start making. She also wanted to increase online and campus visibility through marketing and having better signage. That was a huge point.

She wanted to talk to the Board about developing digital offerings, especially in the Naia space. The Board will be talking about that a little later on. That was basically why she was making this presentation. She wasn't really making a proposal, and was doing the presentation more in the spirit of brainstorming. She had ideas for the Naia space that she thought could really work well, and wanted the Board to perhaps start thinking of Naia in terms of the Art Studio and what that space could do for the Studio, and what that could do for that area.

Ms. Nomura-Weingrow said the slide showed the Studio's current digital program, five classes of digital photography offered throughout the week. For the past year or so digital photography classes have been held in the Naia space. Their next scheduled classes start January 22. They currently don't really have a space for those classes until they're told they can use the space again. So she was holding off on telling the instructors if they'll have classes, or telling students which digital photography classes will be offered.

The Studio could offer a lot more than digital photography, and also offer digital video, graphic design, and Web design. They could offer classes in all those things, which she thought would be pretty amazing. The Studio has tried to do this in the past, but the issue was space. It's very difficult to have a graphic design class within the Studio itself, with film chemicals all over the place. They would have to roll out

computers into the main area. Space is tight and it's not an inspiring environment for Web design and graphic design. It was, however, a very inspiring design for clay and was inspiring if people wanted to play with mud.

Ms. Nomura-Weingrow said her suggestion was to have a digital program, and the screen showed what that could look like. They'd have a Naia 1 and maybe a Naia 2, with perhaps they'd have digital photography on one side and then digital photography editing. This would double the Studio's revenue for the digital program.

Ms. Nomura-Weingrow said her suggestion was to create a Naia media lounge. It would be two classrooms within the Naia space, one a computer lab and the second a media lounge.

She envisioned the computer lab being a collaboration with the Open Computing Facility, with classes there, one session per week, in video editing, photo editing, Web design, and graphic design. Classroom 1 would be a media lounge, much as it is now in the Naia space. They'd need a projector and a couple of couches. And with that, they could have a great classroom.

Regarding potential customer bases, she thought a digital program would appeal to more students than their regular art program does, and would appeal to Haas, Art Practice, Journalism, and the School of Information. There are so many people who need to know how to build a Web site, how to do graphic design, and how to edit their own videos. And in addition, there was the community itself. Every small business owner needs to know how to create a Web site and a blog. She thought this could increase revenues from \$20,000 to \$40,000.

This wasn't a proposal out so much as a great opportunity to brainstorm the Naia space in the context of art and the Art Studio, as opposed to maybe having food or keeping its current use. This was her idea for the Naia space and for basically broadening income.

Ms. Nomura-Weingrow said some other things she wanted to think about in terms of broadening income was to increase grant writing, broaden the number of classes, which was very tied to Naia, and to increase online marketing, as she said earlier. She called for any questions.

Ms. Chen said she would like to thank Ms. Nomura-Weingrow for coming that morning. It was great to have her on board. She asked what the digital program currently looked like, and if it really existed.

Ms. Nomura-Weingrow said they currently have five digital photography classes a week, filling all the time. Instructors generally like about ten students per class. Each instructor gets \$40 a head and the rest goes to the Studio, about \$800 a class a semester. They've done other digital classes in the past, such as Final Cut Pro and a Web design class. But those classes didn't really work because the Studio didn't have the space for them. She thought of the Naia space as already almost being a media lounge. It's dark, which was perfect, and quiet, and had a very modern feel. Changing it to a media lounge could be very easily done. Construction would be involved, particularly separating it into two spaces. They'd also have to put in computer labs. That's why she brought up the idea of OCF, because the Art Studio couldn't do a computing lab by itself. They're artists and need somebody to maintain a computer lab, update software, and make sure hardware was running well. It would need to be staffed.

Ms. Navab asked if she's already talked to the Open Computing Facility. Ms. Nomura-Weingrow said she hasn't, and first wanted to bring the Naia idea up to the Board. She wasn't saying this was the final

idea, and maybe the Board could think of something better. She just wanted to come there and introduce herself and let them know that if they were thinking of Naia in the context of the Art Studio, the Studio could absolutely fill that need.

Mr. LaPorte said asked if there were activities on campus for people who need to learn Web design, e.g. She named schools that might be interested, and he asked if she had a sense of what the course listings would be. Ms. Nomura-Weingrow said she's been told there are other classes, such as at Haas, with marketing. Studio classes would be separate, an extracurricular. It wouldn't just be for coursework or for a future business, but could be for building one's personal Web site, e.g. People can't get into classes in these areas for specific majors.

Mr. LaPorte said he recently got more involved with Education Technology people, and he would suspect there are people there looking for a natural ally and who would see the Art Studio as an opportunity.

Ms. Nomura-Weingrow said the Art Studio wasn't technology or design people, and they're all artists. So it would have to be a collaborative effort. There were other ways to utilize the Naia space. The Studio now uses Kroeber for all painting and drawing classes. But that takes people out of the Art Studio, and they don't have that sense of community or commitment to the Studio. So they could also possibly turn Naia into a painting and drawing studio. It didn't have to be technology and media.

Ms. Navab yielded time to Mr. Galace. Mr. Galace said that if the OCF was in Naia, with redevelopment, the OCF would be close to maxing out that space, and there wouldn't be much room for flexibility. Ms. Nomura-Weingrow she wasn't really clued in to what people were already planning for Lower Sproul. She wasn't really sure how to phrase her presentation. It would be great to be able to have a media lounge that could accommodate 10 to 12 students and have an overhead projector and a screen. That's really what they need to continue their video photography program. If OCF moved in, it would be fantastic if the Studio could schedule classes within the OCF facility for editing, e.g.

Ms. Navab asked media space would involve work stations. Ms. Nomura-Weingrow said they already have some Macs that could be brought into the space. Projectors and computers are used occasionally, for instructors looking at digital photography, or teaching with the use of an overhead projector. They'd also need cabinets, couches, chairs, etc.

Mr. Landis said he would like to thank her. Ms. Nomura-Weingrow said she would like to thank the Board. (Applause)

Mr. Landis said the agenda that was distributed wasn't up to date as there was one item of New Business that should be included, Mr. Nicholas presenting for ten minutes on Lower Sproul commercial spaces.

#### REVISIT DISCUSSION OF HOW BOARD MEETINGS SHOULD TAKE PLACE

Mr. Landis said the purpose of this agenda item was to clarify some points that came up, to make sure everybody was on the same page going forward, and to mitigate any questions or concerns people had.

This discussion would be pretty open for Board members and he'd ask people to provide input and vent, and to say what was on their minds.

Mr. Landis said they've been allowing members who can't attend a meeting to e-mail him and asking to have a delegate come in and represent them. He wanted to make sure the Board was okay with that and to discuss any protocol needed. He asked if anybody had questions about this.

Ms. Navab asked if there should be a different policy for a one-time proxy versus someone who couldn't attend for the whole semester or whole year. One point about not having Senators at the table was to make sure people have been there for previous conversations or and were engaged in the same way.

Mr. Flaherty asked if the Board has also determined whether proxies have voting rights. Mr. Landis said he's talked to some members about that. It's however a Board member gauges the authority they want to give to that person. Board members could write to him about not being able to attend a Board meeting and state that they can vouch for a proxy being up to date with current events going on and could make an educated decision that would represent what the Board member's vote would have been. Or, Board members could also say a proxy would just take notes, and wouldn't count for quorum. If that practice was okay with people, they'd go forward with that. But he would ask them to please let him know at that time, because he wanted to clear this up, with everybody there at the same time.

Ms. Chen said that for proxies for the whole semester, if they stayed up to date and stayed engaged, she was okay with giving them voting power. But she was a little unsure of that for one-time proxies. She felt it was hard to get up to speed at one meeting.

Ms. Navab said that Mr. Freeman was filling in for Mr. Alabastro. That was a little bit different since Mr. Freeman was there for conversations. She thought proxies in such a situation should also go to committee meetings, since the person they represent is also on a committee. She wasn't sure if she was okay with people serving as a proxy for one time vote or count for quorum. If Mr. Marchand was to fill in for her, she would have to tell him everything that's happened so far.

Ms. Marthinsen said this might be a case where the situation was a little bit different for administrators and for students. From the administrative side, if she couldn't attend meetings for a year, she wouldn't accept an appointment to the Board. A more critical issue for her was the one time she couldn't make it. Administrators often have people who are their designees for meetings they couldn't attend. For example, Beth Piatnitza is her designee, as Ms. Piatnitza was pretty briefed on what the Board was doing and on Lower Sproul issues. Ms. Marthinsen said that in order to make sure her role as a campus planner isn't lost, she would like to be able to have Ms. Piatnitza come to Board meetings. If both she and Ms. Piatnitza couldn't attend, she might send another staffperson, but only as a note taker.

Mr. Nicholas said he would agree that Ms. Piatnitza was informed on Lower Sproul matters, but he didn't know how informed she was on SOB workings and political decisions that are involved. Ms. Piatnitza might have a different opinion than Ms. Marthinsen and might not be as informed.

Ms. Marthinsen said that if she sends somebody to a working meeting, she gives them permission to vote. She wouldn't do that unless she was confident they could vote, and confident that she could support whatever her proxy did.

Mr. Landis said that kind of puts them on a scale. He thought the burden falls on the Board member to make sure the person represents their voice properly.

Ms. Marthinsen said that if people didn't want to do this, she was also fine with that.

Mr. Landis said he would like to have a vote on this procedure.

Ms. Navab asked if they could have a different policy for students versus staff. Mr. Landis said the Board could do whatever it wanted, but they needed a standard.

Mr. LaPorte asked how often proxy votes occur. Mr. Landis said that at their last meeting they had a quorum because of proxies. Ms. Navab said it also involved a question with voting.

Ms. Marthinsen said that whatever they decide, there should be notification to the Chair beforehand within a certain period of time, such as a day before the meeting. She thought that would be important, so Board members don't show up and have just anybody sitting there.

Mr. Freeman said he thought it was important to have proxy votes because people are spread so thin, but still want to be part of the conversations the Board has. He thought they should have different policies for administrators and for students. The President and EVP, e.g., are supposed to be on the Board, which is the only reason Mr. Alabastro had to be there. Mr. Freeman said he didn't think it was the same for administrators, since they're chosen differently. It would make sense if administrators could appoint a designee for a one-time basis, whereas students would probably only appoint a proxy if they couldn't attend for a semester or longer.

Mr. Landis asked if people were okay with having this set up differently for administrators and students, and said there seemed to be general consensus on that.

Ms. Epstein said she thought it should be the responsibility of students to be properly briefed and to brief their proxies well. Otherwise, student votes would be lost.

Ms. Navab said she agreed that they shouldn't lose student votes, but it wasn't possible to brief students on everything that goes on. She thought the point was to have the same people coming there. She had conflicts on Fridays, but attends Board meetings anyway. The requirement should be that people are there. If they can't make it regularly, somebody else should attend all the meetings. That's why Mr. Freeman was involved in all the conversations and didn't have to get briefed all the time.

Ms. Stager said that in looking at the Charter, it would have to be amended. The Charter doesn't address proxies or designees. It states that if a member doesn't attend three consecutive meetings, they're off the Board. Mr. Landis said it also talks about people standing in for others if they couldn't make all the meetings.

Mr. Landis said they could set a procedure at that time and then reference the Charter later. He asked if people were okay with the students being able to have a designee for the semester or the year, with administrators and faculty able to have a designee for a semester or year as well, but to also be able to have single-time appointees. He asked if there were any objections to that. He noted that there was one objection, and said they'd vote on this.

THE PROCEDURE DISCUSSED ABOVE WAS APPROVED BY HAND-VOTE 7-1-0, ALLOWING ADMINISTRATORS ON THE BOARD TO HAVE ONE-TIME DESIGNEES AND ALLOWING STUDENTS AND ADMINISTRATORS TO HAVE LONG-TERM DESIGNEES.

Mr. Landis said he would reference the Charter just to make sure it's aligned with the procedure they approved.

### COMMITTEE UPDATE

Mr. Landis asked if there have been any changes to committees that have taken place that he wasn't aware of. He was referencing the last documented committees that occurred at the retreat. The rolls he had showed the Auxiliary Committee being comprised of Ms. Gore, Ms. Epstein, Mr. Alabastro, Ms. Loomba, Mr. Flaharty, and Ms. Stager.

Ms. Navab said that after that meeting, they did committee membership at a Board meeting, and it was on the record. Mr. Landis said he looked at the minutes and tried to find that, and couldn't. The minutes from the retreat had this committee membership. It seemed like the membership has changed, and people should keep in mind that the majority of committee members had to be students. He should be updated about any switches.

Mr. Landis said people on the Auxiliary Committee were Mr. LaPorte, Mr. Flaharty, Ms. Stager, Mr. Alabastro, Ms. Loomba, and Ms. Epstein. And now, Mr. Freeman was on this Committee, not Mr. Alabastro.

For the Bookstore Committee, membership included Mr. Landis, Ms. Navab, Mr. Deutsch, and Jasneet Hora (ASUC).

Mr. Freeman said he spoke to Mr. Alabastro last night, and Mr. Alabastro said he signed up for both the Bookstore and the Auxiliary Committees. Mr. Landis said that Mr. Alabastro was supposed to designate Jasneet Hora to be on the Bookstore Committee. He said Mr. Freeman would be on the Bookstore Committee until they could get Mr. Hora to attend. They're still searching for someone else to be on it.

Ms. Navab said there had to be a minimum of five people on committees. Mr. Landis said Mr. Hora and Mr. Freeman are on the Bookstore Committee. So the Bookstore Committee was comprised of Mr. Freeman, Ms. Navab, Mr. Deutsch, Mr. Landis, and Mr. Hora.

The Food Committee was comprised of Ms. Chen, Shahryar Abbasi (Senator), Mr. Nicholas, Ms. Marthinsen, Mr. Spivey, Alex Jones (Food Co-op), and Ms. Loomba.

Ms. Navab said they should ask Ms. Gore if she's on a committee. She asked if Board members had to be on a committee, and said she didn't believe that was the case. Mr. Landis said they didn't.

Mr. Landis said that each committee has a chair, and for chairs, he had Ms. Chen, Food Committee; Ms. Epstein, Auxiliary Committee; and Mr. Landis, Bookstore Committee.

Mr. Landis said the Board also needed to figure out who had the burden to research a recommendation that someone proposes. That hasn't been clarified at all. He's talked to several Board members about this. Committee chairs should be charged to organize agendas and oversee meetings, but weren't responsible for vetting every recommendation that's proposed. He'd like to get people's thoughts on this, realistically keeping in mind that people have other commitments. If Board members have an idea, they might be required to figure it out on their own.

Ms. Navab said she didn't think it was just the responsibility of chairs, and if a committee was involved, it was the committee's responsibility. If Mr. Spivey looks at a food vendor with the Food Committee, the Committee should vet all the options, not just one specific thing the Board might have asked them to look at. The Committee should look at all the outside pieces and make a good decision.

Mr. Landis said he agreed, but ultimately, someone had to be held accountable. So the Board needed to set something up so proposals are vetted, whether proposals are checked by the person making the proposal or the chair of the committee, to make sure the committee does it.

Mr. Flaharty said that in the governance model, committees are normally delegated authority from the full Board, and relay things back to the Chair. It's also normally the chair's responsibility to assign work or tasks to committees, who are then responsible for reporting back to the chair, who decides whether or not the proposal hit the agenda item.

Mr. Landis asked if Board members were okay with that. What would happen then is a recommendation would come to him and he'd put it on the agenda and then assign it to a committee. The committee chair would figure out how the committee would go about the task and would ultimately have the authority to assign something to an individual to pursue. If that was okay, they'd move on.

Mr. Landis said another thing he wanted to talk about quickly was e-mails. People should understand that members of the Board have volunteered their time. E-mails that only go to Board members should really only be to send out agendas and notices of any other Board-only required events. There's a public list-serve and other listserves that incorporate everybody else that should be used for other items. If someone has a concern about something within a committee, any e-mail should go to the chair of the committee or whichever place it came from. E-mails from an undergrad or grad should be sent to an undergrad or grad rep, or the chair of a particular committee.

Ms. Navab asked if he was referring to e-mails from outside people. Mr. Landis said he was. This process should filter things a little bit. He didn't want everybody to get every single e-mail. Hopefully people serving as representatives would bring any matters forward.

Mr. Landis said the last thing he wanted to touch on quickly was recommendations made to the Board. For any recommendation, hopefully the Board would also hear another recommendation, perhaps the opposite or a second or third option, if one was there. He would ask people to use that type of thinking for recommendations as opposed to forwarding only one. It puts the Board in an awkward position when they don't have any other alternatives to consider.

On that note, committee chairs need to run a strict deadline for when recommendations were due. He didn't know how to make that clearer. That's how he would chair the Board and the Bookstore Committee. And ultimately, if the Board votes on something, they had to go forward with whatever the result

was and not go back, backtrack, or stop. With that said, if a committee was responsible for vetting an idea, it was probably a horrible idea to send the recommendation out ten minutes before the recommendation was due. That meant there was ten minutes to vet that idea, which wasn't a reasonable way to do things. That's very much what has happened in the past.

Mr. Landis called for any discussion.

Ms. Navab said she was a little confused. The deadline to make a recommendation is 4 o'clock. If someone turns in a recommendation at 3:50, that wasn't too late, and would meet the deadline. If people wanted more time to vet it, maybe the deadline should be earlier so there's time to post all the recommendations and then have time to discuss them. It was unclear what the deadline meant. If a deadline was 2:00 but the chair wanted everything by 4:00, she'd ask if 4:00 was really the deadline. Mr. Landis said there would be a day when recommendations are due and then a day for vetting.

Ms. Epstein said deadlines should be something everybody could agree upon.

Mr. Flaharty asked if he was talking about a process to vote without a meeting, or in general. Mr. Landis said that this was in general. Mr. Flaharty said that was the governance model. If the process was considering a new food vendor, it would be sent to the Food Committee. The Food Committee would do the research, go through the process, and come up with a decision that was turned into a recommendation that went to the full Board for approval. He asked if that was correct. Mr. Landis said it was.

Mr. Flaharty said he wasn't sure what Mr. Landis was talking about with regard to vetting ideas inside a committee as opposed to the whole Board doing it. Mr. Landis said chairs have the ultimate decision in committee to set a deadline for the committee to send its recommendations. The committee would vet them and vote on which recommendation to send forward.

Ms. Navab said she thought e-mailing was fine, but she thought it would be nice to have information posted somewhere that's easy and more accessible. The Board wants to get a lot of work done in committees, but it was hard to do that if people didn't know when committees meet; and it's especially difficult when committees have all their conversations electronically. She asked how the rest of the Board could be involved in the conversation. And then people feel they didn't have a chance to vet something, and end up feeling they're making uninformed decisions. And that leads to a lot of communications problems. Maybe the Board could have a page on the ASUC Web site that was for internal usage and post to it, and have recommendations up. Secondly, she thought committees should have to meet physically.

Ms. Epstein said some committees haven't met.

Mr. Landis said that each committee was supposed to meet at least once a month, and he believed the Auxiliary Committee was supposed to meet twice a month. At least that's what they discussed at the retreat.

Mr. Landis said the Auxiliary Committee at its last meeting was also charged with figuring out a way to do the Board posting, communication, storage, and waste, which every Board member could have access to. The Board could address these issues again at another time. But in general, that's where they're headed. They're just trying to figure out how to do it. There have been a lot of problems with bSpace and



CalShare. He and Ms. Gore, for instance, can't get on to those. So they had to resolved this and figure out what to do.

## STANDING COMMITTEE REPORTS

### Report from the Bookstore Committee

Reporting for the Bookstore Committee, Mr. Landis said they had an Executive Director vote online. The problem with online voting became apparent very quickly. There are a lot of issues addressing that in general. They will avoid having any type of voting online any more. There's a method to do a non-regular meeting, and people could call a meeting, if that's what they need to do, for the Bookstore Committee.

Mr. Landis said he wanted to applaud the Student Advocate, Samar Shah, who was awesome. Adoptions weren't great, but they're doing okay. They also had the Follett team come that day. Most of the Board was invited for lunch with them. The Follett reps were very nice and they're very happy to be a partner on campus.

### Report from the Food Committee

Reporting for the Food Committee, Ms. Chen said that at their last meeting they met with the owners of Aida's Salad Shop and heard a little about them. The owners had a proposal for the Naia lounge space. The Committee came up with a recommendation which the Board will consider later in the meeting.

Ms. Chen said the way things work in the Food Committee, does outside research with an intern. She made a little packet of food cart information which will be sent out at their next meeting. They'll start to write guidelines for what they want from food carts, such as lease requirements. Finally, it looked like the Committee will take a trip to Davis during Dead Week to check out food carts. They'll probably rent a van.

Ms. Navab asked if that was just for the Food Committee or for the rest of the Board as well. Ms. Chen said she believed everybody on the Food Committee wanted to go.

### Report from the Auxiliary Committee

Reporting for the Auxiliary Committee, Ms. Epstein said the Board knew what was going on with the Executive Director recommendation. It looks like a campus office has offered to contribute up to \$25,000 for the Director search, and with the Auxiliary contribution, that will probably be doubled. For the Art Studio, they have a great Director, so things seem to have gone well.

## ASUC AUXILIARY REPORTS

Report from the Director

Mr. Landis said that from what he understood, October financials will be ready at the December meeting. Ms. Stager said that was correct.

Ms. Stager said that last week the Board was invited to a presentation by the Brailsford & Dunlavey on its report, which the Board received. The presentation was very informative.

For the Marketing and Communications Manager position, they have résumés and are forming a sub-committee. They hope to have a person in place by January 1. They had quite a few applications. Mr. Spivey said there were 52. Ms. Stager said that was very encouraging. Mr. Spivey said he was looking at about five to six out of a dozen that were screened. Five members signed up for the review committee. Among the candidates, only four were really strong. They're from all over the country. Among the candidates, only four were really strong. They're from all over the country.

Ms. Stager said that regarding service space, Eshleman is coming down in about a year, and the students have been working very hard to reserve space so the administrative part of the Auxiliary is in proximity with the students and with student government. It looked very promising, and the students have done superb work on that. Ms. Stager said she just wanted to add that.

Lastly, Ms. Stager said that she, Vivi Nordahl, and Mr. Spivey were on a conference call that afternoon. Sacramento State is in the process of investigating and installing meditation space and people there have done a lot of work canvassing other campuses, including Berkeley, talking to administrators and also to students. Students they interviewed about the ASUC's meditation space had very positive feedback. So it's been well received.

Ms. Stager said she reported to the Senate a couple of weeks ago on figures for the meditation space, which were amazing, and increased week by week. It's well used.

Mr. Flaharty asked if there were any comments from the Auxiliary Director's meeting. Ms. Stager said she and LeNorman Strong went to an Auxiliary Directors meeting at SF State last Monday and Tuesday. It was very, very informative. The Directors from all but two other UC campuses were there. It was very interesting to hear that they all dealing with the same things. Auxiliaries do not receive funding from their campuses and are all out there on their own, trying to do the best they could, raising revenue in different and creative ways.

What she found interesting was that on this campus Housing and Dining and the ASUC Auxiliary were separate, but on other campuses, Housing and Dining and food vendors might be together. Auxiliaries have different configurations. But the bottom line is that they all deal with the same issues, to give good service to the campus and the students with limited resources and finding creative ways of dealing with things. Ms. Stager said she brought material back and passed some of it out to the management team. It was a great meeting and the thing of UC Auxiliaries was very supportive. In fact, she talked to UCLA and UC Davis about Berkeley's transition. She thought they'll be very supportive and informative as the ASUC goes forward with transition planning. She made some good contacts and affiliations.

Mr. LaPorte asked what surprises there were. Ms. Stager said throughout her career at Cal she's always heard how different they were. She understood where that came from, and in some ways they are

different, especially on the student government side. But on the business side, the schools weren't different. She was surprised how similar Berkeley was to the other campuses. Mr. LaPorte asked if they could therefore learn from them. Ms. Stager said they could.

Mr. Flaharty said how auxiliaries fit into campus organizations was a topic at the last Auxiliary Committee meeting and at the last Board meeting. Housing and Dining is always doing surveys, and did one on where the ASUC equivalent reported on different campuses. Three campuses look fairly similar, at least on paper: UCLA, Davis, and Berkeley. For the rest, despite including large campuses, there's no consistency. Most don't even have an ASUC; and if they do it's not a 501(c)3. The ASUC might be a club or student group reporting to the student part. In most cases, Auxiliaries are bifurcated and aren't even attached. So structural and operating pieces are very different. But Auxiliary equivalents all have the same issues. Mr. Flaharty said he'd send out the survey.

### Vendor Contract Updates

Mr. Spivey said he was going to send out the vendor updates. If they look at the sales figures from the Pub, they could see the night-and-day difference when it got food.

For the Coffee Spot, they don't have reports.

Mr. Spivey said that it was the advice of Real Estate Services and campus counsel to send a letter to Mr. Alloun pulling back the Auxiliary's buy-out option, since Mr. Alloun didn't sign it. The letter has been sent and that offer to Mr. Alloun has been retracted. It offered to buy him out for his capital improvements, but it would have also suspended the lease; and Mr. Alloun probably didn't sign it because he didn't want to suspend the lease. Mr. Spivey said that was just his speculation. But at this point the offer is off the table, based on advice of counsel.

Subway is up to date.

Saigon Eats is in arrears. But Mr. Spivey said he was proud to report that two payments were made for July and August, which Mr. Pham said he'd do. But as for other issues, he has not contacted the Auxiliary and has not given the Auxiliary the information he promised.

North County Vending, the Auxiliary's vending company, is now owned by Canteen. RSSP also shares in this contract, and Mr. Spivey said he and Kurt Libby, the buyer for RSSP, met with the new representatives from Canteen yesterday and discussed a lot of things. They actually have automated Canteen stores where people can walk up to a wall, swipe their card, say they want a gallon of milk, a box of cereal, and napkins. The items fall into a bin and the person's account is charged. It was quite interesting. There are also systems that are more honor driven, where people access the space with their card, pick stuff off a shelf, scan the items and their card, and go on their way, under the honor system. Mr. Spivey said he thought that was fascinating. Knowing how Clark Kerr works, this might be a fascinating opportunity as it's in such a closed space. It would be an employee-less convenience store.

Mr. Spivey said they're moving forward with reviewing all of the leases. That's what caused the letter to be written to Mr. Alloun. They're also working on letters to Mr. Pham and will negotiate with him as

well. They're taking advice of counsel and Real Estate Services, which has very good folks, Helen Levay and David Robinson, who really know what they're doing. Mr. Spivey said that he and Martha Miller are proceeding with their advice to work out a way to end these leases.

Mr. Spivey said the vendor report did not include an update on Tully's because the Auxiliary is searching the contract for ways to either suspend the lease or end it. They're not exactly sure they can since it's a term lease, meaning the Auxiliary offered them substantive space. It's an older lease the Auxiliary got into and making these changes will be difficult. They're investigating some performance clauses in the lease that might give the Auxiliary some wiggle room. Tully's is no longer actually Tully's, which provides some wiggle room. But as David Robinson said, it's not enough wiggle room. To do it, the restaurant costs about \$80-90,000 a year, and they might not have that kind of time or money. So they had to work with their vendors to figure out a way to extract them or to suspend operation. His goal was to clear the slate, but that might not be possible.

Mr. LaPorte asked what suspending the operations would mean. Mr. Spivey said it would have the vendors continue their lease once the Auxiliary opened up again. The Auxiliary can't terminate Tully's but can suspend Tully's, and then re-open Tully's, or whatever it might be called, in a new coffee shop.

Mr. LaPorte asked what the downsides were for that. Mr. Spivey the downside would be to have a poor performing vendor come back and continue. The Auxiliary can't bid the space and get more rent. The space was really cool and was worth five times as much.

Mr. Flaharty asked if Tully's was exempt from any new vendor performance requirements. Mr. Spivey said he wouldn't say they're exempt. They're digging into the lease and he was waiting for advice from counsel. There are lots of performance pieces in these leases, but whether or not they can be invoked or not was counsel's decision.

Ms. Marthinsen asked what the Auxiliary's goal was for this. Mr. Spivey said the goal was to be able to end as many leases as they could, by all the different dates at which they end.

Ms. Marthinsen asked what the goal was for Tully's. Mr. Spivey said he actually looked into creating a bubble around Tully's during construction, but the answer was that they absolutely couldn't. Ms. Marthinsen said she thought the goal was to try and make sure they could get out of their lease with Tully's when construction starts, so they don't have to continue the relationship. Mr. Spivey said that's always been his goal.

Ms. Marthinsen asked when the Auxiliary's term lease ends with Tully's. Mr. Spivey said Tully's is 2014, with a two-year option. Ms. Marthinsen said that in '14 they'd still be under construction. Mr. Spivey said that if the Auxiliary suspended the lease in '13, that would give them another year, plus a two-year option.

Mr. LaPorte asked if there are any vendors they want to make sure they continue their relationship with. Mr. Spivey said the only one he's recommended for that has been the CUBS Credit Union, which was actually a creation of student government, and was a student-initiated space. So he would like to keep the relationship with the Credit Union, and, of course, the Bookstore.

Mr. LaPorte asked if it was correct in general that their vendors have been useful up to a point, but haven't realized the hopes the Auxiliary had for them. He asked if that was a fair inference. Mr. Spivey said it

was. That's why he's requesting the SOB Food Committee to start a review and analysis of performance, per the Charter. Mr. LaPorte said it was interesting that the Auxiliary wasn't really happy with most of the people it was dealing with.

Mr. LaPorte said the Auxiliary's dissatisfaction was a pretty important insight. Mr. Spivey said the Auxiliary was actually not unhappy with Subway, which is performing. Mr. LaPorte said that most of the vendors, though, were problematic. The Auxiliary wasn't happy if the vendors are "okay," and the hope is that in the future, the Auxiliary will be a lot more than "okay" with vendors. So the Board had to think about what was needed to be done to kick off the next phase in order to have that be the case.

Mr. Spivey said that brings up the Brailsford & Dunlavey survey. The vendors have a performance obligation. But some of the problems vendors have experienced have been a result of strikes on campus. Also, people do business with other food vendors, not the Auxiliary's. So there's a give and take with this. When they bring in a vendor, there's an issue of how the Auxiliary promotes them. So the Auxiliary has sometimes dropped the ball as well.

Mr. LaPorte said that for the next generation of leaders, they need to have the Board's input with regard to this situation, because otherwise they wouldn't know what could happen. Mr. Spivey said that was correct.

Mr. Freeman said asked if Subway was the only vendor that was currently meeting expectations. Mr. Spivey said it depends on that meant. The Coffee Spot does very well in sales, but it doesn't comply with the lease very well. Tully's mostly complies with its lease but doesn't perform very well. There are little pieces that aren't just one or the other.

Ms. Chen asked how the Auxiliary should approach not getting reports from vendors since July, and if there was a system that included some penalty for that. Mr. Spivey said there's no penalty, although the Auxiliary has been sending them notices. It's the Coffee Spot that hasn't provided reports since July. It does not have a point of sales system, which is a breach of the lease, something the Auxiliary is addressing at that point. It's a performance issue.

Mr. Spivey said that one other piece the Board had to think about was how they want the new food court to be run, and who they want there, and whether they want a single provider to manage all the vendors, since that's very difficult for the Auxiliary to do, or whether they want independent contractors there. There are variations of those models.

Mr. LaPorte asked how many units there will be in the new food court. Mr. Spivey said there will be four or five. Ms. Navab said that four areas to shop at was pretty finalized.

Mr. LaPorte said there are also a lot of transaction costs. Mr. Spivey said that having one provider could mean that performance in the space would be better than having individuals. Instead of three refrigerators, e.g., there could be fridge with three cages, because the same group was managing it. The supply chain would also be a little more efficient.

Mr. LaPorte said the downside of that, if there is one, is that they might not get a diversity of food options. Mr. Spivey said that diversity can be managed in the performance standards of the lease.

Ms. Navab said that in terms of one group dealing with all the vendors, some of that will also be hashed out in the Transition Planning Team, which is restructuring the Auxiliary. What does and doesn't get out-sourced will have an impact on that decision. So that decision was not solely up to the Board.

Secondly, as a comment, Ms. Navab said that a lot of alumni have been e-mailing her and other members of the ASUC and the GA about the "Fiesta" name on the Pub. They were really upset it wasn't called the Bear's Lair, or that it looked like the Bear's Lair was replaced. People really identify with the Pub and have said they don't want to go there because they don't think it's the Bear's Lair any more. It was probably too late to change that, given that Fiesta has just printed all its cups and things. But at least for the Wings Fiesta sign that hangs over the Bear's Lair portion, she asked if they could put an older sign up over that. She watches football games there, and a lot less people go there on weekends compared to last year. Some of that is because games were in San Francisco, but she also thought it was because of the brand name, and the Pub losing customers because people don't like the brand. It's like "Wings Fiesta at the Bear's Lair." The "Wings Fiesta" is twice the size. That was just a comment. Mr. Landis said that Mr. Spivey could bring that up.

#### LOWER SPROUL PROGRESS UPDATE

Mr. Landis said he didn't attend these meetings anymore and asked if someone was at the last meeting and could give a quick update. He said that Mr. Nicholas will speak about this later in a different avenue.

Ms. Navab said the workgroup decided to move forward with adding another elevator to the northeast corner of MLK, where the Bookstore is. They thought this would make the space a little better for any future vendor. The architects will start to look at that. The idea will ultimately be voted on by the Program Committee.

Also, event space was added to the top floor of Eshleman. It's not clear at the moment whether or not it will be commercial space, but there will be an Eshleman Library-type of space added to the top floor. It will provide a little more flexibility. It's up to the Senate whether to give that as commercial space, but it tentatively could be another rentable, reservable space.

Ms. Navab said they also asked if the Cal 1 space was no longer going to be Cal 1 space, and suggested that maybe that it become commercial space controlled by the SOB, since they're losing Naia lounge as commercial space, giving it to the OCF. So the Auxiliary should gain another space.

Ms. Navab said another thing that came up that people might not be aware of, as she and Mr. Deutsch weren't aware of, was that the Lower Sproul project is only planning to remodel the shell of the Bookstore, and not the interior at all. That seemed strange, and she'd think that people would want to revamp the space. It seemed to be that they wanted the vendor to revamp the space. She thought this should be revisited. It's a question of who controls the inside, and what the inside looks like for future vendors, and secondly, the Bookstore is their most valuable vendor, its space will be reduced from to about 50,000 square feet to 30,000. So that was something that needed to be discussed as well.

Mr. Landis said the Bookstore Committee talked about this a little bit at its last meeting and looked at floor plans and layouts. When they can, they'll try to make that available to everybody, although he

wasn't sure when that would be. Ms. Navab said she believed he could share the plans she sent out, although they shouldn't be shared outside the Board. Mr. Landis said he would send them to people individually.

Ms. Navab said Auxiliary's largest vendor will have a significant reduction in the space it has, and the Board needed to make sure they're going down a sustainable path, considering the amount of revenue they generate from the Bookstore currently, and post Lower Sproul construction. They need to make sure the decisions they make really do put them in a good position.

Ms. Navab said the northeast corner of the Union, the Upper Sproul level of the Bookstore, is not allocated to anybody and is outside the scope of the project. It might be added in from money from additional savings, but not at the moment.

Mr. Freeman asked if that space was attached to space that's already been allotted or if it would be separate. Ms. Navab said it would be attached in that there's a stairwell. But the rest of that floor is not Bookstore space and would be like the current upper floor. Mr. Freeman said that for the interior, people would still be in the same Store, and they wouldn't have to leave the floor. Ms. Navab said that at the moment that's still the plan, but it might change.

Mr. Landis said it would be helpful to see diagrams when they're available.

Mr. Flaharty asked Ms. Marthinsen if all renovation was up to the Design Review Committee, even if it's third-party. Ms. Marthinsen said the Design Review Committee only looks at exteriors of buildings. So the Program Committee and the various approval processes for technical renovations and standards will look at this from here on.

Ms. Marthinsen said this project was supposed to go to approval of the Regents last week, but the meeting was canceled. They learned that day that it looked like the meeting would get rescheduled, and they'll try to get this item included. The campus was certain there won't be a problem.

Ms. Navab said they also added something to the Pebble of the new Eshleman. The ground level of Eshleman is in two parts, like the Pub restaurants and then the actual entrance to the building. They added another vendor to that entrance portion, for a small café or a small vendor that could draw people in from the street. Ms. Chen said they already have a coffee stand there. Ms. Navab said it would be instead of that. Ms. Marthinsen said it was integral to the building envelope instead of outside. Ms. Navab said this was still in the preliminary stages.

## RETREAT UPDATE

### Mission Statement / SOB Name Change

Mr. Nicholas said that he, Ms. Chen, and Mr. Landis met as the focus group for the mission statement and they chose this, to be under Article 1: "Improving the quality of student life." They chose it for several

reasons. It's short, memorable, and it really says what their main mission is. There were other things they could tag on to it. He asked if there should be a vote on it.

Mr. Nicholas said a lot of people don't like the acronym of the Store Operations Board, "SOB." So they tried to come up with something that didn't mean anything, and came up with the "commercial and student services board." He didn't know if they'd officially change the name, but they could try and make it known by that name, as opposed to saying "SOB."

Mr. Landis said they could go back to the drawing board, but if not, they'll vote on whether or not to go forward with the mission statement, and with the pseudo-name, "the commercial and student services board."

Mr. Freeman asked where the mission statement would go, and if this would be mission statement of the new board. Mr. Landis said it was the mission statement of the Board. Mr. Freeman asked if that was the entire mission statement. Mr. Landis said it was.

Mr. Landis said there was stuff that was left out of the statement, and perhaps in the future, they could have a statement on goals or core values.

Mr. Landis said that one thing regarding procedure that he didn't address earlier was that they'd take questions from non-Board members, but those were really supposed to be a point of clarification for a Board member. If anybody wanted to ask a question or present something, Mr. Landis said they should send him an e-mail and they could be put on the agenda. Most everybody on the Board has agreed with this procedure, and hopefully he's talked to all of them about this. In general, it really needed to be a Board member asking for an outside audience member.

Mr. Goldstein said he thought the mission statement needed to be a broad statement that people look to for guidance in future decisions. He thought the proposed statement was too short to provide any direction and was overly broad.

Mr. Landis said that core values would be coming. This was a general mission statement and they'll vet other things later, such as sustainability.

Ms. Navab said that maybe they could make it a sentence.

Mr. Landis said that if people don't like the statement, they could provide feedback and the focus group working on it would take that into consideration.

Mr. Landis called for a motion to approve the mission statement, and seeing none, said the focus group would meet again and think up a new mission statement.

#### SOB Name Change

Mr. Landis asked if there was a motion to have the SOB also be known as the "commercial and student services board." It was so moved and seconded.



Mr. Landis said this would be an “aka,” and the SOB would also be known as the Commercial and Student Services Board.

Mr. Flaharty asked why they would have two names rather than replace one of them. Mr. Landis said they had to look into the process of formally replacing the name. Ms. Navab the Charter would have to be revised, and that would have to be approved by the Chancellor and the Senate.

Mr. Flaharty asked to clarify the motion. Mr. Landis said the motion was to combine or replace the name, “Store Operations Board (SOB)” with the “Commercial and Student Services Board (CSSB),” and try to pursue a formal change. It was moved and seconded.

THE MOTION PASSED BY HAND-VOTE 6-2-0 TO HAVE THE STORE OPERATIONS BOARD (SOB) ALSO KNOWN AS THE COMMERCIAL AND STUDENT SERVICES BOARD (CSSB).

Mr. Landis said they'll try and make the change happen formally, and hopefully it won't be too hard. But from now on, the SOB e-mails will say CSSB on them.

#### OLD BUSINESS

##### Update on Tully's

Mr. Landis said Tully's has already been mentioned. Mr. Spivey said he already reported on Tully's.

##### Executive Director Search

Mr. Landis said the result of the online vote was 6-4. He doesn't vote unless there's a tie, which is how Chairs have operated in the past. As many of them knew, he had a huge issue with the process. A recommendation was brought up on Friday, the day of the vote, about one half, and they'd leave that up to the Auxiliary Committee to decide if it felt the recommendation went forward improperly. As a point of information, irrelevant from what the Board decides, the University has agreed to pay up to \$25,000 for a third-party search firm. He'd leave it to the Auxiliary Committee to inform the Board if there's a recommendation for the Board to vote on.

As for the process for how this is done, a committee is required to forward a recommendation for the Board to vote on.

Ms. Epstein said they just found out about Harry LeGrande's offer, and the Auxiliary Committee will review it and come up with a decision in the next two weeks.

Ms. Navab asked why they couldn't talk about it at that time, and moved to fund the other half of the proposed search amount, up to \$22,000. The motion was seconded by Ms. Epstein.

Mr. Landis said the campus' offer was up to \$25,000. Ms. Navab said the original request for the search firm was \$43,000.

Mr. Landis said the campus has set up the \$25,000 because one-third of \$150,000 is \$50K, and they're offering \$25,000. That was the math behind the amount of the campus' offer.

Ms. Epstein suggested matching what Mr. LeGrande's office would pay for a search firm for the Director.

Mr. Flaharty said the Board could say it would match that offer, and not to exceed \$25,000.

Ms. Marthinsen said that \$150K is the total compensation package and \$50,000 was 30% of that, which search firms charge.

Ms. Epstein said the recommendation was to match the campus offer, but not to exceed that.

Ms. Navab moved to have the Auxiliary provide up to \$25,000 to match Harry LeGrande's contribution to hire a search firm. The motion was seconded by Ms. Epstein. THE MOTION TO ALLOCATE UP TO \$25,000 TO MATCH THE CAMPUS CONTRIBUTION FOR A SEARCH FIRM FOR THE EXECUTIVE DIRECTOR POSITION PASSED WITH NO OBJECTION.

## NEW BUSINESS

### Lower Sproul Discussion

Mr. Nicholas said he sent an e-mail to the Board a couple of weeks ago. The Board needed to make a recommendation to the architects. He believed all the students attended the meeting with the architects, except Ms. Chen. Nobody else from the Board attended. Students met without faculty or administrators and made recommendations. The architects asked whether this was a decision of the full Board. Board reps didn't really know how to answer, since only students were there. So he was agenda for an official vote.

One decision was to give up a commercial space, Naia, for the OCF to occupy. Mr. Landis said this would be after Lower Sproul construction. Mr. Nicholas said that hopefully the Board would be compensated by the Cal 1 Card office space, or something like that.

Ms. Navab said the other piece was that Naia is currently out of the scope of the Lower Sproul project. This proposal assumes the additional \$30 million in savings would be partially used to renovate Naia, and that the space wouldn't just be the OCF, but a media center, since CalTV would also be in the location.

Mr. Landis said the idea was to get more traction to their food vendors.

Mr. LaPorte asked if they knew they had the savings to be used for this, to make sure it wasn't ambiguous. Ms. Navab she was fairly sure the money would be spent on this. There will be a conversation next week

on where the \$30 million will go. The students made it clear that Naia was a priority, and everybody seemed to be on the same page. Mr. Landis said they could make this contingent.

Ms. Navab said they could say that this was contingent upon Naia being paid for by the \$30 million, and if not, then they wouldn't agree. If it's not renovated, the OCF wouldn't move there.

Mr. Flaharty said he read Ms. Navab's e-mail and was confused about what was expected of the Board, given all the other decision making groups around Lower Sproul. He was also unclear if the Board had the authority to do anything other than advise on this. Ms. Navab said that the space is commercial space and the Board would vote to basically give Naia up as commercial space.

Mr. Spivey asked if there was anything in return. Ms. Navab said they asked if Cal 1 was moving out, and if that would be counted part of commercial space. But this wasn't quid pro quo. If the Cal 1 space doesn't materialize, then the Board would have given up some of its commercial space without getting anything in return. Ms. Navab said she understood that was a concern. The students felt there was a lack of space in the new building, and there's a lot of demand. Being a Student Union, it might be okay to give up some commercial space to accommodate more student activity space. But they're not giving up all of that area, and it was just Naia. Another 1,000 square feet was still commercial activity space. Mr. Spivey said that Naia is 2,500 square feet.

Mr. LaPorte said he appreciated the logic involved, but there are expectations about commercial space being made available. One way to think about it was to make sure they had something they had a claim on. They're behaving as if they're magnanimous when they are the ones who should have priority. But one could argue about student use being more important than commercial aspects.

Ms. Navab said the Auxiliary will gain new vendor space and new retail space, restaurant space, in the Pub. It's not as though they weren't getting anything with this change.

Mr. Spivey said they're not talking about gaining anything, but whether commercial balance is still maintained by giving up this piece.

Ms. Marthinsen said she really wanted to support doing this. The Naia space was terrible retail space, useable for storage or something. One goal for new Lower Sproul commercial space was to not have problematic space. If they can't rent it they're going to get lousy vendors, and it will be a problem. So she thought this was a brilliant solution, and she really wanted to thank the students for working it out. It gets rid of something that has really been a stone around the Board's neck.

Ms. Chen asked if the alternative of giving Naia space to the Art Studio was a possibility that was considered. Ms. Navab said it wasn't. She thought the discussion was that if it wasn't OCF, then other things they could consider being in there would be more student group space, or a student-initiated business. But the discussion was never around the Art Studio. Ms. Chen said this was all after surge. Ms. Navab said that was correct. The idea was not to have a major renovation, and for any changes to be more cosmetic. Doing any real renovation would result in encountering a lot of code issues that would drain Auxiliary savings. So it's not going to be a beautiful new space that vendors would want. Naia space would be a media center, with CalTV and the Open Computing Facility.

Mr. Landis asked who made the decision for the Cal 1 Card not being there. Ms. Navab said that no one has made that decision. They're waiting for RSSP and others to figure out what will happen with Cal 1 in the future.

Ms. Epstein said she supported the possibility of having the Art Studio hold classes in Naia as well. If there are computers there, the Studio could hold classes there. She didn't see why the space couldn't be used for both purposes. Ms. Navab said that since this was part of the \$30 million in savings they could use, there was still some wiggle room to figure that out. Ms. Epstein said the Studio could generate revenue from that space. So they wouldn't actually be quote "losing" the space.

Mr. Freeman said he liked the idea of having other uses in the Naia space, but there's still 1,000 square feet that could be commercial space. He asked if that was guaranteed commercial space, and if so, asked what kind of vendor they could offer that to, given it's only 1,000 square feet.

Ms. Navab said it's not one 1,000 square foot space, but two spaces, about 550 square feet plus another 450 square feet, as well as awkward storage space. They're looking at giving student groups tables there. The ceiling was really low. The space that was the most accessible from the Plaza might be for a student-initiated business, with the Board to decide who got it. For the other space, she believed the recommendation of the architect design team was to give it to SUPERB so it could have an easily accessible space. That would be up to the Board.

Mr. Freeman said he was just concerned about putting a vendor in the Naia space that wouldn't succeed there. Ms. Navab that's why they asked for the Cal 1 Card space.

Mr. Landis asked if there was a recommendation for the Board to vote on. Ms. Navab said she believed the motion was that contingent upon the \$30 million being used to renovate Naia, that the Board would agree to give up the Naia space for it to be used for a media center. The motion was seconded by Mr. Nicholas. THE MOTION TO GIVE UP NAIA SPACE FOR USE AS A MEDIA CENTER, AFTER LOWER SPROUL CONSTRUCTION, CONTINGENT UPON RENOVATIONS FROM THE \$30 MILLION IN SAVINGS, PASSED WITH NO OBJECTION.

Ms. Nomura-Weingrow asked if she could assign space over the next couple of months. Ms. Navab said she'd be able to answer that in about a month. Ms. Chen said the Board will talk about that in a few minutes.

Mr. Nicholas said he had one other brief topic to discuss regarding the Lower Sproul meeting with the architects. The other thing the students presented, as a kind of united student decision, was to make a recommendation by the Board to the architects to install an elevator in the northeast corner, which is currently the Bookstore. They thought that would make the space more attractive for a vendor who goes in there, whether it's the Bookstore or another. It would make it much easier for have loading. He would like to have a discussion and a vote on that.

Ms. Navab said the cost to put in an elevator would be about \$600,000. That would be up to the Program Committee.

Mr. Landis said the Board couldn't tell the Program Committee to do that and it would just be a recommendation. Ms. Marthinsen said that what they're asking the Program Committee to do was to continue

to plan for it in the development of the documents. So as they do the design developments in the next months, they'll continue to put the elevator in, and try to coordinate this with other requirements. It's not a final decision.

Mr. Landis asked if there was a motion on this. Ms. Navab moved that the Board recommend that the Program Committee continue to plan for an elevator in the northeast corner of the Union, currently Bookstore space. The motion was seconded by Mr. Freeman. THE MOTION TO RECOMMEND AN ELEVATOR BE PLACED IN THE NORTHEAST CORNER OF THE UNION, UPPER PLAZA LEVEL, PASSED WITH NO OBJECTION.

Mr. Landis said he would e-mail LeNorman Strong about the elevator. Ms. Navab said she could send that out.

### NEW BUSINESS

#### Aida's Salad Shop Update

Ms. Chen said the owners of Aida's Salad Shop wanted to sign a lease for next semester for the Naia space, basically until surge, probably from December to June. There would be a month for Winter Break and school ends in May, so the business would effectively only operate for about four months. The Food Committee unanimously recommended not putting the Salad Shop into that space. The potential lost revenue was \$9,000, not a huge amount. Aida's would have paid about \$1,500 a month and it would cost them about \$35,000 just to get the space ready. It's a great concept and the owners were really nice, and had hoped to operate with Fiesta Wings. The Food Committee decided it wasn't really worth it for the company. It would be hard to market that space and run it successfully for four months.

Ms. Chen said the Food Committee also recommended giving Naia space to the Art Studio until surge begins.

Ms. Navab said he was fine with the decision on salad. In terms of using Naia space for the Art Studio, in theory, she liked the idea. She thought the Board should table that discussion until they have a better idea of what was going on with the \$30 million and when that space would become available. It's a different timeline than the rest of the project.

Ms. Chen asked if she was talking about before June. Ms. Navab said she didn't know. She asked if the Art Studio was okay with moving into Naia for a semester and then moving back out. Ms. Nomura-Weingrow said that would be fine.

Mr. Landis said the Food Committee talked about this. He thought the idea was to give the Studio the space, until they got kicked out. Ms. Chen said it would be until the space was needed, which the Committee thought would be the end of May or in June. It was basically for one semester. Ms. Nomura-Weingrow said the Studio would need 15 weeks until the summer, after which they could program differently.

Mr. Landis called for a motion. Ms. Epstein moved to allocate Naia space to the Art Studio for one semester. The motion was seconded. Mr. Landis said it should be until surge. Ms. Navab said that surge doesn't apply to that space. Mr. Landis said it should be until the Auxiliary is informed that the space was no longer available. And they should add something about capital investment. Ms. Epstein said her motion would have the Studio use the space until surge, or at least for a semester. Ms. Navab asked if the motion could be reframed, with the inclusion that there would be no capital investment.

Ms. Marthinsen moved to allow the Art Studio to use the Naia space for at least next semester, and until the Studio had to relocate from that space for construction, with no commitment by the CSSB for any kind of investment in the space or any follow-on commitment for new uses of the space. The motion was seconded by Ms. Chen. **WITH NO OBJECTION THE BOARD APPROVED THE MOTION TO ALLOW THE ART STUDIO TO USE THE NAIA SPACE UNTIL THE SPACE HAD TO BE VACATED FOR CONSTRUCTION, WITH NO COMMITMENT OF ANY INVESTMENT FOR STUDIO USAGE.**

Ms. Chen said that even though they won't be moving forward with Aida's Salad Shop in Naia, the business was interested in a mobile food cart. So they'll still talk to them about that.

Mr. Landis said he would entertain a motion to adjourn. It was so moved and seconded and passed with no objection.

This meeting adjourned at 4:18 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- Nov. '11**      **Voted to have the Store Operations Board (SOB) also known as the Commercial and Student Services Board (CSSB)**
- Nov. '11**      **Allocated up to \$25,000 to match the campus contribution for a search firm for the executive director position**
- Nov. '11**      **Discussed and agreed to procedures for the Board.**
- Sept. '11      Established standing rules for Board meetings.
- July '11      Elected Mr. Landis as Board Chair
- Nov. 10      Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10      Decided to have shorter minutes.
- Oct.'10      Mr. Zuo elected as Board Chair
- Oct.'10      Ryan Landis joins the Board, undergraduate representative.
- Sept.'10      Mr. Daal elected as Board Chair.
- Sept.'10      Prof. Edwin Epstein joins the Board.
- Sept.'10      Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10      Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10      Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10      Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09      Welcomed to the Board Khira Griscavage.
- Nov. '09      Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09      Heard a presentation from Business Services on RFP procedures.
- Sept. '09      Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09      Welcomed to the Board Prof. Myers and Dean Poullard.

Procedures (cont'd)

- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.
- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.



Procedures (cont'd)

- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.
- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for cman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.

Procedures (cont'd)

- June '03 Agreed to hold a Board members orientation by August 30.
- May '03 Agreed on the need for a Board members orientation to be held before the start of the school year.
- Dec. '02 Enhanced Board minutes by adding "Decisions of the Board."

VENDORS

- Nov. '11 Gave up Naia commercial space, after LS renovation, for use as a media center, contingent upon renovations paid by the \$30M in savings.**
- April '11 Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
- Mar. '11 Heard from a consultant on Lower Sproul and heard the results of a major survey.
- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.

Vendors (cont'd)

- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.
- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.

Vendors (cont'd)

- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Studies Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.
- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.

Vendors (cont'd)

- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.
- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.

Vendors (cont'd)

- Nov. '03      The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03      Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03      Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03      Approved a five-year lease with the Daily Cal.
- July '03      Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05      Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05      Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04      Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04      Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04      Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK STUDENT UNION / PAULEY BALLROOM

- Nov. '11      Voted to recommend an elevator be placed in the northeast corner of the Union, Upper Plaza level.**
- Nov. '11      Approved the Studio to use Naia space until Lower Sproul construction, with no commitment for future usage or investment.**
- Oct. '11      Approved rates for the use of Eshleman Library, as commercial space.
- Sept. '11      Voted to not charge for student government use of Eshleman Library until the next SOB meeting, when policy would be re-evaluated.
- April '11      Voted to make the Tilden Room meditation and reflection space.

MLK Student Union / Pauley Ballroom (cont'd)

- Feb. '11      Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03      Formed a subcommittee to further consider the Daily Cal lease.
- May '03      Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02      Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02      Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10      Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09      Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09      Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08      Work began on the seismic retrofit of MLK.
- Oct. '08      Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07      Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05      Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05      Voted to explore options for the expansion of the Art Studio.
- Oct. '04      Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
- July '09 Approved the 2009-10 Auxiliary budget.
- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
- Sept. '04 Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04 Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04 Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03 Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."



Budget (cont'd)

- June '03      A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03      Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.

## STORE OPERATIONS BOARD MINUTES

March 7, 2011

Present: (Members and others)

Greg Brock (ASUC lawyer)	Nanxi Liu (Board member)	Claudia Scotty (Envision Strat.)
Ron Coley (Board member)	Philippe Marchand (Board member)	Tom Spivey (Auxiliary)
Miguel Daal (Board member)	Emily Marthinsen (Bd. member)	Marilyn Stager (Auxiliary)
Jeff Deutsch (Store Mgr.)	Michael Nicholas (Bd. member)	Noah Stern (Board member)
Edwin Epstein (Bd. member)	Nadesan Permaul (Auxiliary)	Rob York (York Consulting)
Elliot Goldstein (ASUC Sen.)	Beth Piatnitzza (Capital Projects)	Yishi Zuo (Board member)
Ryan Landis (Board member)	Jonathan Poullard (Bd. member)	

This regular meeting of the Store Operations Board was called to order by Yishi Zuo at 5:34 in the Senate Chamber.

### APPROVAL OF THE AGENDA AND MINUTES

Mr. Zuo called for any comments or objections to the minutes from the February 1 meeting, and called for any objection to the agenda. THE MINUTES OF THE FEBRUARY 1, 2011 MEETING, AND THE AGENDA FOR THE MEETING THAT EVENING, PASSED WITH NO OBJECTION.

### PUBLIC COMMENT

Jeff Deutsch said Follett's fiscal year ends at the end of the month. He offered a donation for study space that still stood, although he hasn't heard back about it. He wanted to process this before the end of the fiscal year. Mr. Zuo said he hadn't heard from the Senate. Mr. Goldstein said he believed the Senate passed matching funds for study space. Mr. Permaul said this was to open the Senate Chamber to study for finals.

Mr. Goldstein said he keeps hearing that the Student Learning Center will be open for studying. Mr. Poullard said he was waiting on the Senate to approve the money. Mr. Goldstein asked if the amount was the same as for the study space the Board approved. Mr. Poullard said he didn't think it was.

### PRESENTATION -- Claudia Scotty, Envision Strategies

Claudia Scotty introduced herself and said she was a consultant with Envision Strategies, which does operations consulting and strategic planning for food service and hospitality. They undertook a survey of the Cal community on preference and buying behavior. She tried to cherry-pick the most important findings, as it was a rather lengthy survey.

They had 5,309 responses, which was fantastic, and maybe a record. The survey has a very high level of statistical accuracy, with 3,919 student responses and 1,390 faculty-staff respondents. The demographic mix was very good relative to the campus.

In the food service business, they generally consider a three-minute walk to be the catchment area for a restaurant. The market there, as it was for most of America, was very convenience driven. There's a huge drop-off between a three-minute walk and one of five minutes.

With Lower Sproul as the center point, on most weekdays between 10 a.m. and 2 p.m., 70-75% of people on campus are within a three-minute walk of Lower Sproul; and from 2:00 to 5:00, 50-60%. On a campus of this size, it was astonishing that such a big portion of the population was within the catchment. From 5:00 to 9:00, a third of the population is in this area.

As for buying behavior and the choices people make for meal service, people brown-bagged 1.35 times a week; went off-campus, 1.42 times; ate on campus, 1.94 times. Meal plans drive on-campus purchases. More grad students go off-campus than undergrads, so there were some variations in this.

Respondents brown-bagged for convenience and secondly, because pricing of available options was too high. Health was another reason. Staff brown-bagging was really high, and the staff response drove the high rate for brown-bagging. Grads make the most off-campus purchases.

For late-night dining, after 9:00, meals were purchased 0.38 times per week, which was a pretty low combined mean. Freshmen and sophomores make 0.85 purchases a week in a res hall setting, primarily Crossroads. Again, that's driven by the meal plan.

Ms. Scotty said that as for where people were buying, respondents could write in three restaurants. The highest level was for the Golden Bear Café, driven by undergrads and meal plans. Next was Chipotle, by a fairly wide margin. Others were the Free Speech Movement Café, Subway, Ramona's, and Yali's, which was by far the preferred spot for grads. These restaurants got very strong responses. The top two restaurants for faculty were the FSM Café and the Faculty Club. Many restaurants popular with students were also popular with staff.

Ms. Scotty said they asked about the kinds of places people would like to have available in Lower Sproul, and how often they would make a purchase in a typical week. They were the Food Court, 1.5 times a week; a coffee house, which had strong support from grads and professional students; and thirdly, a student-run co-op. Other preferences were a mini-market, a grocery, and a specialty café.

A pub/restaurant concept actually scored the lowest in terms of visitation, which raises the question of whether or not there's opportunity to reimagine what the Pub is while still being faithful to the concept.

As for food preference, respondents were asked how often they'd make a purchase if it was available on Lower Sproul. The order was fresh fruit, specialty coffees, and organic food. There's a clear thread for healthy, sustainable, organic food. In terms of ethnic food, Mexican food was the highest, followed very closely by sushi/Japanese food, and Chinese.

Ms. Scotty said they asked about brands, which was a hot topic on this campus. They asked people to write in any local restaurant or regional or national brand they'd like to have available at Lower Sproul.

So there was no guidance in the question. Respondents were asked how often they'd visit the brand and how much they'd expect to pay. The point was to see revenue potential, and which brands most people would go to, with the most frequency, and spend the most. The number one choice was In 'N Out followed by Panda Express, Cheeseboard, Chipotle, Taco Bell, Starbucks, Intermezzo, McDonalds, Subway, Panera Bread, the Food Collective, Thai Basil, Peet's, and the Brazil Café. The revenue potential for the top 12 was much higher than the others.

The brands that resonate with this population are a mix of national brands and local stores. The top six are pretty well recognized.

They also got a lot of good data about the average check and share of spend.

The last question was how much they use the food services on Lower Sproul and how much they'd use them if they were re-vended, trying to gauge what the opportunity was. For the total respondent group and for most of the subsamples, the percentage was three or four times as much as it was being used now. This was more a gauge of sentiment than an expectation that everything would be quadrupled. But clearly there's a lot of interest for redevelopment of food services in this zone of campus. There seemed to be a pretty significant level of market potential for this area of campus. While there are lots of quite interesting options for lunch within a convenient walk, they're very crowded for lunch.

Ms. Scotty said the conclusions show a lot of support for a Food Court, a coffee shop, and a student-run co-op. For a Food Court, they'd suggest at least four brands, with any mix. The recommendation for a coffee shop was that it not be a kiosk, but something that felt cozy and intimate, a great hang-out space. It could be a great extended hours opportunity, especially if it had a good placement in relation to other activities. For a student-run co-op, they'd have to determine the space requirements. The consultants met with students who run the co-op. They're currently focused on groceries but would like to provide prepared food, which would need a small production kitchen.

The research suggests that there's a low level of support for a pub and a waiter-service restaurant. That raises the question of what the Pub of the future should be. They could have a great casual bistro that serves beer and wine. But this a point to focus discussion on that evening.

So the conclusions are 1) Food Court, coffee shop, student-run co-op; 2) Pub, 3) market behavior for late night, which is now driven by meal plan participation.

One great thing that could work really well for these types of projects was to create a good extended hours food service destination.

For discussion was 1) a new strategy for the Pub, and perhaps positioning it to meet a market need for a really good food concept that happens to serve alcohol, as opposed to pitchers of beer and burgers. Ms. Scotty said her view was that the space didn't feel great to be in and the food concept was limited. It didn't have a strong destination value except for special events and game days.

Mr. Permaul said there are certain days of the week where the Pub was extremely popular. The current operators tried an upscale food destination with beer and wine and the students wouldn't come. A portion of the campus community likes it as it is. Ms. Scotty said she didn't think upscale was the answer.

Ms. Scotty said the next item for discussion was late night and if that was an element they wanted in the project, and the food required around that idea. It could be a coffee shop or the Pub.

Another point of discussion was potential participation of the student co-op. It wouldn't drive a lot of revenue, and square footage was at a premium. But the idea resonated on this campus from a cultural standpoint and might be a good fit.

Mr. Poullard said he thought the Board should focus on the questions raised. The data were 27 pages and while they could have further discussion about specific points, they had to get something back to the Lower Sproul project.

Mr. Zuo said there seemed to be a disconnect between what people say they want versus what they patronize and the brands they buy. They want healthy food options but go to McDonalds. Ms. Scotty said they see this on other campuses. The skew towards healthy/organic was stronger here than at other colleges. People think about generic foods they eat and what they should be eating, but then there was the power of branding.

Mr. Epstein asked about late-night service for people at events in Zellerbach and Haas. Ms. Scotty they spoke with Zellerbach management. It's an occasional use and shouldn't necessarily drive decisions. To the extent there's synergy, it should be a factor. The Pub might be one thing on a daily basis and something more comfortable for events.

Mr. Nichols said not everybody was interested in the Pub, there obviously was a large percentage that was; and 40% grad usage was a large clientele. It had to be a destination for them. He was skeptical about doing food there. People don't know about the Pub, and don't know the Pub operators also run Jupiter.

Mr. Daal said behavior in the SOB was usually to see the Pub as a service provided for students, and not so much for revenue. He would encourage talking to the Pub managers to see how they make other pubs work that they operate.

Ms. Scotty said they should do that. For this kind of venue, there's a difference between a street-front location and a plaza location. From a restaurant/real estate standpoint, the Pub seemed quite tucked away. Mr. Daal said it would be street-front with the project. Ms. Scotty said that may not be the best use of street-front. The Board was trying to balance programmatic issues with revenue issues and community-based issues.

Mr. Stern said the Pub was packed on Fridays and asked if they might not have responded to the survey, and asked about a "hybrid" model of the Pub, being one thing at certain times, and something different the rest of the time. Ms. Scotty said that concept could be tricky, although there are examples of venues that morph between day and night pubs.

Ms. Scotty said that nothing could drive revenue like really strong national brands that people have grown up with. Calling the Pub "Jupiter's Bear's Lair" would probably drive more revenue.

Mr. Daal said he recognized three issues for lease spaces: revenue, service, and an energized Lower Sproul. Ms. Scotty said energy was usually driven by people. A lot of students use restaurant and retail

brands to drive destination value. And one activity begets another activity, and people get used to coming to a place.

Mr. Daal asked if it would be helpful to determine if their core aspirations were first and foremost revenue, or energy. Ms. Scotty there should be a hierarchy of objectives.

Mr. Zuo said that students on the Board met as a group to discuss the need to come up with a hierarchy of needs. They did something similar to that when they did in looking at RFPs for Lower Sproul food spaces. That's something they could do in the immediate future. Mr. Permaul said they had to inform the Working Group quickly. Mr. Poullard said that April 12 was a hard stopping point. Mr. Zuo said students will work on that and get it to people as soon as possible.

Mr. Goldstein asked about relative revenue potential for the food co-op. Ms. Scotty said that was totally theoretical. The numbers were based solely on survey respondents and the figures were really a way to array the brands. It just shows a direction with things relative to each other.

Mr. Goldstein said if the Board was to bring in a lot of nationally recognized brands into Lower Sproul, they should think about balancing that out by bringing in the Food Collective, in particular. Students on the campus were very vocal and support that kind of space. The Board needed to be strategic so there aren't protests at the opening of the Food Court. Ms. Scotty said there's a lot of evidence that the food co-op was a really popular option. It probably won't drive a lot of revenue, but she wasn't hearing anybody say this project was all about revenue.

Mr. Poullard said he supported the conclusions of the report. It wasn't "either/or," but "both/and." But there's been much consternation and the feeling that having any national brand there was somehow a bad thing on this campus. The campus has been reluctant to entertain that as a reality, and then they find themselves with a deficit every year. So they had to figure out a mix.

Mr. Spivey said the Board might consider that the location of the Pub, an over-21 location, was next to the Food Court, where freshmen and sophomores eat. Ms. Scotty said to have a pub feel like a pub, they wouldn't necessarily marry it up with a food court. They'd want to create a destination.

Ms. Marthinsen said the conclusions of the report made a lot of sense to her. The Board has a lot of other activities besides food, and she thought food should be used to drive other demands, for energy and revenue. She found the idea of a mix to be very appealing. What she thought the Board had to wrap up was the Pub, which could help with late-night activities. The Pub seemed to be kind of a linchpin. Ms. Scotty said she felt strongly that in order for it to be financially successful for an operator, there needed to be a good food program.

Mr. Epstein asked about a Fenton's-type of operation. Ms. Scotty they asked people to name brands, and Fenton's did show up somewhere.

Mr. Landis asked how a co-op would fit in with a Food Court, as they were kind of opposite operations. Ms. Scotty said the co-op would probably continue selling groceries, which kind of argues for it being its own discrete element.

Ms. Scotty said current campus design tends to break up the space in a food court. A space could have four food outlets that weren't side-by-side.

Mr. Daal asked about surveying people at night who were in businesses nearby. Ms. Scotty that was possible, but most campus eateries live or die by 11:00 to 2:00. For some businesses, those could be the only three hours of the day they're profitable. So when in considering the Pub, they had to consider the lunch meal.

Mr. Daal asked about mobile food vending. Ms. Scotty said she was confident there were opportunities for carts, particularly on Upper Sproul. Carts need support and restocking.

Ms. Scotty said she also had something on management structure that most campuses use to operate dining. There were three very big-picture management models:

1) Direct contracting. This is what they do now. Return is based on strength of individual tenants. It's the most resource-intensive model to manage, and had the highest risk of individual failure. It's also the most difficult to market.

2) Management company, to oversee the food program. It provides a portfolio of food concepts, with stronger or weaker businesses, and provides more flexibility. It's also easier to manage and market. It can be more difficult to incorporate local providers and may feel too "corporate" and tend to be less diverse.

3) Using a campus provider, such as Cal Dining, as a management entity. A lot of campuses use this model. There's expertise that's leveraged, and there are other advantages of a management model, and core values could be shared. But mission alignment can be a challenge, between a student board and a management company. Cal Dining also has much higher operating costs, and pays benefit and salaries vendors don't pay.

Mr. Poullard said they had to make sure the meal plan was operational in the Food Court. Mr. Permaul said that was difficult.

Mr. Permaul said Intercollegiate Athletics has a management company for food. Ms. Scotty said UC Irvine and UC Merced use one as well. UCLA and UCSD were direct contract, and Davis had some of both.

Mr. Daal asked if students could be hired more easily with the Cal Dining model and asked if the Board could request information on this from Dining. Ms. Scotty said she could do that.

Ms. Scotty said the above models also have subsets of models. Maybe Cal Dining could participate in only one venue, e.g.

#### PRESENTATION -- Rob York, York Consulting

Mr. York said a memorandum was sent that highlights some critical issues, "Key Decisions/Considerations and Timing," February 28, 2011.

- 1) As they go through redevelopment, there are some leases in place with overhang, and there should be a review of leases by legal counsel. A number of significant contract issues will have to be revisited.
- 2) The lease with Follett expires before construction, so the Board had to frame what it was looking for in the Bookstore going forward, and whether to enter into negotiations with Follett or put out an RFP. The current thinking was to shrink the Bookstore and make it more efficient, while retaining the revenue stream. There were a lot of uncertainties in the book industry.
- 3) They should consider potentially expanding the role of Cal Dining into Auxiliary food service operations. There are unique advantages, such as meal plans and driving late-night dining and activity. Didn't is high- quality and was flexible.
- 4) The Bear's Lair Pub has great history but didn't work in its current format. It was too small for peak periods and the rest of the time there was no reason to go there. It lacked an identity. They had to have something that draws the community in.
- 5) There was a great opportunity to do raise capital associated with redevelopment. A lot of firms would love to crack the UC System for specific projects, where they find like-minded organizations, especially with Berkeley's position and renown. This was a missed opportunity. The FSM Café had a private benefactor, e.g.

Mr. Permaul said he has a meeting with the fundraiser for Student Affairs to develop a strategy to go after a variety of gifts for this project, from alumni to corporate entities. They'd work closely with Capital Projects, which deals with this.

Mr. Daal said one impediment with Capital Projects was its very stringent standards. Mr. York said it would be a shame not being able to do some part of the project because they're short funds when there was somebody ten miles away who would have loved to be part of the project.

Mr. Daal said he thought a workgroup should consider this. Mr. Permaul said he and Mr. Poullard would raise this with Capital Projects.

Mr. Permaul said he and Mr. Spivey had an update regarding point 1) and they've gone through leases with Real Estate Services. On point 2), he and LeNorman Strong have started a dialogue with regard to Follett, and he's met with Follett.

#### REPORT FROM THE ASUC AUXILIARY

Mr. Zuo said he would entertain a motion to, after a five-minute recess, meet in closed session, excluding Mr. Spivey, Mr. Brock, and Ms. Stager. It was so moved and seconded and passed with no objection. This meeting was recessed, after which it entered into closed session.



### FOOD CART OPTIONS

Mr. Permaul said at least five vendors who would like to provide food carts outside the three-minute walking area from the Food Court. The Auxiliary would like to do a pilot program with one vendor after Spring Break. The proposal will go to Capital Projects. The Auxiliary would like to test out all the locations they've identified. Housing and Dining ran food carts in the 1980s, and while the overhead was too high, small entrepreneurs could manage. The Auxiliary would like to try a Subway food cart to see how it works.

Mr. Nicholas suggested late-night food carts.

Ms. Marthinsen said this was a broad-based campus issue, involving Capital Projects, EH&S, SACI, e.g. Mr. Permaul said everything at Berkeley was a complex process. They'd like to try and do something with this for Cal Day.

### FRESH CHOICE LEASE

Mr. Permaul said they're moving forward with the lease agreement with Fresh Choice. The compensation and the number of years were changed, based on Board discussion at the last meeting. The Auxiliary will also talk to three potential vendors for the CUBS location, based on student discussions.

Mr. Marchand moved to not approve Fresh Choice. Rent terms changed and were lower than previously.

Mr. Poullard said the Board told the Auxiliary to do this and now was raising objections.

Mr. Marchand said the old revenue model was fixed, the same revenue-sharing model as Subway. The rent per square foot was only a few percent of what they charge the Daily Cal and lower than what CAL-PIRG is charged.

Mr. Coley asked what upgrades will be made to the space. Mr. Permaul said Fresh Choice will purchase all equipment and furniture and could not recover permanent changes that are made, such as a counter. The students wanted life in these places even though they wouldn't be making money, since they'd only have it for three years. Mr. Zuo said the Board would be paying for flexibility. Mr. Spivey said the other lease was for five years.

Mr. Poullard said the students pushed hard for this trade-off, and this was about service, not just revenue.

Mr. Marchand said a large chain would be charged no more than Auxiliary non-profit tenants were charged.

Mr. Poullard said he was tired of the Board making a decision and then changing it. They've got to stop that behavior or they'd never make a decision. Mr. Epstein said that when they do that they'd also lose credibility when they negotiate.

Mr. Spivey said the last vendor failed in this location, Naia. Mr. Permaul said they were very fortunate to find a vendor who was willing to take this risk.

Ms. Marthinsen said she didn't think they should quibble.

Ms. Marthinsen asked when Fresh Choice would start. Mr. Permaul said it would be in the fall.

Mr. Zuo seconded Mr. Marchand's motion. The motion to reject the negotiation with Fresh Choice failed by hand-vote 1-8-0.

### PUB RFP

Mr. Zuo asked if the Pub RFP could be e-mailed out, to approve at the next meeting. Mr. Permaul said he'd do that.

Mr. Zuo said people heard the discussion about combining the Pub with food concepts, and maybe they could emphasize that in an RFP.

Mr. Permaul said a member of the GA wanted to make sure a vendor looked at a graduate student night at the Pub. They might experiment with that in the current semester.

Mr. Zuo suggested extending the Bear's Lair's area to the Food Court on some Fridays.

Mr. Landis asked about having a lunch vendor in the afternoon and a pub vendor in the evening. Mr. Permaul said the problem is they don't have a kitchen. Mr. Poullard said there would be another hood with Lower Sproul redevelopment.

Mr. Nicholas asked about the idea of having the Pub on the 2nd floor. Mr. Permaul said the food consultant had to finish making recommendations and where they thought things should be placed. One suggestion was to put the Pub at the west end of the new Eshleman, on the street, at a location that could serve Zellerbach patrons.

Mr. Nicholas said the Board had to have a vision for food and retail and the new Student Store. A subgroup discussing that might be helpful. Mr. Permaul said Follett could speak to them about its vision, as the company felt poised to be very successful going forward in the world of new bookstores.

Mr. Zuo suggested convening a committee at that time.

Mr. Nicholas said the Board should keep its options open and not promise current food vendors they'll be involved in Lower Sproul. He asked if they could check other alternatives for the Bookstore. Mr. Permaul said there are two major vendors in the US, and Follett was the dominant player. Mr. Nicholas said an option might include Follett just selling books. Mr. Daal the broader concept was to not take what they now have as a given. Maybe they wouldn't have a Bookstore, and have something better in that space. Mr. Permaul said if the Board had ideas to advance that would replace the \$1.75 million received

from Follett, people were open to them. Mr. Daal said the direction for the consultant and themselves was that everything was on the table.

The following members indicated an interest to be on a committee for visioning food, retail, and the Student Store: Mr. Nicholas, Mr. Zuo, and Mr. Landis.

This meeting adjourned at 8:37 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- October '10 Mr. Zuo elected as Board Chair
- October '10 Ryan Landis joins the Board, undergraduate representative.
- September '10 Mr. Daal elected as Board Chair.
- September '10 Prof. Edwin Epstein joins the Board.
- September '10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define "minor leases" at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.

Procedures (cont'd)

- |            |   |
|------------|---|
| June '05   | Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.   |
| Feb. '05   | Mr. Miles and Mr. Williamson joined the Board.  |
| August '04 | Formed an ad hoc committee to study increasing efficiency in information technology.  |
| July '04   | Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.  |
| April '04  | Considered and amended ASUC Auxiliary Budget Principles.  |
| Jan. '04   | Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board. |
| Dec. '03   | Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.                            |
| Oct. '03   | Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.                      |
| Aug. '03   | Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.                                   |
| June '03   | Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.  |
| June '03   | Formed a Subcommittee on Committees to determine a committee structure for the Board.   |
| June '03   | Agreed to hold a Board members orientation by August 30.  |
| May '03    | Agreed on the need for a Board members orientation to be held before the start of the school year.                            |
| Dec. '02   | Enhanced Board minutes by adding "Decisions of the Board."  |

Vendors

- |                 |   |
|-----------------|---|
| <b>Mar. '11</b> | <b>Heard from a consultant on Lower Sproul and heard the results of a major survey.</b> |
| <b>Mar. '11</b> | <b>Formed a committee to envision Lower Sproul food, retail, and the Bookstore.</b>     |

Vendors (cont'd)

- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.
- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.

Vendors (cont'd)

- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.
- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."



Vendors (cont'd)

- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.
- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.

Vendors (cont'd)

- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

Student Union / Pauley Ballroom

- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.

Student Union / Pauley Ballroom (cont'd)

- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
- Oct. '08 Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07 Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05 Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.
- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.

Budget

- Feb. '03      Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10      Had a session to envision the Auxiliary budget.
- July '09      Approved the 2009-10 Auxiliary budget.
- April '06      Approved the 2006-7 Auxiliary budget.
- April '05      Approved the 2005-6 Auxiliary budget.
- Sept. '04      Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04      Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04      Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03      Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03      A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03      Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in

## STORE OPERATIONS BOARD MINUTES

March 10, 2009

Present: (Members and others)

Haithan Alloun (Coffee Spot)	Oscar Mairena (ASUC Senator)	Nish Rajan
Ron Coley	Arnoldo Marquez (Taqueria)	Dave Rhoads
Miguel Daal (GA President)	Christina Oatfield (ASUC Senator)	Kifah Shah (ASUC Senator)
Barbara Davis	Alberto Ortega	Michael Sinanian (ASUC AG)
Mary June Flores (ASUC Sen.)	Krystle Pasco	Jordan Smith
Victoria Harrison	Nadesan Permaul	Tom Spivey
Sameer Khan (Cmte. Student Fees)	Tara Raffi (ASUC Senator)	Roxanne Winston

### **SUMMARY OF THE MEETING**

The meeting was called to order at 6:17 p.m.

#### Update on Panda Express

Panda Express representatives visited last Thursday and met with general students at the Food Court and answered questions. The reps then attended the SOB's Special Meeting and responded to questions. The Auxiliary continues to work on the lease.

#### Public Comment

A question was raised about Section 3 of the CAA, which calls for leases to go through an RFP process, which didn't happen for Panda Express. Naia hired Terranomics to search for a partner, and Panda was found. Since the space was under Naia's lease, the situation wasn't handled as a new space.

Keela said Panda would show that Cal prioritized money over the health of students, the environment, and local businesses. Most of the time students try to remove Panda off their campuses, and Berkeley wanted to take a step backwards.

Sammy Averbach said the commercial space they had was to raise money for the student body. It was imprudent of the SOB not to seriously pursue this contract.

Rachel Spiegel said she believed this would overall hurt the University in the long run.

Melissa Smith said by going into closed session regarding Panda, the Board wasn't being open. And avoiding an RFP also left them open to criticism. Without an RFP, they wouldn't know if Panda was the best business for the space.

Matt said he understood the idea for Panda came from Naia, but it wasn't Naia's job to look for proposals. Students have serious concerns about corporate involvement in the Student Union.

Taymir said she didn't support the corporatization of UC Berkeley or small, people of color businesses being jeopardized.

Tracey said that as a Vietnamese, she could actually go in and speak her native tongue to a vendor. The ladies at Heavenly Foods were really dear and close to her heart.

Vanessa Coe said the Berkeley City Council set up a moratorium against fast food. The University was also accountable people in the City. There's a culture there of being sustainable. If the vendors need help, the Auxiliary should help them. Instead, there will be a bid process, code for "get the hell out."

Ian said campus sustainability project has a goal of reducing their carbon footprint. A huge portion of their carbon footprint worldwide was the food they eat. His vision for the space was to sell healthy food, possibly run by students, or through a competitive bidding process.

Yoni said that with the little information he had, it looked like revenue from Panda was expected to be about \$100,000 a year, not that much. A student group cooperative could provide that, and more. If they had community support, they wouldn't need to spend \$1 million to renovate the space. A Panda Express by Sather Gate and Sproul Hall would tell people that UC Berkeley has sold out. The students have information about how much it would cost them to bid on this space. As for help with working on the renovation costs, with community support, they could do that for much less. They're looking at doing things that would be more successful, in the long run, than Panda. The University of Maryland was one of the student group's favorite models and made over half a million dollars of revenue and created participation and leadership.

Chaney said they're fighting for immigrant-owned businesses, with families who look just like students' families. This was threatening communities of color.

Michelle said that if they allow Panda on campus, that was a beginning, with the question being where it would stop.

Connie said that as a Chinese American, Panda commercialized her culture. Current businesses had real people. She didn't want to see Berkeley become a mall.

Nikki said was a big public representation of "Asian," but it wasn't Asian.

David said the process was continuing despite a huge amount opposition. This was potentially a boon-doggle. There could be a lawsuit or a blockade. Panda didn't fit in with Cesar Chavez Plaza and the Martin Luther King Student Union.

Matt asked people to think about food as not just something that could be profitable, but about its potential to build community and change the structure of relationships.

Erin Pomalinin Vietnamese Student Association was approached by Heavenly Foods, a Vietnamese-American owned business about increasing rent and being afraid of being put out. The process has not been open and public and students were finally finding out about it, and that process shouldn't be coming to a close.

Laura said it seemed to an RFP should be for a new business, not businesses already there. An RFP might find something new. People could talk to the vendors, but with Panda, they'd have to go through corporate.

Mr. Lenc said it would be irresponsible to sign with Panda. The silent majority had no loyalty to a fast food restaurant. With the Food Court, there was loyalty.

Katherine Collins said she didn't want money to be raised by Panda, in her name.

Allie said Michelle Obama's agenda includes healthful eating. The nation was battling an obesity epidemic and hard-to-break tastes for over-sweetened and over-salted dishes.

Igor Tregub suggested waiting a month to make a decision so students had an opportunity to present a proposal.

Tim Kline students' time was valuable, and there such an outpouring at the meeting.

Andrea said that if they give students an opportunity, they be part of a national movement.

Janet said people were watching what was happening at Berkeley. Having a fast-food chain would not set a good example. Student leadership should protect the interests of students' health.

Danny Kodmur said the students were involved in what was going to happen with business operations, and the level of activism and involvement made him very proud.

Mr. Smith said he was requested to comment on a few things, some inaccuracies. Their financial situation was a long-term problem, with flat revenue over the last ten years revenue, a 40% decrease in real cash with an increasing number of student groups. STA space is office space at this point. Finding a business willing to seriously invest there was unlikely. As to who it would hurt if Panda didn't come in, it would hurt student groups and could hurt some Auxiliary employees. The Auxiliary was working with students on a co-op, trying to find a location that worked. The Auxiliary was close to default of the CAA as it wasn't producing the necessary revenue.

A request was made to look into the RFP process to perhaps include the vacated STA Travel space in the Bear's Lair RFP process.

The Auxiliary will have a \$200,000 deficit that year, to be covered by restructuring and using reserves. Revenue from Panda was absolutely necessary to break even next year. In 1998, the University was unwilling to allow the ASUC to go into debt.

Things will close down in the summer and into the fall due to the seismic project, giving Panda an opportunity to renovate.

Panda would pay a minimum base rent and commissions on sales, which would vastly exceed base rent.

It was noted that protesting would reduce revenue.

The Board has made it very clear that it wants a balance between large and small businesses. There has never been a suggestion to put corporate businesses in the Bear's Lair.

A motion was made and seconded to include the space vacated by STA Travel in the Bear's Lair RFP process.

It was noted that drafting the Bear's Lair RFP has taken almost two months, and that the Auxiliary signed a letter of intent with Panda, which has invested almost \$50,000, maybe more, maybe \$60,000 in this project. An RFP would be viewed as being in very bad faith.

It was noted that what the Board was doing at that time was an act of bad faith with the students and that Panda was not the only viable option.

It was suggested that they reference the SOB minutes and research the decision originally made regarding the Naia/Panda partnership.

It was noted that over 1,000 students signed a petition in opposition to Panda.

Real Estate Services is developing a lease with Panda, with a draft to be ready next week.

It was noted that the opportunity to change things at that point was a yes or no vote on the Panda.

It was noted that the Board heard a full presentation from Terranomics and the businesses that Naia approached. Up until Terranomics did the study, the Auxiliary was unsuccessful at finding another business for the space.

A straw poll was held on whether to include STA Travel space as part of the food vendors' RFP process. The result of the straw poll was 1-5-2.

Tully's Lease

A request was made to defer the rest of the agenda and discuss the Tully's lease.

The Tully's lease was approved 8-0-0.

Mr. Smith said the next Board meeting will be April 14, when they'll vote on Panda Express.

The meeting adjourned at 8:38 p.m.

**[End summary of the meeting.]**

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This regular meeting of the Store Operations Board was called to order by Jordan Smith at 6:17 p.m. in the ASUC Senate Chamber.

#### APPROVAL OF THE MINUTES

Mr. Smith said he would entertain a motion to adopt last month's minutes. It was so moved and seconded by Mr. Rhoads and Ms. Winston. THE MOTION TO APPROVE THE MINUTES OF THE FEBRUARY 17, 2009 BOARD MEETING PASSED UNANIMOUSLY BY VOICE-VOTE.

#### APPROVAL OF THE AGENDA

Mr. Smith said he would entertain a motion to adopt the agenda for the meeting that evening.

Ms. Oatfield moved to hear the update on the Panda Express before public comment, if that was possible. There were many people there to hear the Panda Express proposal. The motion was seconded by Ms. Winston and passed with no objection.

A motion to approve the agenda, as amended, was made and seconded by Mr. Rhoads and Ms. Winston and passed with no objection.

#### Update on Panda Express

Mr. Permaul said they had a visit by representatives of Panda Express last Thursday. They first met with general students at the Bear's Lair Food Court in the early evening and answered questions at that time. The representatives then later came to the Store Operations Board's Special Meeting, in closed session, and responded to questions at that time. They have since gone back to Los Angeles and the Auxiliary continues to work on the lease that will be presented to the Board.

#### PUBLIC COMMENT

Mr. Smith said the meeting would move to public comment. There was a two-minute limit and he would put up a sign when there was a minute left.

Ms. Oatfield said she was hoping to ask the Board some questions, so she hoped they could have more of a dialogue or discussion.

Ms. Oatfield said it was brought to her attention by another student that Section 3 of the Commercial Activities Agreement requires that any non-minor leases go through an RFP process. It was her

understanding from talking to Mr. Permaul that there was no RFP process for the Panda Express proposal. She would like to know how the Board chose to skip the RFP process. Mr. Smith said he could quickly address part of that. The decision was made about a year and a half ago when Naia was looking for a strategic partner and hired Terranomics, which did an unofficial RFP and searched for potential tenants and a strategic partner. At that point the Board decided to start working with them, and that's how they got to where they now were. He recognized Ms. Oatfield's interpretation of the CAA and thought the Board would need to discuss that further, and better understand what that meant.

Ms. Winston asked if the Board has ever gone back to Naia and requested that it find alternative people to have strategic partnerships with. Mr. Smith said that from what the Board knew, Naia didn't find any partnerships in its initial search other than Panda Express. Naia felt Panda would not only be synergistic with its own business, but it would also be willing to invest in infrastructure.

Ms. Winston asked if the Board has ever requested anything else. Mr. Smith said there hasn't been any.

Ms. Oatfield said it was her understanding that Terranomics, the company hired to find a partner for Naia, had a list of approximately 20 businesses, some local, some chains, to investigate as potential partners. She asked if that was a public process. Mr. Smith said that Naia hired Terranomics, not the Auxiliary. Ms. Oatfield said that it wasn't a public process, then. Mr. Smith said the way it worked was that Naia paid the entire expense to hire Terranomics to do the search.

Ms. Oatfield asked why the Board was acting on the assumption that Panda Express was necessary and that it was the Auxiliary's only option for solving the budget crisis, and for it to be the tenant in that space, when there was no public RFP process as the CAA requires there to be.

Mr. Smith said he thought they should continue with public comment and then go back to this so everybody had a chance to speak. They were already past the two-minute limit.

Mr. Rhoads said he could address the question quickly. Naia was already leasing the space and wanted to bring in somebody else. It wasn't the same kind of lease agreement as anything else would have been in the Student Union. His memory last year, being on the Board and in the Senate, was that it wasn't looked at in quite the same way. Naia was asking someone to partner with a business, and at the time there wasn't going to be a new tenant, just a partnership with Naia. Mr. Spivey said there were tenants in that space, STA and CUBS.

Ms. Oatfield said Panda was now going to move into STA space, and there was no RFP process for that. Mr. Rhoads said that wasn't really the issue. The reason, to his understanding, was that there was an agreement with Naia to bring Panda in as a partner. Since it was under Naia's lease, the situation wasn't handled as a new space.

Mr. Smith said they would move on and finish the rest of public comment.

Ms. Oatfield moved to extend speaking time by five minutes. The motion was seconded by Ms. Winston. Mr. Smith said he had an objection to that and thought they should hear the rest of public comment. He said people had a two-minute guideline for public comments.

Ms. Oatfield requested to continue the conversation in open session. Mr. Smith said they would. Ms. Oatfield said she would rescind her motion to extend.

Keela said she was a freshman there and didn't support signing the Panda Express contract. That would be a statement of UC Berkeley's priorities, and would show that UC Berkeley prioritized money over the health of students, the environment, and local businesses. Last weekend she was at a convergence convention, with college students from all 50 states. Most of the time, the students there shared success stories of trying to remove Panda Express off their campuses. So she would ask why UC Berkeley wanted to take a step backwards. In the past it's been a leading University. Being a freshman, she's found that Berkeley wasn't leading in a lot of things it says it was, such as sustainability, health, and other issues.

Sammy Averbach said he was a former Senator and a student at this campus involved in many student groups. He'd like to think that he represented a silent majority of students who recognize the need for the ASUC to pursue alternative methods of raising money. In his recent encounters with the Senate, it was clear that expenses are going up for student groups across the campus, and fees from students to the ASUC have mostly remained flat. They need to find alternative methods of fundraising, which they haven't be able to create in four years. He thought the only reason they have commercial space was to raise money for the student body. That's why they manage the space. They need a way to raise additional funds. He thought it was imprudent on behalf of the SOB not to seriously pursue this contract with a vendor that, compared to its peers in the restaurant business, was very serious about sustainability and forthcoming public information about its product. He would also recommend that the Board go to RFP for the other commercial spaces to make sure they get the most for their commercial space. It would be imprudent, in his view, a breach of fiduciary responsibility, for the Board not to seriously pursue these methods of raising additional funds. He would commend the leadership of Mr. Permaul, Chair Smith, and the other members of the Board who are moving in a direction of ensuring that the ASUC was a sustainable organization that was autonomous from the University. Mr. Averbach said that he feared that one day the costs will just be too great, and that they wouldn't be visionary enough to pursue alternative methods of raising funds.

Ms. Oatfield said that he mentioned that Panda was serious about sustainability, and asked if he could give an example of something Panda did on its own initiative to promote sustainability, and not because they were asked to. Mr. Averbach said he didn't have any specific information, although he was involved in the Panda's presentation more than two years ago. The PowerPoint wasn't catered to needs that people on campus expressed, and came before any suggestions were made. Panda in that presentation listed specific information about what it did in the communities on the campuses they were already on to be a sustainable business. Maybe the Board could see that PowerPoint that was shown.

Ms. Winston asked if he felt the only method of raising funds for the SOB and the ASUC was to bring Panda to campus. Mr. Averbach said he didn't. But they're in a crisis. And that wasn't just because the world was in an economic crisis, but because the ASUC hasn't had the vision for the past few years to realize its long-term issue that needed to be considered. He thought Panda Express was their best option today. Panda was willing to put in the most money in the space, renovate it, and give a product students want, as shown on campuses across the country. The food was high quality and at a good cost. At this point he thought it would be silly not to have further discussions with Panda that led to a contract. He didn't think Panda was the only option in the world, but most businesses were cutting back and not expanding at that time. This was a great opportunity the ASUC should not let go.

Rachel Spiegel said she was a first-year at Berkeley and was against signing the lease with Panda Express. She came to this University because of its progressive and sustainable ideals. She came to this

town and was part of this public University because of those goals. And becoming a partner with Panda Express was going against the ideals that she assumed this University would maintain in the future. She understood there were certain concerns, but in the long run, she believed this would overall hurt the University. She would implore the Board to please take some more time, and to have more of the public come and speak about this. It was very dear to everyone in the room.

Melissa Smith said she was a student there and has talked a few times at these meetings. She didn't have much to add to what she's said in the past, except that by going into closed session about everything having to do with Panda Express, the Board was not being open with the student body. All of them were elected by students to represent them and what students want on their campus. By going into closed session, they're opening themselves to criticism of not being more transparent. Regarding the RFP process for Panda, it seemed like the Board avoiding that, purposefully or neglectfully, also left them open to criticism. She asked how they could know this was the best business for that space if they didn't go through all of the processes that this kind of decision usually took. Also, right now the budget for the gym and all the recreational activities was being cut by 50%. And at the very same moment, they're thinking about bringing in a really bad, horrible food business to the campus. This happened a lot. Ten years ago, at all the elementary schools and all the public schools, and what happened, they all got fat. They're having an obesity crisis, a public health crisis because of this. Bringing in Panda was a very unwise decision for a lot of reasons. She thought they should take some more time and think about this.

Matt said he's talked to a lot of them and he appreciated the issues they face at that time, and had more appreciation of those issues than he did before speaking with many people there. He was there in opposition to the lease to Panda Express. Section 3.3 of the Commercial Activities Agreement specifically outlines the powers the Board has, as well as the protections against any abuse of those powers. For non-RFP contracts, the Board may authorize the Auxiliary to negotiate, and upon approval of the Board, execute certain minor leases, licenses, or operating agreements. Someone, in the beginning, put that wording in to protect against the very process that was going on at that time. He understood this was something that came from Gelateria Naia, but it wasn't Gelateria Naia's job to look for proposals. A Request for Proposal was a request to local businesses to propose viable alternatives. They never received that public request from the campus, so now people find themselves with only Panda. He understood they have an issue there that needed to be resolved. And Panda appeared to be their only option. And it stunk that a year and a half of work may be going to waste at that point; but that wasn't necessarily the students' fault. There was opposition. "Minor" is defined as "of lesser importance." Panda Express proposed over \$750,000 in renovations to make the location suitable for food service. Members of the Board have pointed to the high cost of renovating as causing the need to have a corporation with deep pockets. The next definition was "not serious or important." Panda would be the second corporation after Tully's to come there, if the Tully's contract got approved; and he hoped it didn't. Students have serious concerns about health and about corporate involvement in the Student Union and about sustainability, as well as the practices of corporations producing imitation Chinese food, especially on this campus. People have talked to lawyers and they seem to side with the group on this. Matt said he thought the Auxiliary should immediately engage in the RFP process and give Panda the same, exact opportunity everybody else would have, and then come to the table and see what they have. He would appreciate that.

Taymir said she was a fifth-year and didn't support Panda Express coming to the campus for various reasons. One was that she didn't support the corporatization of UC Berkeley. She didn't support people of

color businesses, small businesses, getting jeopardized. She didn't support shady business practices. What she did support was for UC Berkeley to listen to the students, the people, and the communities who are invested in this Berkeley institution. But she didn't support Panda. Hopefully, the Board will consider what she said.

Tracey said she wanted to speak on Panda Express putting businesses at risk. She's Vietnamese, and as culturally and as ethnically diverse as the food in Berkeley seemed to be, Heavenly Foods was the only Vietnamese restaurant she knew of where she could actually go in and speak her native tongue to the vendor, besides people on Telegraph. It was the only place she could come and get food that she couldn't get elsewhere, since she didn't live at home any more. Panda Express was not Vietnamese food, it wasn't Chinese food, it wasn't Asian food. The ladies at Heavenly Foods were really dear and close to her heart, and she spoke to them every time she went there. She was very comfortable being in that space.

Vanessa Coe said she's a fourth-year there. A few years ago Panda Express tried to come to the City of Berkeley, on Telegraph and Haste, she believed, close to the University. But the Berkeley City Council set up a moratorium on fast food and said it couldn't come to their City. There's a reason for that. There's a culture in the City of Berkeley. The University was accountable to not just students there, but accountable to the fact that they were in a City where people actually live. The actions done at the University affect the people around them. And they were connected to the larger Bay Area. It was really problematic for them to think they were isolated there. And although the City recently lifted the moratorium, last week she believed, it still didn't include take-out food. So there's a sort of culture there, of being sustainable, and progressive and having healthy people. All of the public schools, K-through-8, now have all organic, non-processed food. They teach the kids how to garden. They're trying to show low-income and people of color how to be sustainable and healthy.

Another thing she thought was interesting dealt with businesses in Lower Sproul, the individually or family-owned restaurants of color. People talk about equity and inclusion and trying to make this space diverse, and they're all about people of color, but on such a single level, they don't see this holistically, or on multi-levels. If these people need help and they're not making enough money, she asked how the Auxiliary was helping them. She asked why the Auxiliary hasn't put up a sign outside the building to help people make more money. Instead, they're setting up an open bid process, which was a code name for "get the hell out." She really thought it was interesting that they talk about diversity, but they don't really mean it.

Ian said he was a senior at UC Berkeley and studied Environmental Science in the College of Natural Resources. Through his years there at Berkeley, he's been involved mostly with energy. But he's also gotten involved in the campus sustainability project and has talked to a lot of folks there at the meeting. They have a goal at UC Berkeley to reduce their carbon footprint, however ambiguous that term may be. He wasn't sure of the exact goal, but it was pretty significant, something like 60% by 2020. One thing that's always bothered him that didn't get into that accounting was food. For all of them in the room, a huge portion of their carbon footprint worldwide was the food they eat, maybe 30-40%, depending on their diets. Just eating factory-farmed foods, eating food with huge amounts of industrial fertilizer on it, contributes to global warming. Although that didn't deal with this proposal at UC Berkeley, he thought students could come together and say they didn't want a restaurant that was pushing hundreds and

hundreds of pounds of food every day that was damaging the environment in ways that will never truly be understood. Maybe their children will know. But to say that that was not part of their responsibility and was not part of the campus' industrial environmental impact was, he thought, ignoring a huge piece of reality.

Ian said he would like to leave them with his vision for the space under construction. It would be a space that sells healthy food for people and also healthy food for their world, and could possibly be run by students, or through a competitive bidding process. But they had to look out for the world and what they were doing to it. He would encourage the Board to open up this process to more vendors and to maybe dig a little bit harder than they would normally for businesses that support what people at the University claim to support, which was sustainability and lowering their environmental impact.

Yoni said he talked to some of them, and talked to Ron Coley that day, trying to get at the heart of the argument in this conflict of ideas. Yoni felt that he has been pretty set in his perspective and was trying to understand why he hasn't been convinced by the arguments of administrators, those with expertise, have presented to him. The administrators seemed very convinced, and the group of students at the meeting seemed very convinced. So there had to be something missing. The thing that it came down to with Mr. Coley, and he would assume with most other people who were still interested in being Panda to campus, was actually not the revenue that Panda would bring in. Yoni said he would love some information on that revenue from Mr. Permaul, or Mr. Smith, or others who could stay there in closed session. But with the little information he had, he did some figuring in his mind, and it looked like about \$100,000 a year. That wasn't that much rent. A student group cooperative could provide that much rent, and go over that, and he didn't think that would be a big deal. The number that came out was the costs for renovation, to put a kitchen in the space. The reasoning behind that was because they thought no one could come down to that space unless there was a kitchen there. Yoni said that was where the argument failed him, because he found that if they have community support, they wouldn't need to spend \$1 million to renovate the space, and they could renovate it for less, have more grassroots student support, and have students who were actually participating in their community as opposed to consuming what was coming into that space. So instead of it being a space of consumption, something that would cost \$1 million to renovate, could have less money spent to renovate it and could have a space of participation and leadership.

Yoni said the second argument was that campus culture was not at risk, and bringing Panda Express to the University would not endanger campus culture, which was strong and not fragile, and that the spirit of Berkeley would live on. Yoni said that what he saw was a very visual image in his mind. If Panda Express was right by Sather Gate and Sproul Hall, when people came to Berkeley, they'd come down, see Panda Express, and would know that UC Berkeley had, in fact, sold out. It was as simple as that. It was a very visual image. If Panda Express didn't have a sign, maybe it would be different if they weren't visual. But when people come on campus, and see where the '60s took place, they'd see Panda Express. That was troubling to him, and it was a very visual and clear thing. That was one of his main points, that their culture actually was at risk. The Board was a steward of that culture, of Berkeley's heritage, that '60s tradition, whether they agreed with it or not. He had more details about the proposal for the student cooperative. A motion to extend speaking time by two minutes was made and was seconded by Ms. Oatfield and passed with no objection.

Yoni said student groups have been working on this proposal as quickly as possible, and it's been very difficult, especially since the Board moved the date of the meeting forward without giving a reason. Mr.

Smith said this was when the meeting was set all the time. Yoni said that maybe that was miscommunication; and communication has been very difficult. He wouldn't blame the Chair for that. But the students have information about how much it would cost them if they bid on this space. As for help with working on the renovation costs, they've been reaching out and receiving some support back, but very mixed; and it's been very different to get that.

The students' proposal was currently in three stages. He wouldn't read all of it, but he wanted to make it clear that they had a viable alternative that was not risky for the Auxiliary to take and would bring foot traffic down there immediately, likely quicker than Panda Express would. And they have a donor base they're looking at. They have a large community of support. They're looking at doing things that would be more successful, in the long run, than Panda. If they look at the model at the University of Maryland, which was one of the student group's favorite models, it makes over half a million dollars of revenue and was the most popular foot space on campus. It's a place with a lot of student support and it was in opposition to spaces of consumption in that it created more participation and leadership. That was just generally good for their community and culture, having spaces that weren't about consumption, but were about leadership. That was the choice the Board was faced with. He would urge the Board to give the group some more time. That was his main point, to give them more time and to have a better process that was legal, and then they'd see the viability. They don't have to go with Panda and they could remain in the black.

Chaney said she was really nervous about speaking, so to do so spoke volumes about the space being something that would cause her to speak about how she really felt about issues on this campus. She didn't feel comfortable and really feel intimidated. She wrote an e-mail to her community encouraging them to come out to this meeting. The businesses they're fighting for in the Bear's Lair are immigrant-owned businesses, with families who look just like students' families, people in underrepresented, underserved communities that she fought for daily and worked to serve and provide resources for there. They look like her own immigrant family. This was a University where the Chancellor pushed for AB540 students, students who were children of those business owners. Earlier, a previous speaker made a comment about this not threatening their Berkeley culture. That was interesting to come out now, during a week when they're reviewing the his/her story of activism. She would encourage all of them to go to the Third World Liberation Front celebration events happening all that week. It's the 40th anniversary of that strike. To say that culture was not being threatened was ridiculous, because there was now even a possibility for a Panda Express coming; and 40 years ago, people fought for her existence. That diversity that the Chancellor wanted to advertise and sell, and tell people about, in order to make more money, was enabled because 40 years ago people struck for it; and those people would have never stood for a Panda Express. This wasn't about sustainability or just a corporate, branded name coming in. Rather, this was about the Auxiliary pushing out businesses that deserved to be there. It was about threatening communities of color while pushing for diversity. That made no sense to anybody. She wanted to thank them for giving her time to speak, and hopefully they listened to what she said.

Michelle said she was also nervous speaking. She was a four-year, and this was her last year on campus. Just thinking about four years ago, driving there from LA, and driving up Telegraph, she didn't see any fast food restaurants around Berkeley, and she was really surprised, and asked herself why, back home, there were fast-food restaurants everywhere. And she just really cherished what Berkeley had to give her, and what the University gave her, and how the University did not have any fast-food restaurants or

corporations on campus. And if they did allow Panda Express to come on to the campus, that was a beginning, with the question being, where that would stop. She asked if they were going to continue to allow corporations to come on to this campus, and asked if that was the only way they could gain revenue. There were many different ways to do so. She would just stress that they should have an open dialogue and think of some other ways to figure out the best option for all of them.

Connie said that as a Chinese American, she didn't support Panda Express coming there and commercializing her culture. Businesses like Healthy Heavenly Foods were real people, with families they need to support with their local business. She would ask who Panda Express would hurt. She's been to UCLA and has seen Jamba Juice on the campus and felt that was really superficial and fake. She didn't want to see Berkeley become like a mall. Her friend was talking to the owner of Healthy Heavenly Foods, who said they were being inspected more, trying to find little ways of picking on them, trying to kick them out. Their relations were awful, and Connie said she didn't think that was okay at all. If Panda did come in, it could have a snowball effect for other businesses and other corporations to try and come in, and that wasn't cool.

Nikki said she was part of the Asian Pacific Islander Recruitment and Retention Center, and a lot of cultures there were part of that. One thing they try and do was to provide resources. They talk to folks in their community, to youth and to folks on and off-campus, people of color, about having a voice for themselves and giving APIs a space to represent themselves. Her problem with Panda Express, besides a lot of what was already said, was that Panda was a big public representation of "Asian," when it wasn't. It's not Chinese food, not Asian food, and it wasn't her food or that of the people there. By having Panda there, it would be like telling the campus community and folks who come there, all the incoming folks who wouldn't know about this meeting, that because Panda Express was there, maybe it was real Asian food. She had a big problem with that. She didn't want that to be what happens at the end of all this because it wasn't representative of them in any way.

David said that what he saw there was that this process was continuing to move forward in the face of a huge amount of student and, to some extent, faculty, graduate students, and community opposition. He thought somebody really needed to say to the Board that this was potentially a boondoggle. They did not need to move forward with a contract with a national fast food chain in the face of this much opposition. A former Senator, Mr. Averbach, mentioned that they have a fiduciary responsibility. But when they hear that this potentially violated the terms of the CAA and the processes by which this was supposed to have been done, the Board needed to think about fiduciary responsibility, such as if there could be a lawsuit or a blockade of the space. He asked if Panda Express fit in with Cesar Chavez Plaza and the Martin Luther King Student Union. If this moved forward, it wouldn't solve the Auxiliary's financial problems, but would create problems, in a big way. He thought that needed to be aired. He would strongly encourage during their session that night to put off negotiations with national fast-food chains and move on to something that will work for this campus. He would really encourage them to think strategically about real solutions that will meet the needs of students in the room, on the campus, and in the community. He wanted to thank them.

Matt said he was a recent graduate. He didn't really have anything else to say that hasn't already been said before. He would encourage everybody there to try and think about food a little bit differently than



how he thought it was being used in many arguments for Panda. He wanted to challenge people to think about food as not just something they need to go through their day, or something that could equal money, or profit, or business, but to think about food in the spirit of its potential to build community, to bring people together, and to change the way they structure their relationships with each other, and things like student co-ops. It's how they create movements and how they change the ways by which they even view businesses into models that blur the lines between business and community. It's changing the way they even model their businesses, instead of just viewing people as customers and numbers. Food was something that could really be used to create positive change in their communities. They didn't have to look far. Berkeley is where a lot of this stuff has really happened. Recently there's been a movement to buy food locally and fresh, and to use more sustainable methods for food. That's something that really came out of business practices. So he would ask them to think about the ability to use businesses to not only create money, but also to build communities in terms of the ways businesses even interact with students.

Erin Pomalinin said she was a graduating super senior and was actually Coordinator of the Asian Pacific Action Coalition two years ago, a group of 20 different API student groups on campus. It was brought to their attention from the Vietnamese Student Association that Heavenly Foods, a Vietnamese-American owned business had approached them that rents were being raised for all of the businesses on Lower Sproul and that they were afraid of being put out. In their open forum for ASUC candidates, people who were seeking an endorsement or just trying to talk about the issues they were running on, this was a question that their entire coalition prioritized as very important to discuss in electing officials and what their stances were about Panda Express. Last year they had Asian Pacific Heritage Month, and in that month their theme was not an Asian ghetto, more than just take-out, referring to the Durant food court, which has a lot of local, Asian American-owned businesses. In that month of events, they raised funds for the Thai House, and supported locally owned businesses. So students did care, about Asian-American and locally owned businesses. She was Asian American, and it didn't matter to her that people talked about whether Panda Express was authentic. She could eat it, and it was great. And even if it wasn't really Chinese, it didn't matter. If they're Asian American or not, they're a student on the campus. She knew that Pres. Winston sent out an e-mail about Lower Sproul redevelopment and there was hopefully going to be a transparent and open process for students to have student input on this campus. If it wasn't for the students, they wouldn't have a University. So the fact that two years later, after collecting petitions, after having a whole heritage month dedicated to the Asian-American community, locally and on campus, it was really hard for her to just feel, and to finally understand, that there was an official process that has not been open and public. Students in general at UC Berkeley were now, finally, finding out what that process was, and the process has already come to a close; and it should not. So she strongly opposed Panda Express not as an Asian-American student, but as a student of UC Berkeley. She's been to UCLA, which has a Panda Express. And she rejects their entire corporatized Student Union. She would hope that you the Board has a healthy, sustainable, environmental friendly quarter on this campus.

Laura said it seemed that there's been a bit of a switch in what she thought should be happening. She didn't want to point any fingers, but it seemed that the RFP process hasn't happened. That was a fact, that it hasn't happened for Panda Express. But the Auxiliary seemed pretty gung-ho about the RFP processes for the three businesses on Lower Sproul. She's not a Business major or a businessperson, but it seemed to her that an RFP should be for a new business, not the businesses that have already been there, and were set. But there's empty space, so she would ask why they don't have an RFP for that space. It seemed that perhaps they've gotten flipped around, and perhaps they should let these people keep their businesses,

which students love. Students go there every day, and they're excited to go get their coffee and taco or their super good spring rolls. Maybe with an RFP they could find something new they didn't even know about, because they haven't tried it yet, and they might find out that somebody has been itching to come on campus that was local and sustainable and could work with students, because they're small and not a giant mammoth of a company that students would have to go through to talk to the person they want to talk to. If she wanted to go and talk to somebody about how she felt about the Coffee Spot, she knew exactly who to go to. They couldn't really do that with a company like Panda Express. They'd have to go through corporate. She's tried raising funds with all kinds of organizations and going through corporate sucked. Students shouldn't have to do it.

Tara yielded to Ms. Oatfield. Ms. Oatfield said they were going to come back to her question. She asked if they wanted to finish the rest of the speakers' list before that. She asked for a straw poll. Mr. Smith said they would go back to the speakers' list.

Ms. Oatfield yielded time to Xander Lenc.

Mr. Lenc said he's a student with a wad in his back pocket and a stomach that was often hungry on Lower Sproul. But he also had a brain that allowed him to make choices. These kinds of choices will really affect the money the Auxiliary makes. The Board has seen so much stuff happen there. They've had students come to their meetings, which are usually more boring than that evening's meeting. They've had letters sent to the Daily Cal. They've had students go to Board meetings and try to give input, politely or not, for which he would apologize. What it came down to was ultimately, despite these factors, the Board was looking for something more. He understood they were looking out for their fiduciary responsibilities, and he was there to tell them it would be really, really very irresponsible to sign the Panda Express contract.

There was a word that was said that day, and he thought it was really important, because it was clearly what all of the Board had in their minds. The word was "silent majority." That majority was so silent that they waited until March to even show up to one of the Board's meetings to actually support the Panda contract. After two years, they had to even come back and defend their Resolution. He thought that was really indicative of the process they were dealing with at that time.

Mr. Lenc said he comes from inland San Diego, and just down the street there was a Burger King that he ate at all the time. He wanted all the Lion King toys. But one week a couple of years ago there was an E.coli. scare with lettuce, and the Burger King was gone within a month. That's because nobody had any sort of loyalty to fast food. The silent majority has no ties to Panda Express. That's why it was really responsible to have a sustainable Sproul Plaza. It meant more than environmental sustainability, but financial sustainability. Panda Express could go under very, very fast. Board members might recall the finger that was found in a Wendy's burger. Hundreds of Wendy's across the nation closed because nobody cares about Wendy's. At Berkeley they had something people did care about. He has been to San Diego, Santa Barbara, and other places. He's even been to the Maryland food co-op. And people really care, because students are on both sides of the counter. And that made a huge difference for the sustainability of a food service. With Panda Express, if people find a hair in their food, they leave, because there's no loyalty. But with the Food Court, there really was. Not only because there's a much better it actually helps students, and helps create a lot of student responsibility and control of their own space, but also because they're able to really have close ties to their own University. That co-op has been

there for 30 years. It's in the basement, and upstairs there are four fast-food restaurants that compete, including McDonalds, Chick-Fillet, and two Panda Express locations, Panda Express and Panda Express Sushi. The co-op at Maryland has survived for 30 years, in the worst location, without even a sign. He had to ask around to find it. That was the tip of the iceberg for how sustainable they could be at Berkeley if they actually look for alternatives. The Board has been saying "alternatives" for a long time, but has only given one; and it was not an alternative.

Katherine Collins said she's a fourth-year Geography major. She respected everything people have said over the past couple of weeks. She hoped to bring up a couple of new points. She really appreciated the Auxiliary, over the time she's spent at Cal. She considered herself an involved student, and she knew the Auxiliary worked hard to support them; and she wanted to thank them for that. But what she didn't want was for money to be raised in this way, in her name. She knew they might think she was just an idealist and that there was no other way to go about this, but she really thought there was. And everything she's learned at the University was that students have been inspired to challenge the status quo and search for a paradigm shift. She didn't want this to be done in her name, and that's why she was there.

She also wanted to say that she thought that the Board may see Panda Express going into this new location as not a threat to the small businesses, because it wasn't directly taking a physical location of, for example, Healthy Heavenly Foods. But she did see as a corporation that could cut costs in different ways that a small, family-owned business couldn't. That was a direct threat. They've all learned about the impacts of branding and how people in their society recognize brands. While they may have loyalty, they seek them out. When they see it, they recognize it, and buy food there. She was concerned people might make an unconscious decision and not support these really diverse and interesting businesses already on campus.

The last thing she heard that was brought up was that people argue there's a Chipotle on Telegraph Ave. And there are some fast-food chains in Berkeley itself. But he wanted the campus and the school she attended to inspire him to fight for this paradigm shift. She didn't think that because there was a fast-food chain off the campus would justify the fact that they were going to put one on campus.

Allie said she's a fourth-year. She thought there have been some attitudes by some people on this campus and in the story in San Francisco paper that people opposing Panda Express were extremist hippies in the local food movement. There was an article in the *New York Times* that day about Michelle Obama's agenda, which includes healthful eating. The article really speaks to students' concerns about healthy eating on the campus and also to locally grown food. She knew some people in the room didn't vote for Obama, or maybe don't care about Michelle Obama's platform, because she's not President. She urged Americans to buy fresh, unprocessed, and locally grown food for their families. She has emerged as a champion of healthy food and healthy living. The nation was battling an obesity epidemic and hard-to-break tastes for over-sweetened and over-salted dishes. Allie said there are people who think this was a goal for the nation, not just the campus.

Igor Tregub said he was a recent Cal alum and was a City of Berkeley official. He had an inordinate amount of respect for anybody sitting in the room and making these decisions. He realized, having attended several SOB meetings himself as a Senator back in the day, that sometimes the job was

unenviable, and the decisions they make were difficult and dire. It was incredible that many of them do this on an unpaid basis. He was there because he has taken numerous lessons from his time in the Senate that he now applied on a daily basis. And no lesson was more important than the one given to him by Auxiliary Director Nad Permaul. Mr. Tregub said he still, clear as day, recalled when, during his Senate orientation in 2004, Mr. Permaul got up on the stage and told them about the history of the ASUC, and the relation between the powers that they used to have and the powers that they now hold. Mr. Tregub said he remembered how he was struck for the first time that 40 or 45 years ago, students not only had direct control of their business space, but they had control of the athletic facilities. He could imagine the paradigm shift that happened for them to be there today. Rather than pointing fingers, he would ask them to just realize that they are in this place now, where they had to work with the Auxiliary and the Auxiliary had to work with students. The challenge that Mr. Permaul presented was to make a point that mobilizing students to show up for meetings was the only way they were going to be listened to. Mr. Tregub said he tried very hard to do that during his time at Cal. He wasn't saying that they might achieve the goal, but in looking around the room that evening, he saw a record number of people showing up to Auxiliary meetings. He wished so many students came during his time at Cal. But he was happy it was happening now. The administrators are there, the faculty are there, and now, the students have finally arrived. It was the job of the ASUC Auxiliary, upon arrival of the students, to take heed of a good public process and to listen to their opinions.

Mr. Tregub said he understood there were several proposals in play at that time. One of them was to have a student co-op, and they just need the time to bring a business proposal to the Senate. Mr. Tregub said he would suggest waiting a month to make this decision so that students had ample opportunity to do that. Mr. Smith said speaking time had expired. Ms. Winston moved to extend speaking time by one and a half minutes. The motion was seconded by Ms. Pasco and passed with no objection. Mr. Tregub said he would like to thank them.

Mr. Tregub said he believed this was not only the ASUC's fiduciary responsibility, but also an obligation that it had to students. From a good business standpoint, they need the best information possible to talk to vendors who are responsive and responsible, and to make sure the number of those vendors partaking in the RFP process was maximized rather than minimized. He understood the decision was dire, but he didn't think that a month was going to make the decision any more or less dire. But on the flip side, the Board would have many more choices. And perhaps, at that point, the Board will take the students' input also, or perhaps they won't.

Mr. Tregub said he wanted to make it very clear that he didn't have much of a say in the space. He was no longer on campus and didn't pass by these businesses on a daily basis like he used to. However, he still gave money to the school and he was still very much giving in April. He believed in this school because he knew that at its best, it believed in the public process and in students' opinion, and that's what he would like to see. He knew many of them there knew that as well, because he's sat on a committee with Mr. Coley last year. And Mr. Coley told him several times that he would rather hold off on a decision to make sure that there were more people involved in the process. Mr. Tregub said he wanted to thank them for their consideration and said he hoped that people really take heed that there were students there and they were asking the Board to not make a decision at that time.

Mr. Smith said that before they go on, Yoni asked him if he could respond to some comments made, and Mr. Smith said he would do that at the end of public comment. But for a quick reference to what was said, the Board wasn't voting on anything that evening, and they wouldn't be voting until April, in a month. Mr. Tregub said that was great, and he wanted to thank them.

Tim Kline said the last two SOB meetings he's been to have impressed him and blown him away by all the student energy and diversity in trying to find a different solution to the space. There are cultural reasons, health reasons, sustainability reasons, and there was so much energy and such an outpouring. Students' time was valuable. They're in the middle of midterms at that time, and yet he saw all these people coming out. That really meant a lot to him, and he hoped it meant a lot to the Board as well. He would urge the Board to really respect and listen to what everybody has said. He thought it was looking like a pretty clear mandate from the student body. He wanted to thank the Board for giving students the opportunity to speak.

Andrea said she wanted to point something out. She noticed at the last SOB meeting something she thought was really interesting. They have a great picture on the wall taken during the Free Speech Movement that happened once on their campus. Maybe it was mostly radicals, but a lot of students on their campus participated. She would urge the Board to maybe look at the school's history and at what they really pride themselves on as a University. Their student body started an entire national movement. She thought that maybe if they give their students an opportunity again, they could start another national movement, or be part of a national movement. She didn't know that they were necessarily starting it because they were kind of behind a lot of people at that time, if they were even talking about Panda Express coming to the campus. But at least they could be a part of the movement. The picture made her really proud to be a Berkeley student. She thought it was something that everybody there obviously valued. After all, the picture was up on the wall in the front of the room. She would urge them to think about how this would fit in to Berkeley and with their students, and to consider that. She wanted to thank them.

Janet said she's a fourth-year. It really mattered what the Board will decide in April, or whenever they make the decision. And it mattered not only for the school, but for the State and for the rest of the country, and maybe even for the rest of the world, because people were watching what was happening at Berkeley, and were watching the Board make these decisions, and wondering why. She honestly didn't care whether other UCs have fast-food chains, because Berkeley wasn't the same as other UCs; and they never have been. She thought Berkeley was the best one, so she didn't think they should compare themselves to those other schools. There's a saying that as California goes, the rest of the country goes. She thought they could have a chance there to represent California. She didn't know how having a fast-food chain move on their campus would set a good example for anyone in the rest of the country or any other school in the rest of the State. She understood Panda's offer would be considered, but to consider it to the point of signing a contract was, she thought, a big step backwards.

Secondly, the leadership of the student body should make decisions and protect the interests of students' health, and have the foresight to say that this wasn't healthy for their student body, their mental or physical health, or the health of their environment. This was not an extremist or outsider's view. These are students from a lot of different places coming together because they care about this issue. If people asked them, the students there would say they're from a bunch of different parts of campus and were involved all over the school. People who weren't was not because they didn't care, but because they don't know about the meeting. But that evening the SOB could honor them, by honoring the idea of allowing students to make their opinions heard and allowing their voices to be part of this process. She really felt bringing in Panda would go a long way towards decreasing student input. She knew a lot of people were really frustrated and felt that nobody cared about what the Board was doing. But this was the Board's

chance to say that it did care about what students thought and what they wanted, and that they want to hear what students say, and to really connect with what happens in this room and what happens with the rest of the University, and what happens every single day when they make choices about what to eat, or buy, or where to walk. She thought the Board could prove to them that evening that what students think and do mattered. If the Board did that, it would see passion, energy, and opinions coming from anywhere.

Danny Kodmur said he's a staffmember on campus and was also a Senator during the time when the Senate exerted far more direct control over the Store and the business operations of the ASUC than it currently did. He didn't realize the decision wasn't being made that evening, and he was very glad about that. He was extremely proud of the fact that they don't have fast food on campus yet. He was also extremely proud of the fact that this was the only college campus he knew of where a Burger King a block from campus closed down several years ago for lack of business, because students preferred going to small, less expensive ethnic food restaurants over burger fast food. Another point that he thought was very important was that he had too much knowledge, affection, and respect for these student leaders and administrative leaders in the room to have their names be associated with something like Panda Express. If it turns out that it was the right way to go, that was fine. But if, as it seemed to him, Panda Express was not necessarily the right way to go, he didn't want people in the room associated with it. It was bad enough that in the history of the ASUC, they've had ASUC Executive Directors associated with alleged embezzlement and associated with things like spending in the high six figures for a very large Convenience Store that never really made that much money. If it turned out that Panda was not a very good idea, and if it turned out that a student co-op or some other proposal was better overall, even if it ended up making less money upfront, he would rather have them be associated with that. But as has also been brought up, the Senate had the capacity, when it wanted, to be decisive. But the Senate and the entities of the ASUC also had the capacity to argue about things forever. As much time as they take to debate these things, he would hope that people would realize that while they don't want to be rushed into anything, a timely decision will be better than an additional long period of endless discussion.

Mr. Kodmur said that one thing he wanted to say also was that when he was in the Senate and when they had more control over the Store than Senators by themselves do now, it was quite frustrating in that they knew a lot about what was going on with the Store, but they could never get the students to give a damn one way or the other. The Store was never mentioned in campaigns except as it related to funding student groups. And it was ironic that now that the level of control was less, and the level of urgency was more, that the students now were more involved in what was going to happen with business operations of the ASUC Auxiliary. He just wished students had been concerned when things were less bad and when they actually had more input to what was going to happen than the current Senate now has. Since they have less input, in a certain sense, and less autonomy, but more energy and more urgency, it was even more important that they take their time and consider options and make a decision that most students could live with. And for him, that was not necessarily a fast food joint. That was partially because he ate at the individual businesses in the Bear's Lair Food Court every day of the week, but also because, as has been brought up before, they're better than fast food. They're better than Burger King. That's why Burger King closed. This level of activism and involvement made him very proud. He hoped that for any decision that got made, people will still be able to work together and speak together and respect each other regardless of what decision was made, and regardless of how they might want the decision to come out. All that meant was that they needed to take their time and be more careful, considerate, and deliberate. He wanted to thank them.

Mr. Smith said that at the request of Yoni, he would comment on a few things, just to throw off any inaccuracies. He would apologize if his comments were kind of all over the board, because he was just kind of writing notes as he went along.

First, a few people have brought up the fact that this was a short-term problem in terms of their financial situation. Mr. Smith said he thought that most people on the Board will tell them that this was definitely a long-term problem. Over the last ten years revenue has been flat in the ASUC, representing a 40% decrease in real cash. And the number of student groups has been rising each year, and the expenses of each student group has been rising as well.

As to why the Board meets in closed session, they've had some discretion in the past of what they could say publicly and privately. It's a policy of the University that when going over contractual terms, that those terms had to be kept confidential. It's not meant to be kept secret in the sense that the Board had something to hide, and that was just the policy of the University. They've tried to have some open forums in the past. Sometimes the timing hasn't been great in terms of when they met, but they've tried to be as open as possible.

Mr. Smith said the space where STA Travel was is office space, and was not zoned as a restaurant right now. As they could imagine, it was a pretty risky space to go into for Panda, and to put that much investment into it. Panda Express was willing to take that risk, which, in the current economic climate, was pretty impressive. It showed that Panda's business did very well. The Auxiliary would be hard pressed to find any chain or local business that would even be willing to seriously consider going into that space and putting an investment there. That wasn't to say one doesn't exist at all, but it was unlikely.

Mr. Smith said that someone brought up Healthy Heavenly Foods being at risk. The Auxiliary wouldn't put Panda into Healthy Heavenly Foods' spot. Panda would go into an unused space in place of a small business that decided to leave because it wasn't doing very well. Someone also talked about the moratorium on fast-food restaurants and alluded to the fact that just about a month ago that moratorium was partially lifted. The City's main rationale was because on University Ave. there were a bunch of closed storefronts and small businesses that couldn't stay in business. So it was partially done to bring in tenants that might be deemed as fast food, or sit-in fast food, and it was just a way to get more people in that space. That was part of the City's decision process. In the current economic climate it was very hard for many businesses to stay open. So that was part of the City's decision-making process and why they had to partially lift the moratorium.

In terms of the RFP for the Bear's Lair, Mr. Smith said that just for clarification, all the tenants have been invited to submit a proposal, and no one was being kicked out. A couple of people asked who this would hurt if Panda didn't come in. First, it would hurt student groups because there will potentially be less funding for student groups. It could hurt some employees of the Auxiliary. The Auxiliary will have to restructure, and potentially, people could lose jobs from not bringing in this revenue.

Mr. Smith said that in terms of the food co-op itself, he knew that Mr. Permaul has been meeting about that with a grad student, an MBA. They've met two or three times about a student cooperative. Mr. Smith said they were all supportive of the idea itself and they've been trying to work with him to find a location that worked. His general feeling was that these two weren't mutually exclusive, and they could have both. And his last point was that a lot of people alluded to the fact that the ASUC didn't have the power that it once had. Part of that was because the Bookstore, run by the ASUC, had a \$1.9 million

debt. That's why they created the Commercial Activities Agreement and why they created the SOB as oversight. Partially, that was because there was so much turnover in the ASUC. As they could imagine, problems could arise. That's why the Board was created. Right now, as it stood, the Auxiliary was close to default in terms of the CAA because it wasn't producing enough revenue to even sustain its own body. That could potentially lead to even less power for the ASUC. Mr. Smith said he would like to thank people for listening.

Ms. Oatfield said she would like her question to be answered, and asked how the Board could assert that Panda Express was its only option when the normal process for a Request for Proposal, as mandated by the CAA, was bypassed for this Panda Express proposal. Mr. Smith said they're going to go back and take a look at that. But the answer at the time was that the Board received word from someone in commercial services, or contracts, on campus, that it wasn't necessary to do that, per the current agreement. That was partially the reason the Board decided to go through Naia. The Board will look at this and get more information.

Ms. Oatfield said she would like to request that they look into the RFP process to perhaps include the vacated STA Travel space in the Bear's Lair RFP process so that it could be determined whether Panda Express really was the only option, and to do that before taking a vote. Mr. Smith said that was something they could keep in mind and discuss.

Mr. Rajan said it was a good suggestion. As for the question as to why Panda kicked this up, there was more information coming out of the Board, and he was sure it would be very happy to release what occurred. He was having a tough time understanding the trade-offs of waiting an extra month, or an extra three months, or six months. He asked if anybody on the Board could clarify that, asked what would happen if they waited.

Mr. Smith said that part of the trade-off was that Panda has been waiting and investing money, and has been in this process for almost two years. Mr. Rajan said he thought that was important to point out. And they should be good hosts to Panda. But he asked what they would lose with waiting. Mr. Smith said that in general, there was always a chance Panda could take everything off the table and the Auxiliary would be stuck with nothing, and not have a source of significant revenue to the ASUC that once they thought would be there.

Mr. Ortega asked if he or Mr. Permaul go over the financial impact it would have, not having that income. Mr. Permaul said they have to remind themselves that the Commercial Activities Agreement says that the Auxiliary cannot be in default financially. Otherwise the Chancellor can step in automatically and make decisions for them. And the Auxiliary was already in default. This year they'll run a \$200,000 deficit. They'll take action against that by restructuring the Auxiliary and using some of its operating reserves. Also, people saw the letter that Naia sent. The owner was baffled by the Board's inability to come to terms with its financial situation, the one the owner originally brought to the Board in the first place. And finally, the revenue from Panda was absolutely necessary for the Auxiliary to even break even next year if they meet the targets that are associated with the benchmarks for its installation. If the Auxiliary misses those, they're already going to be in deficit again next year, and they'll be looking at taking even more Draconian actions.

Mr. Ortega asked if there was a projection of how much that deficit would be next year. Mr. Permaul said they haven't calculated the budget without Panda. They calculated it with Panda. But without it, they



knew they'd have to go back to restructuring once more. Mr. Permaul said the question he had was whether the campus would allow them to do that. The Auxiliary was technically going to be in default in the CAA as it was. The campus was being as generous as it could be, given the terms the Auxiliary was supposed to meet. Mr. Daal took to Vice Chancellor Brostrom the revenue picture, and he pointed out that for ten years the ASUC has been living on flat revenue, and has basically been cannibalizing its other sources in order to keep running at an increasingly reduced level of service. So it's been borrowing money from one side to make sure that it could take care of the other side, not providing services and keeping positions vacant.

Mr. Ortega asked, if Panda wasn't there, if their best-case scenario was that the campus would let them go for a few years and then catch up, and the worst-case scenario was that the campus would take over. Mr. Permaul said he couldn't speak for the campus. But in 1998, when the campus stepped in, the campus was not willing to allow the ASUC to go into debt. Chief Harrison was there and negotiated the CAA. They have had ten years to move from that position, and they have now gotten themselves back to that position again. He would also point out that the Auxiliary presented the budget to the ASUC Senate last week in open session. The Auxiliary was very open with what it spends and how it spends it. It wasn't as if this should be a surprise to the Board, which reviews the budget of the Auxiliary every year. So it's been a transparent process, and one that the Board and student government have looked at each one of the last three years.

Mr. Ortega asked what kind of trade-offs there were that could offset some of the costs, such as, e.g., the Cal Lodge, or those kinds of things. He asked if there was anything that would have a comparable amount of monetary impact. Mr. Permaul said this analysis was done by Terranomics, a very well respected real estate firm in the Bay Area. When the Board received a presentation from Starbucks earlier, they had used Terranomics as well. The company was very detailed in its financial analysis. There was no single other national brand or local company that was willing to come in and make the investment that Panda was willing to make.

Mr. Ortega said that as a whole, the ASUC has a certain number of vendors, some of which make money and some that the Auxiliary was subsidizing. If the Auxiliary were to stop subsidizing some of them and give up those enterprises entirely, he asked if that could offset the cost of not having Panda Express. Mr. Permaul said that wouldn't have an effect, and those businesses were too small.

Mr. Smith said that in terms of looking at potentially selling the Cal Lodge, the way things were right now, while potentially they could agree to sell it, that would only be one year of support. They keep coming back to whether this was a short-term or long-term issue. They see how many student groups there are and how expensive everything was. Panda was one part of a series of steps the SOB will have to take in the next few years, aggressively, to make revenues increase from the commercial space. That's why the Board existed.

Mr. Rhoads said the Cal Lodge is owned by the ASUC, not the Auxiliary. It's basically subsidized by commercial revenue the Auxiliary receives. If student government decided to sell the Cal Lodge, that money would go to student government, not to Auxiliary operations.

Mr. Ortega said that would stop the subsidy of the Cal Lodge. And there are other things the Auxiliary subsidizes, like some rents. If they were to no longer subsidize them, that would mean more money for the Auxiliary.

Mr. Rhoads asked if the ASUC Studio was still being subsidized. Mr. Permaul said the Art Studio this year will still run as a discreet operation a deficit. But its budget for next year breaks even for the first time in 20 years.

Mr. Rajan said that mostly for the benefit of everybody in the room, he asked if they could wait for another month or two. He asked how long they could wait. Mr. Smith said the plan at that time was to wait until April. He thought realistically, April would be an important time to make a decision. Whatever goes in there, the most opportune time to do construction was over the summer. And they'd have to give whoever it was the opportunity to do that.

Mr. Rajan said that if things don't start in April, then, they could lose revenue for a whole semester, or possibly a whole year. Mr. Permaul said that one thing Panda was looking at was when things would close down in the summer and into the fall due to the seismic project. That would be Panda's opportunity. Waiting could mean they'd then have to go back in and reinvest all over again into a site that could be potentially finished. That would raise Panda's costs.

Mr. Rajan said the trade-off, as he understood it, was that they make this decision in the next month or two, or in the next month, or they suffer through cuts in the ASUC Auxiliary for two more years. Mr. Permaul said that was correct. A delay would affect this coming year and the year after.

A speaker said that monetarily speaking, the motivational factor for putting in something beside Panda Express would be something that could prove it could make as much money to give back to the Auxiliary as Panda could. She asked what would be the motivational factor for choosing something besides Panda. Mr. Smith said the financial situation was definitely something to consider, how much revenue it could generate for the ASUC Auxiliary and how much would go over to student groups. The popularity of it was a total of consideration, just bringing more people to Lower Sproul; and the more people down there, the better. There was also the making of an investment in the space and have it work with their financial model. That was a big issue in itself. It's not only paying rent, but for whatever business that comes in there, to make enough revenue to support the renovation.

Mr. Rajan said it also had to be plug-and-play. They'd have to take a business that just went into the existing space and renovate it or just start working in August, and the Auxiliary would get mostly revenue from rent and sales.

Mr. Permaul said the base rent was the minimum. What they're really looking to provide the Auxiliary was commissions on sales, which was how Panda operated on other campuses as well. Panda expected to vastly exceed its base rent.

The speaker said that protesting would reduce the viability. Mr. Rajan said that would also screw up student government. The speaker said that it sounded like what Panda Express might accomplish was getting the ASUC Auxiliary out of debt. But it's not going to necessarily accomplish getting more money to the ASUC. It would just mean the ASUC Auxiliary wouldn't in the red any more, or as far in the red as it is. Mr. Permaul said that was incorrect.

Mr. Smith said they'd take a few more questions and then they'd have to move on, since staff were there and it was getting late.

The speaker said the Auxiliary was supposed to support students and their student-run operations. The question she had, with due respect to everybody there and to the employees of the ASUC Auxiliary, was why students should be interested in the Auxiliary getting out of debt. Also, she asked how the Auxiliary got into so much debt in the first place since ten years ago, the reason the Auxiliary was created was to prevent students from going into debt, or to get students out of debt. She asked how the Auxiliary got itself in debt and if it was just based on the economic downturn or on mismanagement.

Mr. Smith said in terms of how they got into debt, revenues have been flat for the past ten years. Most of the expenses are in salaries. There are cost-of-living adjustments each year. So if expenses increase every year and revenues stay flat, that's a potential problem.

Mr. Rhoads said that three or four years ago there were a couple of positions vacant in the Auxiliary, with services to students not being provided because they weren't filled, such as like Lecture Notes and a manager position at the Art Studio. Those positions are filled, and now those operations, which had been losing more money than they were bringing in, were now at least breaking even.

The speaker asked if those services, such as the Art Studio, was part of the Auxiliary. Mr. Rhoads said it was. If the Studio doesn't make enough money, it had to be supported by money from other operations in the commercial area in the Student Union. Student government hasn't been interested in stopping that service.

The speaker said she saw the Art Studio as something that directly served the student population. She didn't mean to sound callous. Mr. Permaul said the Auxiliary is the ASUC. The ASUC before 1998 had about 100 employees. They were in such great debt, \$6 million, that they got into a fight with the campus over that issue. That resulted in the Commercial Activities Agreement. The Auxiliary was reduced. The ASUC's original "Auxiliary," which Mr. Kodmur referred to earlier, went from 100 employees down to the current 27. And those employees get salary increases like every other employee at the University. The campus had to cut \$60 million from its budget.

Mr. Permaul said the Auxiliary has to have its budget grow 3.5% every year. That's the figure the Auxiliary uses. For the last ten years, the ASUC has not grown its budget. It should have been growing 3.5-4% every year just to break even, and it hasn't done that. So it wasn't a question of whether the Auxiliary provided services. All the student advisors to all student groups are in the Auxiliary. The Art Studio, Lecture Notes, operations of the Student Union, Reservations, all that was the Auxiliary. Along with the maintenance of the building, the custodians, that was the majority of employees. This was really not about the Auxiliary, but about the ASUC managing its business affairs over the past ten years. They had a decade, from 1998 to the present, to get their financial house in order. They haven't done so. So the delta between revenue and expenses crashed into each other. And now they're in a situation where they had to generate new revenue.

The Board, over the last three years, has made it very clear to the staff that what it wanted was a balance between large and small businesses, because it realized it was going to subsidize small businesses; which it does. In order to have those small businesses, and to keep that character, which many of the people in the room spoke to earlier, there had to be another source of revenue. He hasn't heard anybody decry Follett. Follett is the largest bookstore business in the United States at a college or university. It's the same one as at Stanford. It just won the job the USF, and won the business at Cal State Hayward. It's a huge national corporate entity. Without it, the ASUC would be in even worse financial shape. It requires a

balance between large businesses that can sustain themselves from economic rises and falls, and try to meet all the values that they as an organization express. That included having small businesses that they have been determined to protect. The issue of the RFP at the Food Court was completely independent of that. The students sitting in the room, on the Board, were the ones who brought to the Board the notion of going to RFP for the Food Court, for a variety of reasons. And they have not ever suggested or implied that they were going to put corporate businesses in there. That was being put out by one of the business vendors, who was saying that. But that has never been the case.

This was all about the ASUC taking responsibility for itself in terms of its business affairs. And the Board, with its student majority representatives, was trying to choose between unenviable alternates and enviable alternatives and was simply looking at all those options. This isn't something that started this semester. The analysis for a financially sustainable business in that spot was not something that could be resolved in a month. This has been going on for a year and a half. He thought the work the Board has done was being diminished. People have been thoughtful about this. They've heard people say, "why can't you do this," or "why can't you do that." But the Board has been doing that very carefully for a year and a half. And the Auxiliary did look at small businesses. They were hoping that Naia could find a business that could sustain itself in this economic climate at that location. It's a very difficult financial morass the ASUC has itself in.

A speaker said the ASUC Auxiliary is the ASUC. Mr. Permaul said the Auxiliary is the agent of the students. That was the compromise when they signed a contract. An agency was created to oversee the fiduciary responsibilities of ASUC student government. That money belongs to the students. All the Auxiliary does is manage the operations to ensure that they can return it. In answering the question about Panda, in 2010-11, they do predict returning several hundred thousand dollars back to students. But they couldn't get through 2008-9 and 2009-10 without making some Draconian decisions.

Ms. Winston said there is a distinction between the Auxiliary and the ASUC in that the ASUC is comprised of students and the Auxiliary are members of the University Administration. So while Auxiliary staff is technically hired by the students, they do have a relation to the University. So there are distinctions between the ASUC and the Auxiliary.

Mr. Smith said they'd have one more question.

Mr. Ortega said a way to clarify this is that the ASUC has all the operations and business services, things students can't manage because they don't have the time or knowledge to do everything. So the ASUC hires individuals to operate the businesses.

Mr. Kodmur said he knew the campus and the students together have worked on a long-term multi-year plan for the revitalization of Lower Sproul. He was concerned that it seemed to be a bit of a chicken-and-egg relationship between the health of new businesses and Lower Sproul revitalization. Until more was done to revitalize Lower Sproul, businesses that go in there may not do all that well. But if businesses don't go in and the ASUC wasn't solvent, or was taken over by the University, then they're not going to have much of a Lower Sproul to revitalize. He asked if people could speak to how revitalization, which is a longer timeframe, and the whole question of finding commercial tenants for spaces controlled by the ASUC, all fit together.

Ms. Winston said with Lower Sproul revitalization, there's discussion about extending the space for commercial services, along with space for student activities. They'll bring in more businesses, with more

revenue, hopefully, when they get that space, but keeping the same principles they have now, which was to be sustainable.

Mr. Permaul said he thought that what Mr. Kodmur was trying to get at was they we don't know whether the students will vote for the hundreds of millions of dollars it will take to revitalize Lower Sproul. The plan was to present that to students next spring. Hopefully there will be enough information for students to make a choice about raising their fees over a prolonged period of time to fund that revitalization. That's what they did when they built the Student Union complex originally. But in the meantime, the Auxiliary still had to provide for the operations as they currently exist.

Mr. Kodmur said that's what he was trying to figure out. Between now and when they have the referendum, if it passes, there might not necessarily be an ASUC around. Mr. Permaul said there will always be an ASUC, and it's been there 120 years. The goal was to make sure that the ASUC lived up to the terms of the agreement it made.

Mr. Ortega said the ASUC would be here, but they'd keep going into debt and get to the point where the University would take over ASUC enterprises and all its businesses. So the ASUC would be there, but the businesses would belong to the University. And if Lower Sproul got redeveloped, all the revenue would go to the University. Mr. Permaul said that commercial funds would be distributed, but it would be a different process.

Mr. Rhoads said he's been on Lower Sproul committees, and the campus definitely understands that with the status quo, the ASUC was completely independent with those commercial spaces available in the Student Union for an independent ASUC. Initially that wasn't the case. But the campus now understands now that the commercial space was not a viable option for repaying a debt service on the entire new complex. It will be for student services and student groups.

Mr. Permaul said that one correction, the campus was now going to look at the figures the Auxiliary put together on the projection of expenses for student government and the Auxiliary, and have its commercial consultants compare those to what they think the revenue would be generated. The commercial consultant actually said he didn't think they could put money towards the debt service. But Mr. Permaul said he thought that Vice Chancellor Brostrom still felt he needed to see that.

Mr. Smith said they should try and move on.

Ms. Oatfield said that before they move on, she would like to entertain a motion that the space being vacated by STA Travel be included in the Bear's Lair RFP process in order to more appropriately follow the CAA and to determine whether, in fact, Panda Express was the only option.

Mr. Smith said there were a few issues in terms of timing that were partially on the table. Drafting the RFP at the Bear's Lair has taken almost two months, just to draft the RFP itself. He thought they need to see if the RFP step was essential for them to take. In the meantime, he would still encourage the student cooperative to put together its business plan and its financial model. But he thought right now, the Board had to take this one step at a time.

Ms. Oatfield said the Auxiliary was doing an RFP process anyway, and she thought they should do an RFP process for STA Travel. She thought that would be very efficient. Mr. Permaul said the Auxiliary

signed a letter of intent with Panda, which has already invested almost \$50,000, maybe more, maybe \$60,000 in this project. He thought such an RFP would be viewed as being in very bad faith on the part of the Auxiliary.

Mr. Rhoads said that regardless of costs associated with an RFP, the Auxiliary was in the middle of contract negotiations with an outside vendor. The Board couldn't split this up and would have to keep what the Auxiliary has brought to Panda as the negotiating points it had thus far. They couldn't change all of a sudden on something like this. Mr. Smith said that was the purpose of the vote to decide on how they'd go forward.

Ms. Winston asked if it would be illegal or against any rules for the Board to include that space in an RFP. Mr. Permaul said it wasn't.

Mr. Rajan asked if they had a lawyer's opinion on section 3.3, and about having that space go to RFP. Mr. Permaul said that when the Board looked at this last year in the Bear's Lair Food Court, it asked Real Estate Services on campus to check with Regents' counsel on whether or not the Auxiliary had to go to RFP, and they said the Auxiliary didn't.

Ms. Winston said she would second the motion to request that the Auxiliary go to an RFP for the STA Travel space, if doing so wasn't illegal. She understood it could be an act of bad faith for Panda Express, but what the Board was doing at that time was an act of bad faith with the students. She thought they should keep moving forward despite everything that was being said. She didn't think it was wise on the Board's part, or transparent.

Ms. Oatfield said she has not received a full answer as to why there was no RFP to begin with.

Ms. Winston said Panda Express was not the only viable option. The Auxiliary didn't know that it was the only option. Naia lounge brought the option to the Auxiliary and she didn't think they should settle for what Naia presented. It was the Auxiliary's space and the Board should decide what went there. So many students have expressed their dissatisfaction with this option. It was the Board's responsibility as officials and as members of the SOB to continue to do research to find someone that satisfied the students on the campus. So she thought they should include the STA Travel space in the RFP for the Student Union.

Mr. Spivey said he's been there for two years. The Board represents the students as the ASUC and it's been working on this for two years. This sounds like it was a reversal from what the Auxiliary originally started. As somebody who's been there for two years and has watched the process, the proposal to include STA Travel sounded like a reversal of the Board's own decision. The Board represented student government, and now they were saying that maybe they didn't want to do this. That's what it looked like in his view. There's a letter of intent with this company that the students have agreed with, and it's been signed by the company. Taking that letter of intent and saying they want to do something differently was a big change in what the Auxiliary has been doing in its negotiations with Panda. And the ASUC has been in these negotiations. This made him nervous. It's stopping and backing up. The letter of intent was the students' letter of intent, an agreement with the students and Panda.

Ms. Winston said she felt the overwhelming feeling of students was to not move forward on this without looking at other options or having a more transparent process. She also thought a lot of times people use

the time they've spent on the Board or on the campus against students. Students couldn't be there for as long as staff, so she would ask people to please not use that against them. Mr. Spivey may have been there for two years, and students do the best they can. And they're hearing that people want a more transparent process.

Ms. Harrison said she was reacting to the feeling that there wasn't transparency when the decision was originally made to explore the Naia and Panda Express partnership. One suggestion she might make was to go back to the SOB minutes. They have minutes and could refresh their memories about what the conversation was. The Board is made up of faculty, staff, and students, with the majority being students deliberately. So ultimately, if there ever came a time when there was a close vote, it could easily be the mandate of the students as to how they move forward. She would just encourage people, before they start making assumptions that there wasn't transparency at the time the decision was made to go forward with this process, when they got the legal opinion regarding the RFP, got the report back on what the legal opinion was, they should first go back to the minutes and check it out. They could then move on, and move forward with other business, perhaps.

Mr. Smith said he agreed with that as well. It might not be wise to vote on this that evening since it's just been brought to the table. He thought it would be prudent to have an opportunity to discuss and think about it before they go to a vote.

Ms. Oatfield said that about transparency, she's looked for the minutes to find out about why the Panda decision was made and they're not all there. The Board has also gone into executive session so much and they don't have minutes for that. She found one set of minutes when the Panda contract was first discussed and she found that there's really very little there. Most of the meeting was in executive session, from what she could gather. So they don't know why the Auxiliary made a huge exception to the Commercial Activities Agreement in order to bypass the Request for Proposal, as was normally mandated. It sounded like Panda was getting a backdoor deal, because there wasn't very much information available as to why there was no RFP. So when they talk about transparency, the reasons for letting Panda bypass the RFP process needed to be much more transparent. It would be a little shady to step back from the letter of intent that was signed by Panda Express, but she thought it was even shadier to not follow the CAA, the Board's own policies, and to not listen to the dozens or hundreds of students, and the over 1,000 students who have signed the petition in opposition to this initiative.

Mr. Rhoads said he didn't think the Board should make a decision on issuing the RFP for STA Travel that evening because they needed to clarify why that decision was made in the past and if it was in violation of any of their rules. That wasn't clear at that point. He was certain that they did follow the rules, but they had to make sure that was the case.

Mr. Permaul said he would like to request that they drop all of the updates on his report because of how late they've kept administrators there that evening. So he would suggest they go straight to the review of Tully's lease and a vote on it, in closed session. He'd send out a written report on all the updates.

Mr. Smith said he thought the Board approved that. Mr. Permaul said the Board approved the Auxiliary moving forward on it. The Board was now prepared to submit the lease to Tully's and was asking the Board to make a motion authorizing the Auxiliary to go to lease. The only terms that have been changed in the lease were the ones requested by student government to ensure that the ASUC's stipulation for

coffee and tea at its meetings would, instead, be directed towards final exams in the Library upstairs. Otherwise, all the terms were the same. So he would be grateful for a motion to authorize the Auxiliary to go forward with the lease.

Mr. Rhoads moved to approve the Tully's lease.

Ms. Winston said that just procedurally, Ms. Oatfield's motion was still on the floor. While she respected that people might not want to vote on the RFP that evening, the question of whether or not to vote on an RFP that evening should be addressed.

Ms. Davis asked what the steps were where there would be votes, and what opportunities there would be for students. They've heard a lot that evening about concerns that the students expressed. The Board knows what the financial situation is. It's a very complex issue, but it's also getting conflated with the process there. The process question needed to be verified, whether the Board followed its own policies, or not. They need to find that out, and she thought they all agreed on that. But the other issue was what votes would be coming up on Panda. She asked if the Board was just going to vote yes or no on the contract, to go forward.

Mr. Smith said the last vote they had was after they agreed to the terms they voted to move forward, past the terms, and to develop the contract and approve it or not.

Ms. Davis said the process, then, that they were in at that time, with the letter of agreement, was that they're in negotiations. Mr. Spivey said Real Estate Services was developing a lease, and a draft will be ready next week.

Mr. Smith said there have been three or four votes in which the Board has either decided to accept the terms or to move forward.

Ms. Davis said she understood the issue of the people that evening. She asked if he could identify where there might be opportunities to change things. It sounded like the only opportunity to change things at that point would be a yes or no vote on the contract. Mr. Permaul said that was correct. Ms. Davis said she thought that was cleaner than what Ms. Oatfield was proposing. She understood what Ms. Oatfield wanted to have happen, but the vote should be up or down on the contract rather than having an RFP at this point.

Mr. Kodmur said he had a clarifying question on the motion on the floor. He had great respect for the people who made the motion and understood where it was coming from. But if there was the slightest possibility that Panda could sue the Auxiliary for voting yes on this motion, or even voting at all on the motion to go to an RFP for STA space, he asked if it was responsible to vote on the motion at all. He asked if they should wait to vote on it until they figure out whether they're at legal risk if they don't follow through.

Mr. Permaul said a letter of intent was not a contract and was an act of good faith.

Mr. Kodmur said that since they already talked about the ASUC being perceived as being in bad faith by changing the letter of intent, they should figure out whether they're placing themselves at legal risk, in addition to the financial risk, by even voting on the motion to go to an RFP. Mr. Permaul said they're not putting themselves at legal risk. It wasn't a binding contract.



Ms. Winston said a lot of discussion she's heard from individuals in favor of Panda was that the majority of the reason folks support this was not necessarily because they love Panda, but because it's a business that will bring in revenue and renovate the space. If they're not personally tied to Panda, she would ask why they wouldn't want to see what other options there are that could potentially bring that revenue or contribute to renovating the space they have. She felt the conversation was not so much that they really want Panda Express, but they want Panda because they don't have money and can't afford to renovate the space themselves. She didn't feel they had to vote on going to an RFP that evening, but she felt the proposal to have an RFP would allow them to know what other options were available. That's something that's never been provided in the conversation she's been hearing. It felt that Naia presented them with Panda, asked if they wanted it, and the Auxiliary said yes. That was not satisfying to her and she didn't feel they did adequate research.

Mr. Permaul said that's not what happened. The Board heard a full presentation from Terranomics. They went through each round of businesses that Naia approached. This was in closed session, because this was confidential information that Naia was bringing to the Board to sustain its business. The Board listened to all the options, and Terranomics did a full presentation.

Ms. Winston asked if the ASUC had its own RFP or if it took ownership over their own space to find out what they wanted there. This was their space. She didn't think they should settle for what Terranomics found. Panda wasn't good enough.

Mr. Spivey said that when he first came there, his job was to revitalize the mall, and he was out there exploring businesses, communicating with vendors, and had a list. He called people to find out who would want to come in and invest in space there and up until the time that Terranomics went out and did that study, he was unsuccessful at finding people for that space. Kaplan turned them down that year for space. It's a difficult place to lease. So it was explored.

Mr. Rajan said that without making a statement that he loved Panda, which he didn't, he thought the problem at hand was that they're not looking at the correct trade-off. He saw where Ms. Winston was coming from. Maybe it was just a question of bad timing. He didn't have any opinion on the decision necessarily, but he thought the question they should ask themselves was whether they were willing to let Panda go for now and just take their chances and go out to RFP at the cost of a weaker ASUC for the next couple of years. Whatever the answer was to that question, fine, but he didn't feel they're asking that question. They're just asking whether Panda was good for Berkeley. That was a multi-layered question. There were tons of arguments saying Panda was good for Berkeley, and tons saying Panda was bad for Berkeley. He wished they could focus a little more on saying yes, this sucks, but it's a choice between the devil and the deep blue sea, not a choice between the devil and heaven. He thought it was clear that none of them believe that.

Ms. Winston said a speaker made a comment that really spoke to her. She understood there was a need to raise money for student groups, but to not bring in a Panda Express and say it was for them. That was a bold statement. What Mr. Rajan was saying was whether they'd rather have Panda that was a beacon of their space being commercialized or have a weaker ASUC for a while and figure something out. Or figure out having a student cooperative that doesn't make them as much money but would express something so much greater than Panda Express. She would ask where their values lie.

Mr. Rajan said she was saying by the motion right now that she was willing to have a slightly weaker ASUC for the next couple of years so that they could get this thing resolved.

Ms. Shah said she didn't think this proposal should be looked at as weakening the ASUC, but as strengthening it. Mr. Rajan said it would be less funded. Ms. Shah said that when groups come in, they wouldn't have as much money allocated as they could have. They've been allocating much more than they ever have, which was irresponsible. But that was another story. They've been looking for alternate sources of funding, and student groups will get creative. But in the long run, they should have foresight and not think of the next two or three years, or even the next ten years. If there's a Panda after 15 years on the campus, she would not be okay with that.

Ms. Winston said she would also ask what would present a stronger or weaker ASUC. She thought there were other options.

Mr. Rajan said he would like to call the question. Ms. Oatfield said she would object and would like to have a straw poll on having an RFP for the STA Travel space. They could have a straw poll on whether they support the motion or not, or that they want until the next SOB meeting to vote on the motion.

Ms. Davis asked what the reason was for the motion, because they'll vote thumbs up or down on Panda itself at the next meeting. She asked why that wasn't adequate. Ms. Oatfield said she didn't know how the vote for Panda will go. Ms. Davis asked if the motion, then, was just a strategy. Ms. Winston said the vote on Panda was the idea that it would the ASUC into the black again, and the vote was on what would make the ASUC financially secure. So the question was no longer whether they want Panda Express, but that they want their businesses to work out. If Panda was the only option the Auxiliary was looking at, then of course they'd vote yes or no. But if there are other options that may still meet money requirements of the Auxiliary, and which made students, Administration, and the Auxiliary feel more comfortable, that could change people's sentiments on Panda. That's why she thought there should be more options.

A speaker said that some of them will probably stay at the SOB meeting really late, and students have also been devoting their time there. She asked what they could do to change their minds. They want to present a viable option for something else. Money for Panda Express will come out of students' pockets. She asked what would change the dialogue.

Mr. Rajan said that with no disrespect, he moved to call the question and end debate. The motion was seconded by Mr. Ortega. Mr. Smith said the motion was whether or not to vote on whether or not to potentially go to RFP. Mr. Kodmur said it was a motion to go to RFP for the STA Travel space being added to the Bear's Lair Food Court RFP, and take it away potentially from Panda Express.

Ms. Oatfield moved to table discussion until the next SOB meeting.

Mr. Rajan said he would rescind his motion.

Ms. Oatfield said the question would be on the table.

Mr. Rajan said it was extremely out of order if they're going to table this.

Ms. Oatfield asked if they could take a straw poll on who felt the need to table this, if they didn't feel comfortable voting on this that evening.

Mr. Smith said a yes vote would be to include the STA space as part of the RFP process. Mr. Permaul said that would include CUBS and STA Travel.

A straw poll was held on whether to include STA Travel space as part of the food vendors' RFP process. After a straw poll was taken, Mr. Smith said the vote was 1-5-2.

#### Tully's Lease

Mr. Permaul said he would request that the Board defer the rest of business for the meeting and go to discussion of the Tully's lease, and get a motion to move forward with lease completion and signing of the Tully's contract.

Mr. Smith said he would entertain a motion to approve the Tully's lease and move forward with implementation. It was so moved and seconded by Mr. Rhoads and Mr. Ortega. **THE MOTION TO APPROVE THE TULLY'S LEASE PASSED BY HAND-VOTE 8-0-0.**

Mr. Smith said the next Board meeting will be April 14, when they'll vote on Panda Express, assuming the contract was available. In the meantime, if the RFP for the Bear's Lair could be done sooner than April 14, they may call a Special Meeting in order to vote on the terms of the RFP.

Mr. Ortega asked if they could perhaps have public comment at the next meeting from 5:00 to 6:00. Mr. Smith said they'd see about that.

Mr. Rajan moved to adjourn. The motion was seconded by Mr. Ortega and passed with no objection.

This meeting adjourned at 8:38 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

**DECISIONS OF THE BOARD**Procedures

- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's term as undergraduate representative Board member begins.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.
- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.

Procedures (cont'd)

- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- Aug. '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of a GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC Senate asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.
- June '03 Agreed to hold a Board member orientation by August 30.
- May '03 Agreed on the need for a Board member orientation to be held before the start of the school year.
- Dec. '02 Enhanced Board minutes by adding "Decisions of the Board"

Vendors

- March '09 Approved the Tully's Coffee contract.**
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.

Vendors (cont'd)

Dec. '08	Voted to go out to bid for all Bear's Lair Food Court vendors.
Nov. '08	Voted to terminate the contract with CampusLink
Nov. '08	Approved Action Vending proposal to increase vending prices.
Sept. '08	Agreed to Daily Cal terms for deferment and reduction of rent.
Sept. '08	Heard the terms of a possible Panda Express contract.
June '08	Approved the concept of bringing the Brazil Café to the ASUC .
June '08	Approved a Letter of Intent to negotiate with Panda Express.
May '08	Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
Dec. '07	Heard a presentation by CUBS.
Nov. '07	Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations.
June '06	Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
March '06	Approved a five-year lease option exercised by the Jupiter Pub
Feb. '06	Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
Sept. '05	Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
Sept. '05	Approved use of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorized pursuing an agreement for the Alumni Association to manage the Lodge.
May '05	Approved the further exploration with Darryl Ross of placing a green café at the southeast corner of the Student Union.

Vendors (cont'd)

March '05	Heard a presentation by Darryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
Nov. '04	Approved the transfer of ownership of The Taqueria to the owner's nephew.
July '04	To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
June '04	Approved a five-year extension for the STA Travel lease.
June '04	Approved the Resolution In Support of Follett Contract Performance Review.
June '04	Approved changes to the terms of the Pub's lease.
April '04	Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations fail, and to issue an RFP.
March '04	Agreed to a four-week pilot project for the New York Times Readership Pilot Project.
March '04	Rejected contract proposals submitted by Pub management, called upon Commercial Operations to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
March '04	Recommended signing the Follett contract, dated Feb. 26, '04.
Jan. '04	Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
Jan. '04	Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
Dec. '03	Heard from John Martin, operator of the Pub.
Nov. '03	The Daily Cal lease was signed, and printing of the ASUC government page began.
Nov. '03	Heard a presentation on Coca-Cola business practices in Colombia.
Aug. '03	Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus committee at-large.

July '03	Approved a five-year lease with the Daily Cal.
July '03	Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
Nov. '04	Approved a two-year lease extension, beginning Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
Aug. '04	Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
July '04	Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.
June '03	Formed a subcommittee to further consider the Daily Cal lease.
May '03	Heard a presentation by Coca-Cola representatives on the Company's business practices in Colombia.
Dec. '02	Added a fair-trade coffee option into the lease of the Coffee Spot
Dec. '02	Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.

#### Student Union / Pauley Ballroom

Dec. '08	Work began on the seismic retrofit of MLK.
Oct. '08	Heard from, gave feedback to, Brailsford & Dunlavey, on Lower Sproul redevelopment.
June '07	Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the food court.
May '05	Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
May '05	Voted to explore options for the expansion of the Art Studio.
Oct. '04	Authorized ASUC President Leybovich, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.
May '03	Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in



Student Union/Pauley Ballroom (cont'd)

- managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03      Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June meeting.
- April '03      Received a proposal, as part of the 2003-2004 budget, to allocate \$20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- February '03      Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.

Budget

- April '06      Approved the 2006-7 Auxiliary budget.
- April '05      Approved the 2005-6 Auxiliary budget.
- September '04      Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04      Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half position OSA position for the GA.
- April '04      Approved the ASUC Auxiliary FY2004-2005 Budget, including a transfer to the ASUC of \$50,000 from the Auxiliary Contingency Reserves.
- February '03      Received "ASUC Auxiliary Revenue and Expense Report, July -December 2003."
- June '03      A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03      Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman starting at 6 p.m., rather than 8 p.m.



## STORE OPERATIONS BOARD MINUTES

April 29, 2011

Present: (Members and others)

Chris Alabastro (EVP-elect)	Ryan Landis (Board member)	Michael Nicholas (Bd.Mbr.)
Andy Albright (Sen.elect)	Todd LaPorte (Board member)	Nadesan Permaul (Auxiliary)
Hedy Chen (incoming Bd.mbr.)	Shawn LePean (Cal Dining)	Beth Piatnitza (Planning)
David Cramer (Creative Cuisine)	Nanxi Liu (Board member)	Tom Spivey (Auxiliary)
Jean Cramer (Creative Cuisine)	Vishalli Loomba(Pres.-elect)	Marilyn Stager (Auxiliary)
Miguel Daal (Board member)	Emily Marthinsen (Bd. member)	Noah Stern (Board member)
Jeff Deutsch (Store Mgr.)	Courtney McDonald (ASUC Sen.)	Patrice Thomas (Cal Dining)
Elliot Goldstein (ASUC Sen.)	Bahar Navab (GA Pres.-elect)	Yishi Zuo (Board member)

This regular meeting of the Store Operations Board was called to order by Yishi Zuo at 2:08 p.m. in the Senate Chamber.

### APPROVAL OF THE AGENDA AND MINUTES

Mr. Zuo called for any objection to the minutes from the April 1 SOB meeting and the agenda for the meeting that afternoon. A motion to approve was made and seconded by Mr. Zuo and Ms. Liu. THE MOTION TO APPROVE THE MINUTES FROM THE APRIL 1, 2011 SOB MEETING, AND THE AGENDA FOR THE MEETING THAT AFTERNOON, PASSED WITH NO OBJECTION.

Mr. Zuo said he would note that Mr. Marchand, a GA member of the Board, couldn't attend the meeting that afternoon, and appointed Bahar Navab to take his place. There was nothing in the Charter or By-laws dealing with this issue, but it's been done in the past. It has been the discretion of the Chair to allow appointees to act in place of members, so Ms. Bahar would be a full voting member that afternoon.

Similarly, Mr. Zuo said that Ms. Liu will miss the latter half of the meeting and designated a replacement. He'd make that announcement when she leaves.

### PRESENTATION BY SHAWN LaPEAN, DIRECTOR, CAL DINING

Mr. LaPean said he was asked to introduce Cal Dining. Present with him was Patrice Thomas, the Customer Relations Manager.

Mr. LaPean said that Cal Dining has three management strategies: responsiveness to their customers; responsibility for and managing of their fiscal responsibility; and community, and upholding UC Berkeley values.

From one perspective, McDonald's is a real estate company that markets food, and Cal Dining is a "higher education company" that markets food.

Cal Dining operates four residential dining commons, and 11 total retail locations. There are three convenience stores and they do catering and provide food to five childcare facilities, and also do summer conferences. They serve over 30,000 customers a day, Monday through Thursday, about 4.5 million annual transactions. They feed 6,200-plus residential students and 2,100 non-residential students.

Mr. LaPean said that Cal Dining has 312 full-time employees, including 28 management staff. There are about 377 student employees. Full-time employees are provided a living wage of a minimum of \$13.34, plus benefits.

Mr. LaPean said that since he arrived there in January, 2003, they've done benchmarking surveys. As the slide showed, they had a good measure of success in improving food service. Customer satisfaction is 70%, which was way above the mean for colleges. Over 35% of transactions are from people with no meal plan, either students or others.

The breakdown for meal plans is 64% freshmen, 19% sophomores, 7% juniors, 6% seniors, 1% grads, 2% faculty/staff, who pay \$50 for 55 points. One point equals \$1, and all-you-can eat meals for breakfast, lunch, and dinner are 6, 7, and 8 points.

Mr. LaPean noted that he and staff have won numerous awards.

Cal Dining operates within a few trends in Generation Y, including taste and flavor; high volume; authentic regional/ethnic flavor; nutritional awareness; environmental sustainability; seasonal menus; nutrition education; social responsibility; and green business practices.

They have numerous special events, such as "A Taste of South Africa," or "Harry Potter Night." All Dining Commons are green certified and have certified organic salad bars, with third-party auditing. They also follow socially responsible practices, such as composting, and they reduce waste a great deal because of that. Fair trade is their minimum standard. They buy uniforms that are made in the USA and they focus on employee wellness, working with the Tang Center and Rec Center. As for health, they measured 171 of their employees, who went through a screening, and their obesity has come down about 8%, for instance.

In a first, Cal Dining is working with the Marine Stewardship Council and they hope to have certified seafood on campus, the first campus to have that. Cal Dining was also the first to market tap water, and their bottled water sales have gone down by 50%.

Mr. LaPean said the Real Food Challenge 2020 is now UC policy. It has 20% of purchases coming from sustainable procurement by the year 2020. The qualities for that are to be ecological, or organic, fair-trade, humane, and local. Cal Dining measured this last year and they were at 48% and growing. In comparison, UCLA is 3%.

At Pat Brown's they're building a made-to-order grill. Dining hasn't put much money into retail facilities and has focused on residential dining. This was their first real renovation, besides the CITRIS Building.

Mr. LaPean said that in the last six years they've grown from under 2 million meals to over 4.5 million. Optional meal plans have gone from 399 to around 2,000. Catering revenue has increased 500%, and now the Chancellor was hiring them. In 2007 they won the Ivy Award, the biggest achievement award in the food industry, won by restaurants like Chez Panisse and the French Laundry.

Mr. Zuo said he would like to thank Mr. LaPean. (Applause)

Mr. LaPean said they have a dream of one day having a teaching kitchen, with little apartment-like kitchens, to teach students how to cook

Mr. Daal asked if Cal Dining would be interested in operating a pub-like concept. Mr. LaPean said he managed the pub in a student union atmosphere at Vanderbilt. Cal Dining can't hold a liquor license per Regental policy. But times were changing, and if he was asked to do anything, his job was to serve and they'd do that to the best of their ability.

Mr. Daal said one component of a potential referendum on Rec Sports would be a teaching kitchen. Mr. LaPean said that Mr. Weinberger has mentioned that.

Mr. Stern asked about his perspective on the market at Lower Sproul. Mr. LaPean said the need was enormous. It killed him that the Golden Bear was such a tiny space. They serve 6,000 people there, and it's about \$1,500 a square foot. Most food services are \$300. Residents and meal plan holders crowd out cash customers. The more real food and real service on the campus, the better. The way most colleges work is per cap, sales of \$1 a day, minus people's meal plans. Cal Dining does about \$30,000 a day in sales, and the campus should be doing \$55,000. The potential, from his perspective, was huge. UCLA, for instance, has three food courts on the campus.

Mr. Permaul said the lease was up on the Pub. He asked if Cal Dining would be interested in a pilot project for a couple of years to run the Pub, if they could tackle the issues with the liquor license. Mr. LaPean said they would be interested. One thing about Housing is that it has a capital reserve. Mr. Permaul said he would like to open that discussion with Cal Dining.

Mr. Landis asked about what Cal Dining might plan to do with the GBC. Mr. LaPean said that what they do depends on what was going on at Lower Sproul. The amount of food they could produce there was pretty limited. His interest wasn't serving as much food as they could. They didn't necessarily want to compete with the Auxiliary, and it would be better to compliment and have a holistic view of the area. One concept of interest was Pluto's, with fresh, real food.

Mr. LaPorte said it seemed that Cal Dining was a pretty integrated system and asked if they've used the operation to teach students about systems management. Mr. LaPean said they haven't, but they'd love to.

Mr. Permaul said the Auxiliary is increasing the size of food operations inside the Student Union. He thought it would be very helpful if Mr. LaPean could work with Auxiliary vendors, when they go into construction and design of the Union, to make sure efficiency and service capacity are maximized. Mr. LaPean said he thought that what they'll run into is that when it comes to space, it's not necessarily the front of the house that was a challenge, but the back of the house, and the support facilities that are needed, such as freezers or a dish machine. AVC Strong is involved with the Auxiliary, so Mr. LaPean said he was at their beck and call.

Mr. LaPean said there was another option besides leasing space, and that was leasing to a single operation, such as Aramark or Compass. And Cal Dining might be interested in seeing if it could lease some space to manage for the Auxiliary. Housing has capital reserves, which is what will be needed in the future. Mr. Permaul the Auxiliary's model has been to ask vendors to make improvements, which cuts revenue to the Auxiliary. He thought it would be useful to talk about a pilot program with the Pub.

Mr. Zuo said he'd like to thank Mr. LaPean for attending. Mr. LaPean said he would like to thank them. (Applause)

### INTRODUCTION OF INCOMING STUDENT MEMBERS OF THE BOARD

Mr. Zuo said he would ask upcoming student members on the Board introduce themselves. Introductions were held: Vishalli Loomba, third-year undergrad in MCB and was the ASUC President-elect; Hedy Chen, second-year in Business and Poli.Sci., and is the incoming undergrad representative, taking the place of Mr. Zuo; Chris Alabastro, third-year in Bioengineering, the Executive VP-elect; Bahar Navab, first-year Ph.D. in Health Services and Policy Analysis, who did her undergrad at Cal and was an ASUC Senator, and is the GA President-elect.

### PUBLIC COMMENT

Elliot Goldstein said the Senate passed a bill, SB 204, In Continued Support of the Berkeley Student Food Collective in the New Lower Sproul Plaza. Last spring 2010, SB 35 was approved unanimously and had a Resolved Clause that stated the Senate's strong support for the Berkeley Student Food Collective, and had language for bypassing an RFP process in order to set aside space for the BSFC. SB 204 has a Resolved Clause that reaffirms ASUC support for the BSFC and requests that student reps on the SOB prioritize the BSFC in new Lower Sproul commercial space. It also asks that the Working Group and Program Committee prioritize the BSFC in MOU 3 and continue conversations with the BSFC.

Mr. Stern asked about the relationship between the Berkeley Student Food Collective and the Berkeley Student Co-operative. Mr. Goldstein said the BSFC just became a 501(c)3. There's no direct relation. In the past, the BSFC used the BSC's non-profit status to incubate it. But they're now separate organizations.

### DISCUSSION OF FUTURE VENDORS

Mr. Zuo said due to logistical issues, one of the leading vendors interested in the CUBS space has dropped out. The Board had to decide on a direction to go. Mr. Spivey said that Pinkberry had issues with location, foot traffic, and the short turnaround before they'd have to yield the space. But Pinkberry was interested when Lower Sproul is completed.

Mr. Spivey said the Board asked for financials of food vendors for the first quarter. He had that for Subway, with total gross sales of \$65,797 between January and March 31. Subway was just brought in, and a lot of people don't know it's there. The Coffee Spot for the past year, through December, grossed over \$460,946. This was prior to the locations remodel. The Auxiliary has revenue sharing when the gross is over \$400K.

Mr. Spivey said a group, Creative Cuisine, was coming to talk to the Board that afternoon to talk about the CUBS space. Mr. Permaul said the time span would be two years or less; the vendor would pay 10% of gross; the vendor would pay for all improvements; and there would be no liability to the ASUC if they step out. This was kind of a space filler until construction occurs.

Mr. Spivey said there was a late addition, Kettle Corn Star. It has a temporary City permit and has been operating on Bancroft. They'd like to have a kiosk right outside Eshleman, which they'd break down daily, Monday through Friday. They'd pay a percentage of gross, which would be perhaps \$75-100 a day to the Auxiliary. No infrastructure was needed. They'd go through EH&S.

Mr. Nicholas said he didn't think Kettle Corn corresponded with the SOB's value statement, such as being healthy and sustainable.

Ms. Marthinsen said kettle corn was usually seen at carnivals, and with this environment, visually and with the smell, she didn't think it would fit.

Mr. Permaul noted that kettle corn is sold at athletic events. The visuals could be handled, and it was very popular at Cal Day and is popular on the street. He thought they could have a test and see if this food option worked. Also, there were multiple tastes that people on campus had. Mr. Spivey said they've also been soliciting vendors for, and working on, a cart concept on campus. Mr. Permaul said the Auxiliary believes the space was viable. They often have vendors there on a short-term basis. It's heavily trafficked.

Mr. Landis said he was concerned about the huge tent. Mr. Spivey said the tent could be changed. Mr. Permaul said tents are used on Lower Sproul regularly.

Mr. Zuo said the Auxiliary was looking for a straw poll on whether to move forward on negotiations.

Ms. Marthinsen said a lot of food cart proposals come through her office, and they're usually very tacky. But stylish carts exist that are much more appealing, with healthy, stylish food. She could help with that.

Mr. Stern said that what the Auxiliary had to offer wasn't Rodeo Drive. He didn't think the Board should take businesses that want to come there for granted, and the Board had a fiduciary responsibility to earn revenue. Mr. Permaul noted that there was a diversity of tastes on the campus.

Mr. Nicholas said he thought it was prime space, and they had to get people in there in the future.

Mr. Permaul said he was told by Mr. LaPean when he arrived there that Mr. LaPean would offer fast food options if he could because it was clear that a large portion of the student population doesn't feel the campus was serving their tastes, and therefore went shopping off-campus. Mr. LaPean has done a fine job of meeting the high-value end of food service, but recognizes that there are other tastes. Mr. Permaul said he hoped the Auxiliary continues to reflect the diversity of tastes on campus.

Mr. Nicholas said that if they sell popcorn, it could be organic.

Mr. Daal asked if they could request from the company another concept that addresses healthy options.

Mr. Goldstein said the company should be held to standards of sustainability, minimizing waste, where it sources its ingredients from.

Ms. Loomba asked if they'd have a straw poll about letting this business in, and if they vote was yes, what the timeline would be. She wasn't familiar with how long the process took. Mr. Daal said the Board would vote yes, and then the Auxiliary would start to have formal discussions.

Ms. Loomba asked if things like appearance of the business would be negotiated after the Board approves it. Mr. Permaul said the procedure was that the Board would authorize moving forward with the concept, with taking all the input from the Board that they received that afternoon, and try and make it happen in a timely fashion.

Mr. Zuo said that while they try to hone in on this concept, since Mr. Nicholas and Ms. Marthinsen brought up food carts, he asked if they could Google some of those food carts in Oakland and Alameda to see which might be a fit. Mr. Nicholas and Ms. Marthinsen said they would.

Mr. Zuo said they'd talk about the CUBS space when the vendors get there.

#### BRIEF REMARKS FROM THE CHAIR

Mr. Zuo said that this was his final meeting and it's been a pleasure serving with them, since being a Senator, 2008-9. He's seen a lot of controversial things, including people pounding on the doors and windows during the Panda Express controversy. It's been a lot more docile this year. They've had sub-committees dealing with the Charter, food services, core services, and he'd like to see that continue. He was resigning at the end of the meeting that afternoon and Ms. Chen will take over as a full voting member after that meeting.

#### SELECTION OF A TEMPORARY VICE CHAIR

Mr. Zuo said that per the Charter, the Board needed to select a temporary vice chair for the next two meetings, with Mr. Poullard to be the Chair for that time. He asked if anybody was interested. Mr. Landis said he was.

Mr. Zuo said that by the power vested in him as Chair, he would appoint Mr. Landis as temporary Vice Chair for the next two meetings. He said Mr. Landis would work with Mr. Poullard and Mr. Permaul to coordinate the next two meetings. The dates of the meetings have already been set.

Mr. Permaul said Mr. Zuo has lived through quite a bit, and Mr. Permaul said he wanted to express his appreciation for the work Mr. Zuo has done. (Applause)

Mr. Zuo said that for the past couple of years, he's also served on the Daily Cal Board. The paper owes the Auxiliary money for unpaid rent, \$14,000. The paper has promised to pay it off by June, 2012. The SOB position on the Daily Cal Board is per an agreement with the paper. He's been trying to help the paper get its finances in order, attend a meeting once a month, and make sure they don't forget they owe the Auxiliary \$14,000. He's been trying to get the paper to run a referendum, but the paper hasn't embraced the idea. Maybe the next SOB member could work on that. If they don't pay the Auxiliary back by 2012, they start paying interest. The person on the paper's Board had to be unelected and an undergraduate. Ms. Chen said she would be willing to take the position.

Mr. Zuo said that by the power vested in him as Chair, he would appoint Ms. Chen as the next undergraduate representative on the Daily Cal Board. He'll send the paper an e-mail.



### COMMENT FROM MS. MARTHINSEN

Ms. Marthinsen said she and the rest of the planners who have been working on the Lower Sproul project wanted to congratulate everyone who was graduating, and congratulate Mr. Zuo. Mr. Zuo said he would like to thank her.

### UPDATE FROM THE ASUC AUXILIARY

Mr. Permaul started they've been talking to Business Services about the option of putting together an RFP for the Pub. They're most concerned about the transfer of the liquor license and any difficulty arising from a gap between their current vendor and a new one, since getting a license could take a few months. With the Board's permission, he'll talk to Mr. LaPean and see if the campus will assist them. This would also help in seeing what the relationship would be between the ASUC and Cal Dining, if Dining were to ever have retail space in Lower Sproul.

Mr. Permaul said a packet was sent that day on Auxiliary projection revisions. They did not assume that they would not be able to rent facilities in the Union during construction, but they planned conservatively. They put additional revenue replacement into the revised model, replaced perspective numbers in the 11-12 budget with real numbers, which really took time, and made modifications the Board asked for, such as with the Cal Lodge. The Board will get a revised version of the projections.

Some people have said they need to bring in real financial consultants to plan for Lower Sproul's future. The Auxiliary welcomes that, and suggested Brailsford & Dunlavey in the past, as experts in the field of student unions. But the work Ms. Stager has done was a reflection of good, solid financial work.

Regarding the Core Functions Workgroup, Mr. Permaul said that Mr. Marchand was to send the notes from the meeting. The Board needs to move forward with a discussion of appropriate functions for the business and administrative functions of the ASUC, and where they could be best located and funded.

Mr. Permaul said the campus did an audit on the ASUC, from a risk management perspective. The auditors didn't understand the role of the SOB in setting policy and direction for the Auxiliary. Mr. Permaul said he was charged with writing a response, which Board members received. He was asking for their comments.

From the projections, they could see that there's a brilliant future coming. They've been thinking about how to redevelop and revitalize Lower Sproul for four years. They were also asked about their competencies to manage what they do. The Auxiliary pointed out that they do have competencies as well as a strategy model, which was included in the material. He'd welcome any input from Board members. It took a considerable amount of time to get the Board to look at strategy and to act as a professional board to be helpful to the Lower Sproul that was coming in the future. They need to build themselves up structurally and get the high-level analysis and visioning that the Board has begun to undertake. The response was an attempt to talk about moving in that direction.

Regarding the Art Studio, Mr. Permaul said that when he arrived, Mr. Coley told him he had to get the Cal Lodge working or get rid of it; and make the Art Studio and Lecture Notes work or to get rid of

them. Lecture Notes was break even two years ago, but then they changed terms and went to activity-based costing. The new Manager has brought it to a break-even point, even in an activity-based model with indirect costing. The Interim Manager of the Art Studio has brought in fabulous business skills, and they have a model that almost brings them to break even for the next fiscal year. Mr. Permaul said he would encourage Board members to walk through the Studio. They'd be stunned at what the Interim Manager has done in a month and a half. LeNorman Strong has asked the RSSP Facilities Manager to work with the Studio to perhaps make space available for more classes.

Mr. Permaul said Board members have told him they don't want caps on student reservations of facilities. The Senate gives waivers for student groups to use facilities. That keeps costs down for groups. It means the Auxiliary subsidizes student use. That's something the Auxiliary should do, but about \$10,000 of opportunity revenue was lost each year. He'd ask the Board to let him add that to the Auxiliary's indirect costs.

Mr. Permaul said they'll add to their reservation requirements next year. Groups that reserve Pauley Ballroom, if they decide to cancel at the last moment, will be asked to pay a small penalty. Right now, there are no consequences for cancellations. This is a loss of thousands of dollars of revenue. They'll vet this with student leadership. He called for any questions.

Mr. Alabastro said that sitting on Fi-Comm, they see Pauley waivers a lot. The cost was \$700. He asked what penalties were. Mr. Spivey said costs are fully refunded 60 days out, and there's no penalty. For 30 days, it's \$250; and for less than 30 days, the penalty is \$500.

Ms Chen said the current policy was not charging if there was a cancellation within 21 days. So that would be extended to 30 days. She asked what the penalty was if they cancel after the deadline. Mr. Spivey said they'd have to pay the full fee, \$700.

Mr. Daal said that student groups might just not show up rather than pay a penalty for not using Pauley. Mr. Spivey said there are other fees associated with events there, even for students. Cancellation fees for venues are common. This policy will start July 1.

Mr. Permaul said they're asking for input. They don't want to do this if there's strong opposition from the Board. Mr. Spivey said they're working to make Pauley robust.

#### PRESENTATION BY CREATIVE CUISINE

David Cramer introduced himself and his wife Jean and said they were there to propose a food service at the CUBS space. They have a simple concept, centered around frozen yogurt, gelato, and sorbet. It will be all organic. All their serviceware will be green. They're very committed to organic, bio-dynamic farming and the slow food and pure food movements, and to be as local as possible. The bio-dynamic movement is essentially farms that are self-sufficient. "Organic" was actually a negative term, in a sense, in that it defines what one was not allowed to do. "Bio-dynamic" was a more positive way of looking at farming and operating an ecosystem.

Mr. Cramer said he was classically trained in French cuisine. They'd like to do pastries, baked daily, and most of the pastry work would be French. And perhaps they could move into soups and sandwiches or

salads. They'd start with a fairly simple operation, including a coffee bar and an organic juice bar. They'd watch the response to the different products. They don't want to compete with existing merchants and want to bring another demographic in to create more traffic and benefit all the businesses there. They'd tailor the business plan as they went.

They'd have a very affordable price point and don't expect the check average to be over \$4, and probably around \$3.50 for a sorbet and a cup of coffee, e.g. They wouldn't want to exceed \$5 on anything.

Mr. Cramer said they'd be prepared to be open as early as possible, 6 a.m. or whatever time was appropriate. And they'd be willing to serve food late, especially if there was an event in Zellerbach. They were there to serve the community. As the market dictates, they'd be willing to run an evening program, as late as 9:00 or 10:00 p.m.

Mr. Cramer said there's a new innovation that allows ice cream to be made to order. He didn't know if they could pull it off, with the speed they want to serve, especially at lunch, but they might consider it in an evening program.

Mr. Permaul said there already are two coffee options and they'd be loathe to compete against them. And Fresh Choice in the fall will bring in salads and possibly a soup option. Only one vendor offers fresh pastries, so that was an interesting idea. He asked if they had any other options that wouldn't put them in a position of competing against current vendors.

Mr. Cramer said that was something they wanted to be very careful about. He believed the more diverse and better quality options there are, the more customers for everybody. Coffee wasn't the crux of their business, as much as pastries, yogurt, ice cream, and sorbet. As a chef, being creative and coming up with new ideas is what he does. So the idea of possibly integrating pastry work into a meal would be something he'd be quite comfortable with. Every culture has pastry/wrapped meals. Mr. Permaul said that some of the vendors and also a catering business could be part of what they do.

Mr. Permaul said the space doesn't have a hood. They're also looking at a lease that was 10% of gross over two years, because after that, they'll go under construction.

Mr. Cramer said they have a production facility in Napa that's A-rated by the Napa Health Department. They could bake or cook goods and bring them to Berkeley in the morning, fresh every day. They're committed to items being made that day and sold that day, or donated to a food bank. They don't carry anything over to the next day.

Mr. Zuo asked about their experience with a campus and a lower price point. Mr. Cramer said the Guggenheim Museum in New York put up a second museum in SoHo, and he came up with an idea to move people quickly through a restaurant that appeared to be upscale, but with low prices, offering very diverse eating options. He's also done corporate food service with companies that do campuses, sporting events, and large corporate dining facilities.

Mr. Cramer said he's learned that people want to know what they'll get for their money before they walk through the door. So Creative Cuisines will post online and any other way what will be served each week. Even with sorbets, ice cream, and frozen yogurt, they'll use whatever was fresh and in season.

Their biggest challenge will be the dairy products, because that's the only really expensive thing they use. People should be able to get a frozen yogurt for less than \$2.00.

Mr. Daal asked how they expected to compete with successful frozen yogurt businesses. Mr. Cramer said he didn't see it as competing, and his experience was that the more quality in an area, the more successful everybody was. Having proven, successful concepts indicates there's a demand. He understood one place has lines. That was good news. People don't want to wait, or walk 10-minutes away.

Mr. Nicholas asked if they'd be willing to stay open, especially in the summer, after a performance, until 10:00 or 11:00. Mr. Cramer said they would, absolutely. He went by the philosophy of "do the deal," whatever it took.

Mr. Landis said he thought a lot of people would like having gelato made to order. Mr. Cramer said the trick was to make it fast, without adding air. The Pacojet makes an order of ice cream in 45 seconds. But that would be tricky with a long lunch line. But they'd like to find a way to do it in the evenings.

Mr. Zuo asked who would do what. Mr. Cramer said his wife is a Princeton graduate, an English major. She's very adept at marketing strategies. Ms. Cramer said she works through marketing proposals and ideas. Mr. Cramer said that Moneer handles most of the business aspects and day-to-day operations and presentations to the clients. He moved from Egypt to Germany and was trained in the German salad system, so he's very precise when it comes to presentation. Mr. Cramer said he was relegated to production. He had a diverse background in creating new ideas and restaurants and making them happen, and interacting with the local market. He'd get the restaurant up and operating. Being a service was really how he saw it.

Mr. Daal asked what attracted them to this opportunity and asked how they found out about it, as it wasn't the most ideal space. Mr. Cramer said it wasn't, but he liked challenges. The Napa Valley is kind of staid. They came down for Cal Day to help out people in the Food Court. Mr. Permaul said they were a guest vendor. Mr. Cramer said he used to work for Bill Graham and was in the music business for a long time, and did a lot of events at the Greek Theatre. Coming back 12 years later, Berkeley was still Berkeley, and would not compromise.

Mr. Landis asked what they sold during Cal Day. Mr. Cramer said they had falafels, chicken skewers, humus, and pita bread. They are things they were thinking about for a cart. But they were open for anything, and if people wanted a hot dog stand, they could do that.

Mr. Zuo said he would like to thank them for coming in. Mr. Cramer said he would like to thank them.

Mr. Zuo said the last time they made such a choice, they had 10 vendors and chose the top three. Creative Cuisine was now one of the top three. The Board had to decide whether to move forward with them or wait. It was up to the Board as to how to proceed.

Mr. Nicholas said he would vote to move forward with them.

Mr. Daal said he also had a good feeling about them. It seemed that they didn't care so much what they sold and just wanted to be here, and thought that would be a great foundation for a business partnership.

Mr. Zuo said success with other venues they've had was a definite plus.

Ms. Navab asked how long the contract would be. Mr. Permaul said it would be for 24 months. Because they're concerned about the construction schedule, they'd take 10% of the gross, which the Board established as a principle. A vendor coming in would know they could be moved out at any point. For that, they get a break on the rent, which they don't have to pay. Mr. Spivey said those were the same terms Fresh Choice would have. Mr. Permaul said the idea was to activate the Plaza.

Mr. Nicholas asked if they had a vendor that offers fresh juice. Mr. Permaul said the Coffee Spot does, and that would be another issue to talk about with Creative Cuisine. Mr. Nicholas said they have two places with coffee. They don't want competition, but for a customer, that was convenient. Mr. Permaul said Tully's was another location with a different foot traffic, different than what goes to the Coffee Spot. They'd talk to new vendors about that.

Ms. Navab said she thought it was fine to move forward with Creative Design, but they'd need to have more research about the company. Employing students was mentioned, but she would make sure they were a little more open to it. Mr. Spivey said that would be terms in the lease.

Mr. Zuo asked if the Board was in agreement to move forward with this vendor.

Ms. Marthinsen said maybe the vendor could have a cart at the location that was proposed for Kettle Corn. Mr. Permaul said they'd bring that up. If they do it right, nothing would prevent them from maybe having both of them. The Auxiliary would look at this very closely and keep the Board apprised.

Mr. Daal said they might also suggest training opportunities for students interested in the business model of sourcing locally.

Mr. Zuo asked if they need a motion. Mr. Permaul said he just needed a sense of the Board.

Mr. Zuo moved to move forward with negotiations with Creative Cuisine regarding CUBS space. The motion was seconded by Mr. Daal. **THE MOTION TO MOVE FORWARD WITH NEGOTIATIONS WITH CREATIVE DESIGN PASSED UNANIMOUSLY BY VOICE-VOTE.**

Mr. Zuo said he would like to thank people for coming out that afternoon.

This meeting adjourned at 5:39 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- October '10 Mr. Zuo elected as Board Chair
- October '10 Ryan Landis joins the Board, undergraduate representative.
- September '10 Mr. Daal elected as Board Chair.
- September '10 Prof. Edwin Epstein joins the Board.
- September '10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define "minor leases" at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.

Procedures (cont'd)

- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.
- June '03 Agreed to hold a Board members orientation by August 30.
- May '03 Agreed on the need for a Board members orientation to be held before the start of the school year.
- Dec. '02 Enhanced Board minutes by adding "Decisions of the Board."

Vendors

- April '11 Elected Hedy Chen elected as SOB representative on the Daily Cal Board.**
- Mar. '11 Heard from a consultant on Lower Sproul and heard the results of a major survey.



Vendors (cont'd)

- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.
- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.

Vendors (cont'd)

- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.
- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."

Vendors (cont'd)

- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.
- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.

Vendors (cont'd)

- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- April '11 Voted to make the Tilden Room meditation and reflection space.**
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.

Student Union / Pauley Ballroom (cont'd)

- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
- Oct. '08 Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07 Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05 Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.
- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.

Budget

- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
- July '09 Approved the 2009-10 Auxiliary budget.
- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
- Sept. '04 Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04 Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04 Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03 Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03 A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03 Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.

## STORE OPERATIONS BOARD MINUTES

May 25, 2011

Present: (Members and others)

Chris Alabastro (EVP-elect)	Ryan Landis (Board member)	Nadesan Permaul (Auxiliary)
Hedy Chen (Board member)	Shawn LePean (Cal Dining)	Jonathan Poullard (Board member)
Ron Coley (Board member)	Vishalli Loomba(Pres.-elect)	Darryl Ross (Caffe Strada)
Miguel Daal (Board member)	Philippe Marchand (Board member)	Tom Spivey (Auxiliary)
Jeff Deutsch (Store Mgr.)	Michael Nicholas (Board member)	Marilyn Stager (Auxiliary)

This regular meeting of the Store Operations Board was called to order by Jonathan Poullard at 1:32 p.m. in the Senate Chamber.

### APPROVAL OF THE MINUTES

Mr. Poullard called for a motion to approve the April 29 minutes. It was so moved and seconded by Mr. Marchand and Ms. Chen. THE MOTION TO APPROVE THE MINUTES OF THE APRIL 29, 2011 SOB MEETING PASSED WITH NO OBJECTION.

Mr. Poullard said he would like to welcome Hedy Chen to the Board.

### PUBLIC COMMENT

Mr. Marchand asked if they could request time on the agenda at the next Board meeting to discuss the move of the ASUC Auxiliary and Student Affairs and possible restructuring. Mr. Poullard said the request was for a general discussion of student services reorganization, and implications for the SOB. Mr. Poullard asked what the structure of that agenda item would be. Mr. Marchand said that most people were aware that scheduled for July 1, the Auxiliary will report to the Dean of Students, Mr. Poullard. Since it is a duty of the Board to discuss the function of the Auxiliary, that might be a factor, and he'd like discussion by student leaders and the Administration. They might want a presentation or a draft to present to the Board. Mr. Poullard asked if the document would deal with expectations. Mr. Marchand said that was correct.

Mr. Landis suggested setting up a subcommittee for the implementation process and what they saw going forward, and thought the Board should take an active role to make sure there was a smooth transition. Mr. Marchand asked if Mr. Landis would be part of that. Mr. Landis said he would. Mr. Marchand said the idea was for the Board to be part of that discussion, consider expectations, and basically provide some direction.

Mr. Marchand said he thought the Board should review the move and determine possible impacts in the ASUC Auxiliary and what the Board's expectations were with the restructure to make sure it best served the purpose.

Mr. Permaul said that perhaps they could have the Dean of Students make a presentation, along with any student leaders involved in the negotiations. The Board could discuss critical elements of the Auxiliary activities that needed to be addressed, and to make sure it's part of that discussion.

Mr. Marchand said he thought the Board needed to adopt something that had support of the Board. He didn't want to just have a discussion, but have something come out of that. He didn't think they could draft something on the spot, and therefore needed people on the Board to look at this. The Board could discuss Student Affairs, the commercial part of the Auxiliary, and services of the Auxiliary that could be affected.

Mr. Daal said this made sense to him. The Board was supposed to establish standards and determine or have a significant say in determining what services are performed by the Auxiliary. All documents he's seen about the realignment contain a notion of change and services improvement. It seemed proper for the Board to have some type of review and input on these changes in services.

Mr. Poullard said members indicating an interest in this were Mr. Marchand, Ms. Loomba, Mr. Landis, Ms. Chen, and Mr. Nicholas. Mr. Daal said he thought Ms. Bahar would be interested. Mr. Poullard asked who would convene the meeting. Mr. Marchand said he would.

#### AUXILIARY CORE SERVICES MEETING UPDATE

Mr. Landis said that some Board members met to try and figure out the Auxiliary's core services for students. Hopefully they'll meet again. Priorities for what they want includes spaces for student groups, the ASUC, and the GA; advising for groups; timely financial services for student groups; administrative support; institutional memory for the ASUC and the GA; reception; facilitating student access to campus administrators; maintaining records; to act as liaison with campus administrative services; HR; and having businesses and services that serve students, such as the Art Studio and Lecture Notes.

Mr. Landis said Ms. Marthinsen's idea was to figure out their core services, their cost, and the bare minimum to meet those services going forward. They felt about \$3.5 million was needed to fulfill those core services. So that's what they should think in terms of what they need from vendors and with Lower Sproul envisioning.

Mr. Marchand said services and businesses were different. Lecture Notes and the Art Studio are non-profits. This was the vaguest point, in that students need services that aren't businesses and which apply to students, and should be run by the ASUC, but which need staff, and are therefore run by the Auxiliary. They wanted to see if there was money to bring in from the Lower Sproul project for administrative services.

Mr. Poullard asked if this kind of survey has been done before. Mr. Permaul said it hasn't.

Mr. Nicholas suggested discussing this at the retreat. He thought people like what they had now, and were asking what else could provide revenue and services.

Mr. Marchand said they could discuss this at the retreat and possibly gather information from students when they come back in the fall. Mr. Landis said a good starting point could be to talk with Senators.

Mr. Permaul said that the Auxiliary has been meeting with Lower Sproul consultants Brailsford & Dunlavey, looking at what future business services the ASUC will need to operate the new Student Union. The consultants were hired to analyze standards for operating the new complex and what level of staffing and funding



would correspond to those standards. He was sure the consultants were doing the analysis in conjunction with the campus and student leadership to see what services and management the campus felt was appropriate.

Mr. Poullard said the consultants wouldn't be taking into consideration possible future services not met by the campus that could be undertaken by the Auxiliary. He was concerned that doing this at the retreat wouldn't be informed by any additional student survey. Mr. Nicholas' point was to wait for the fall to get that data.

Mr. Nicholas said they could formulate what to do at the retreat and then, in the fall, student Board members could meet with Senators and have a brainstorming session, and then do a survey of students.

Mr. Poullard said he thought they had some time, although the window was getting smaller. Another issue was the extent that more staff might be involved, which wasn't planned for.

Mr. Permaul said he didn't have a date for a retreat and the Auxiliary will need to plan for that. Mr. Poullard said they talked about having it in August. He, Mr. Landis, and Mr. Permaul could propose a retreat date at the June 15 meeting.

#### PRESENTATION BY THE BERKELEY STUDENT FOOD COLLECTIVE

Alex Stone introduced herself and said she is a Cal graduate and the Operations Manager of the Berkeley Student Food Collective. Sam Koch introduced himself and said he was the Policy Coordinator for the Food Collective. Ms. Stone said they brought samples from the store, sandwiches made in-house and juices and drinks.

Mr. Koch said they're a student-initiated and student-run non-profit. Their mission includes providing fresh, locally produced, healthy, sustainable food options for the campus and the Berkeley community, and to educate students about nutrition, food systems, and running a sustainable business. They want to be in Lower Sproul when it's renovated and envision a co-operatively run café/marketplace that provides real food options. They want to expand their grab-and-go and prepared food options, which are their best sellers, and to have space for a living classroom to talk about sustainable cooking, food systems, and sustainable management.

Their organizational structure is grounded in membership. Volunteers work two hours in the storefront or on a committee, anything from education, to food prep, to fundraising. Members have voting rights for decisions and elect the Board of Directors. There's one paid employee, the Operations Manager. The Board of Directors works with their Advisory Board, which includes community members, legal counsel, and business people.

Ms. Stone said that since the organization's inception in 2009 they have fundraised over \$150,000. They acquired space and signed a lease last August, and opened their doors in November. They're one of the few established, student-run businesses on campus. In their six months of operations, they raised over \$60,000 in revenue, which includes a month during Winter Break when they were closed. That past April they received 501(c)3 non-profit status. They've taught a DE-Cal for two years, Berkeley and the Global Food System, with 35 students that past semester. It was awesome to see energy on campus for the food movement and the food collective. They also received the Chancellor's Sustainability Award that spring, and for the second consecutive year were in an ASUC bill in support of the Food Collective being on Lower Sproul.

Mr. Koch said they do tours, workshops, and food demonstrations. They envision the space as a place to connect with other student groups and for their members to develop leadership and business skills.

Ms. Stone said they have outstanding food quality. The UC System signed on to the Real Food Challenge, which is to get 20% real food in all campuses by 2020. The store has nearly 100% real food, a value the University clearly holds. The food is organic, local, humanely raised, and is fair-trade. Also, as a very unique businesses, they feed into vendor diversity. With Lower Sproul mainly chains, the Collective helps make sure everybody felt included. The Collective also has outstanding customer loyalty and has some really unique products.

The Berkeley Student Food Collective is an organization the campus could really be proud of. They've been featured in news stories in the Bay Area and nationwide. *The Washington Post* just mentioned them as the flagship for a growing, nationwide movement of student food collectives.

Ms. Stone said the next slide showed other food co-operatives across the country, ranging from the University of Washington, which just opened, to the University of Maryland, which has been around since the '70s.

A Collective co-founder wrote her thesis on what made student food collectives successful. One finding was that hired staff bring in much more revenue, potentially in the hundreds of thousands of dollars, than collectives that don't pay staff. That's why the BSFC created the position of Operations Manager. Eventually they hope to hire students as well.

They have an incredibly detailed point-of-sales system to allow them to track trends and constantly tweak their inventory to run the most efficient business.

As to why they're a good financial partner for the ASUC, Ms. Stone said they bring in money not only from sales, but from donations and grants. Since opening they've had steadily increasing revenue. They're aligned with the Auxiliary goal of creating a student-centered environment that provides the campus community with programs, activities, services, and facilities that extends learning beyond the classroom. The Lower Sproul survey results confirm their loyal customer base. They are the third most desired option, after the Food Court and a coffeehouse. Top desired items from that survey include fresh fruit and food that was organic, locally grown, heart healthy, and low fat, along with fruit and vegetable juices. These foods are perfectly aligned with the Collective's mission to provide healthy, sustainable food. Mr. Koch called for any questions.

Ms. Chen that while they have advisers who are professionals, student members graduate every year. She asked how they plan to retain strong membership and retrain students each year. Ms. Stone said that was a potential pitfall for all student co-operatives and was one reason to have hired staff. She was helping to create a system to provide organizational memory. They have a volunteer manual, and they have the same training every semester. They also have training for Board members. There's a very set schedule for volunteers, who work with the Membership Coordinator. So they work on getting bodies of information passed down.

Mr. Daal asked what the Collective would like the Board to do. Ms. Stone said they hope to get a spot in Lower Sproul after the renovation. They want to be part of those plans. Mr. Daal asked if that would be for fair market rent. Ms. Stone said they were definitely willing to pay a fair and reasonable rent, and were currently paying market rate for their space.

Mr. Daal asked how much space they were looking for. Ms. Stone said they were flexible. They currently have 675 square feet. It's a little tight, but they make sandwiches there, have a grocery section, sell fresh produce, and have grab-and-go selections. If they could get maybe 1,000 square feet, that would be great.

Mr. Daal asked what their revenue projections were for an entire year. Ms. Stone said this was their first year of operation. Between fundraising and sales, they project about \$200,000 that year. Mr. Daal asked if they would participate in revenue sharing with the Auxiliary. Ms. Stone said they would.

Mr. Marchand asked if they were already a University tenant. Ms. Stone said rent checks go to the Regents.

Mr. Permaul said they've done a wonderful job and were growing and developing clientele and student experience. They get a pro forma from its businesses, and he thought the Board would be interested in the Collective's revenues and expenses and return on investment, projecting how the business will be sustainable. That will probably be the bottom line criteria the Board would use to make a decision.

Ms. Stager asked about the fundraising contribution and the TGIF grant. Ms. Stone said the \$150,000 included the TGIF grant.

Mr. Daal asked if the Collective was asking for an allocation now of space, or to be a part of whatever RFP is released for space. Ms. Stone said that ideally they're asking to be written into the plan. They're flexible. Mr. Daal asked why the Board would agree to do that, since they'd be giving up a future option. Mr. Koch said there was no other organization like the Collective. They could make more of a significant contribution than a normal business, since their operations also have non-financial aspects.

Mr. Coley said the Collective has done a really good job, and he was impressed. He was very sensitive about maintenance and cleanliness of space. He asked what he'd see in terms of cleanliness if he went to their space at that time. Ms. Stone said they have volunteers there throughout the day. The store meets Health Code standards and they get inspected by the same University health inspector that inspects all the other businesses on campus. They just finished making a lot of sandwiches, so there might be some clean up going on. It's a tight space so it's a little cramped, but they keep it clean. Mr. Coley asked about spoilage. Ms. Stone said they keep track of spoilage and compost it.

Mr. Poullard said he met with the Storefront Manager and raised three points. He thought the Board would have to entertain this student-run initiative and not another initiative. Two, they might want to think about keeping the Collective from being in competition with other businesses on Lower Sproul. Third, the Collective won't break even until December and was still working through some pro forma issues. So the Board would definitely want to know about that.

Mr. Poullard said they were at time for this item and he would like to thank the Collective reps for coming in. Ms. Stone said she would like to thank them.

#### CLOSED SESSION -- The Bear's Lair

Mr. Poullard said the Chair would entertain a motion to meet in closed session. It was so moved and seconded and passed with no objection, with Auxiliary staff to remain present. This meeting entered into closed session,

to hear from Shawn LaPean, Cal Dining, and Darryl Ross, Free Speech Movement Café and Caffè Strada, regarding operating the Bear's Lair.

Back in open session, Mr. Marchand moved to have the Board direct the Auxiliary to continue negotiations with Mr. LaPean and Mr. Strada, with the fixed-rent model, but proposing a right-to-bid-option for catering, and to operators into contact with the Graduate Assembly to about moving forward with serving alcohol. Mr. Daal said the motion should also include a deal being in place for an August 15 move-in.

Mr. Poullard said that possible, Mr. Permaul might also work with them for the GA, to do things more directly. Mr. Permaul said he would also ask for a little more flexibility rather than saying this was automatically a right-to-bid agreement. They'd work out the best possible arrangement for all the various constituencies.

Mr. Landis said he would like this to happen next year as opposed to not going forward, especially if the operators agreed to invest in the renovation of the Pauley Ballroom kitchen, which was something they proposed to do. And the term was only for one year.

Mr. Marchand said the motion was that the Board wanted to move forward with this, and the idea would be to have the new operators in place for the start of the semester. Also, the Board wanted the Auxiliary to communicate to the operators that the Board would like a right-of-first-refusal model, and also, that the GA was interested in having events that serve alcohol. The motion was seconded by Ms. Chen.

THE MOTION TO CONTINUE MOVING FORWARD WITH NEW OPERATORS FOR THE BEAR'S LAIR PASSED WITH NO OBJECTION.

Mr. Landis said he would like to get an update on David Cramer and Creative Cuisine. The Board voted to go forward with them last month and they were supposed to present that afternoon. Mr. Permaul said they did start to go forward with this. Mr. Cramer was to have come back with a more fleshed-out proposal. There was also a deadline by which to provide material. The Auxiliary will follow-up, but there are other people interested in that space, and it didn't bode well that Creative Cuisine didn't get back to them in a timely way.

Mr. Poullard asked by what date will they try to conclude negotiations for the Bear's Lair. Mr. Permaul said it was as soon as possible, well before the June 15 meeting.

Mr. Permaul said the current Pub vendor tried the model which they're proposing when they first moved in. It didn't work for them, but for different reasons. They did not have access to meal plans, and as a result, there was no way to guarantee a student population. So they started out with a much more upscale, broader community approach. What they ended up with has worked for the Pub as well as it could. He just wanted to the Board to be aware of that. This was a good opportunity to test this relationship with Cal Dining, and they'll have a year to see how it will look.

Mr. Coley said that Cal Dining has the inside game and knew how to communicate to the key population, and has direct access in ways that other vendors don't. Mr. Permaul said the meal point program was a huge asset.

Mr. Daal said he wanted to express strong reservations about Stradavarius' partnership in this. It de-emphasizes the alcohol aspect of the Pub, which he saw as being important to this enterprise.

Mr. Coley said he was a primary advocate of wanting to de-emphasize alcohol in this facility.

#### BRAILSFORD & DUNLAVEY UPDATE ON THE FUTURE BUSINESS MODEL

Mr. Permaul said he, Ms. Stager, and Mr. Spivey met for about six hours with Brailsford & Dunlavey . The consultants understand what the Auxiliary has been doing for the past five years and understood the Auxiliary's financials and where the Auxiliary was going. He believed that consultants think they're heading in the right direction and believe that direction will be successful with Lower Sproul. The consultants will bring standards to the discussion about what was needed to provide administrative and business services to this location. They'll say how many custodians were needed per square foot, e.g., how many people were needed for security, and the amount needed to provide maintenance per square foot. That information will be very valuable for the Board and it will serve as a baseline to understand how to review the budget and what revenue they need to aspire to in order to make the operation work. It will also serve as a measure of where they might be able to compromise, working with the campus, to ensure funding. He didn't see private revenue alone being the only solution to the long-term sustainability of business and student operations. They'll need other sources of support, and there will be more collaboration between the campus and the ASUC as they go forward.

Ms. Stager said the consultants understand student needs and student business. They'll state what was needed to be successful.

Mr. Daal asked if B&D presented an overall expectation of commercial revenue. Mr. Permaul said they weren't looking at this from a revenue point of view, but what was needed in order to run this successfully. That will inform what the revenue needs are. Mr. Daal said he thought their task was to assist the Auxiliary in maintaining a successful operation, which would mean having enough revenue, compared to expenses.

Mr. Poullard said that was a slightly different way of putting it. In a meeting with them, the consultants just kind of plugged \$21 per square foot into the planning, based on location, usage, types of chairs used, etc. He asked if that was real, since that number ranged from \$6 to \$70 per square foot, depending on size and location.

Mr. Permaul said that B&D was looking at the amount of space for food vendors, Brailsford & Dunlavey felt it was inadequate. They'll provide an objective analysis. Whether or not the Auxiliary could do anything about it may be moot, but the consultants will state what it would take to be successful in terms of expenses and to generate enough revenue for those expenses.

Mr. Daal said the \$21 per square foot that was used came from UCOP.

Mr. Permaul said that Brailsford & Dunlavey brings expertise from all over the nation, and has worked with a variety of different student unions and commercial activities.

Mr. Spivey said he was impressed by the standards of service the consultants used. The costs for facilities and infrastructure they come up with will provide a great target that he believed the Auxiliary would have to ramp up in order to meet. There was also an element for the landlord, in leases, to promise a certain number of people per day walking past particular sites.

Ms. Loomba said that from the student perspective, she was at a meeting with the consultants, and they seemed very promising, and understood the model the ASUC needs.

Mr. Daal asked if B&D's analysis will encompass the barriers the Auxiliary encounters, and if recommendations will be included of how to better work with the campus. Mr. Permaul said the Auxiliary talked about the complexities of being both a student entity and a campus entity, and trying to please both sets of administrative masters. The consultants were also concerned with the Board's responsibility to support commercial activities of the Student Union complex. So it wasn't just the Administration.

Mr. Daal asked if the consultants understood that the Board could make a decision, but might not actually be able to carry it out. Mr. Permaul said they're aware of that. He wasn't sure B&D will be able to speak to that.

Mr. Coley said the consultants need to be very clear about what was necessary to be in place for this operation to be successful. The Board would need to use that as leverage with the Administration and what relationship was needed to be successful. He would expect the consultants to speak to the shortcomings of the environment in which the Board operates. He asked if they were talking about making those suggestions. Mr. Permaul said the Auxiliary would have to follow-up on that with the consultants. Mr. Daal said that would include the business partnership clause of the CAA. Mr. Poullard said he and Mr. Permaul could follow-up on that, along with LeNorman Strong, who heads up the working group.

Mr. Daal said he was concerned B&D could come up with recommendations that the Board didn't have the power to carry out, because they didn't have that partnership in place. Mr. Permaul said B&D could define what a successful partnership would be, a standard.

#### DRAFT UPDATE ON THE SOB CHAIR'S END-OF-YEAR REPORT [Appendix 1]

Mr. Landis said the previous Chair, Yishi Zuo, as required by the CAA, sent out an annual report, "Store Operations Board 2010-2011 Annual Report." They'll send it to the Chancellor and the Senate. Significant changes were noted. In September, 2010, they brought Kaplan Test Prep to campus; in February, 2011, Subway and Saigon Eats came in; in March they signed a lease with Fresh Choice; in April the temporary removal of the Tilden Room as commercial space was approved, and it was designated as a non-denominational meditation and reflection space. If people would like to note or add anything else, they should let him know. Mr. Poullard said he could send out people's comments prior to the June 15 meeting.

Mr. Marchand asked when the Board would see proposed Charter revisions. Mr. Daal said the subcommittee could try to arrive at consensus on a draft, and have a segment on Charter revision at the next Board meeting.

#### UPDATE FROM THE ASUC AUXILIARY

Mr. Permaul said he asked Ms. Stager to revise their pro forma. The campus, CACSSF, and the ASUC proposed adding \$75,000 in Student Services Fee to the Auxiliary's budget to support services by the GA and Student Affairs. That lowers the Auxiliary's deficit for next year, and the pro forma was revised.

There will also be some potential changes from moving administration and finance to Student Affairs. They have yet to understand what those impacts are. They'll be modeled by the June 15 meeting.

Mr. Permaul said he had examples to show of work done by James Walters, the new Manager of Marketing. He's putting together a program in conjunction with Cal-SO, Caltopia, and Calapalooza. He's looking at a strategic way of doing marketing for the ASUC and continuing to enhance commercial sponsorship revenue.

Regarding construction, Mr. Permaul said that if it starts in September 2012, that would mean a surge out of facilities next June. There will be a tremendous amount of logistical work to relocate offices and services and to terminate agreements with vendors and close businesses. The Board will have a significant role to play. He thought this will come up at the Board retreat.

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Regarding the purchase of chairs for Pauley, the chairs they have are 30 years old. Between attrition and damage, chairs for the entire room cannot be provided for large events. For a year and a half, Events staff has been prepping him to replace them. Mr. Permaul said he's been cautious in the use of reserves, but they now had to consider purchase of about 60 tables and 300 chairs, at a cost of between \$60-70,000. A breakdown will be provided to the Board at its next meeting.

If construction starts next year, this furniture wouldn't be needed for two or three years. But the problem was the coming year. Mr. Spivey will look into whether rental would be a better option. If construction doesn't start for two or three years, the payback period would probably be worth a purchase.

Regarding personnel, Mr. Permaul said he's been meeting with Mr. Coley and Mr. Poullard. Mr. Permaul said he'll need clarification from Mr. Poullard on the GA's Funding Advisor. There was a passionate request from Ms. Hsueh to move forward with that position. Mr. Poullard wants to look at the overall character of the Center for Student Leadership, the Office of Student Affairs, and the GA. They put a hold on that position and another position that was to be split between ASUC student government and publications. Mr. Poullard said there was a misunderstanding about that.

Mr. Marchand said salaries for the Advisor position and the GA's front desk were being split between the GA and the Auxiliary. Mr. Permaul said that if they get the additional Student Services Fee money he mentioned, the split would be 60 from the ASUC and 15 from the GA.

Mr. Marchand asked about revenue sharing. Mr. Permaul said the budget of the Auxiliary was in deficit, so the terms of the revenue split between the GA and the ASUC was the same, .3 to the GA and .7 to the ASUC. The ASUC pays for the Secretariat.

Mr. Poullard said he could ask CACSSF about any specifications on how additional funds were to be utilized.

Mr. Marchand said that if cost of employees was split between two sources, then the revenue had to be split in the same manner. Mr. Permaul said he agreed.

Regarding Art Studio classes, Mr. Permaul said they're getting outstanding analysis from the Acting Manager in the Art Studio, Erik Scollin. Mr. Scollin did three different models where he broke out costs for classes and matched them up against expenses in an activity-based model. And then, at Mr. Permaul's request, he surveyed what Bay Area competitors were charging for classes. He also looked at the impact from a fee increase.

Fees for students last year were raised 5% and their participation went down 15%. Fees for community users, which substantially subsidize Art Studio operations, were also raised.

The option they chose would raise student fees by about 14-15% and raise community members' fees by 17-18%. Next year they'd be within \$20,000 of breaking even on the ABC model. The Studio hasn't broken even for 20 years. But with the drop in student participation, Mr. Permaul said he's asked for a fourth model, a 10% increase to students and a 20% increase to the community. That would put the Studio at the edge of having the highest cost locally for classes for community members.

Mr. Daal asked about the change in revenue from the 15% drop. Mr. Permaul said it was significant. They started the year with a \$40,000 shortfall. With staffing decisions they made, they have a \$15,000 increase this year over last year. Mr. Daal said student participation dropped 15% but they made more. Mr. Permaul said community partners were willing to pay a higher amount. They're maxxed out in the most popular classes. The classes weren't full last year, but they've broadened the range of classes to include intermediate and advanced classes, besides entry level. That allowed them to raise the cost.

Mr. Landis asked if there was any other reason for the 15% cut in student users occurred. Mr. Permaul said it wasn't CARS and it wasn't marketing, since classes were full.

Ms. Chen asked about the ratio of students to community users, and asked what would happen if they raised fees again. Mr. Permaul said it's about 30% students 70% community. But when he says "community," it's the Cal community, because many staff and faculty use the Studio, as well as their family members. And there are also people from the outside community. Any increase to students would decrease their participation.

Mr. Poullard asked if they'll ever have a break even operation, since they can't expand the space. Mr. Permaul said that was correct. Mr. Poullard said that is a question for students about core services.

Mr. Permaul said they're the only campus in the UC System that doesn't have its craft operations subsidized by student fees. Mr. Poullard said not knowing if and when that will happen, the question was what risk the Board wanted to continue to assume with the Studio. Mr. Permaul said that was a question for the retreat. He was only asking the Board to consider it at that time because the second summer session starts at the beginning of the new fiscal year, and they had to make decisions for the new fiscal year as quickly as possible.

Mr. Nicholas asked if fees were increased in the fall. Mr. Permaul said that was correct, fall, 2010. Mr. Nicholas said that in the last couple of years student fees have generally increased, which might be a factor for students. Mr. Permaul said discretionary income was down.

Mr. Nicholas asked why they couldn't find more space for photography classes. Mr. Permaul said he had a meeting with RSSP about using facilities which, during the day, were often not fully utilized. The most popular classes were clearly ceramics. They work with Art Practice to get access to facilities in Kroeber for painting and drawing classes. He believed those facilities were also fully utilized. Mr. Nicholas asked if this occurs in the summer as well. Mr. Permaul said he'd have to check.

Mr. Landis said with 30% of the users students, a 15% decrease in student usage might only mean a few people didn't sign up. Mr. Permaul said he'd come back with more information on that.



Mr. Daal said that some people caught wind that there was thought about closing the Studio, and some of his constituents have asked him to not do that, because it was their only source of refreshment throughout the semester. He thought the Board should listen to that interest.

Mr. Daal said his inclination would be to eat the deficit as much as they could, even though he didn't like that. Mr. Permaul said that in the activity-based model, they hope revenues balance against total expenses. The question was whether they wanted to continue to subsidize the business operation. The same was true with Lecture Notes, although Lecture Notes doesn't have a giant space with overhead.

Mr. Daal said people involved with Lower Sproul have been grappling with the program in the Eshleman "pebble." The entrance to MLK, by Tully's, was kind of empty, and for the future, they were considering an art enterprise there.

Mr. Poullard asked if this activity that students engage in, which benefits their health and well being, was valuable enough, from a fiduciary responsibility, to continue to run a deficit, given other priorities they have.

Mr. Coley asked what the deficit would be at the end of the year. Mr. Permaul said they might break even that year. Ms. Stager said that was for direct costs, not for the activity-based model. Mr. Coley said the numbers weren't sufficiently clear to make a determination. When the Board has had this conversation before, it was determined that it was acceptable to have a \$30-35-40,000 direct cost loss. But that loss didn't consider total costs for the operation, which would put the loss at \$200,000. Mr. Permaul said they could come back with the 2010-11 full costing shortfall. Mr. Coley said that's what the conversation needed to be centered upon. There was nothing wrong with subsidy as long as it was a conscious decision. If they could justify subsidizing this for \$200K, then doing that might make sense to somebody.

Mr. Nicholas said he believed the Studio was highly utilized by grads. Paying and chilling out was different than going to Kroeber and being graded.

Mr. Coley said the next time they have a conversation on this, he would recommend that a business case be focused on the Art Studio. Perhaps they could change the allocation formula. Mr. Permaul said they could do that at the next meeting.

Mr. Daal said he'd like an itemized list of expenditures by program, such as the cost of photography and ceramics. The Board was now looking at costs as a chunk, making it hard to figure out how to diminish costs without cutting a chunk from the program. Mr. Permaul said he believed those figures have been determined.

Mr. Nicholas asked if it was possible to shorten classes and perhaps have another class per day. Mr. Permaul said he could bring that up. They were getting close to breaking even.

Mr. Poullard asked if the Board, after Mr. Scollin makes a presentation, could commit to give some direction on moving forward. He noted that there was consensus. Mr. Daal said they'd need some clear possibilities, like changing class time or program costs. Mr. Poullard asked if the model could include a strategy to breaking even, or coming closer to that.

Mr. Permaul said that lastly, with Creative Design and Mr. Cramer stepping away from the CUBS space, the Auxiliary was approached by another vendor for that space, a soup operation. They might make a presentation at the June meeting.

Mr. Spivey said the Auxiliary heard another presentation that day, although not a fully vetted presentation, from Healthy Organic Food and Market.

Mr. Nicholas said that Fresh Choice would also offer soup. Mr. Permaul said they'll make sure there wasn't competition.

Mr. Daal asked why vendors were suddenly interested in this space, after the Auxiliary got one bid for that space before. Mr. Permaul said the Auxiliary has changed the way it does business. People used to look at the Food Court and how it was maintained and operated, and how the vendors there spoke about the ASUC. They have people who are more professional, and that comes across.

Mr. Daal asked if they could have a revenue item for each function, such as for the Studio. Mr. Permaul said they have the revenue sheets already.

Mr. Daal said he would also like to see where the GA was making a contribution. Also, for the cumulative shortfall covered by reserves, he'd like to see that as an ending reserve balance rather than a cumulative shortfall, showing what was left in reserves.

Mr. Daal said another suggestion was to scan material distributed at meetings, and save that as a file for a particular meeting.

Mr. Landis said he was under the impression they were going forward with Cramer and Creative Design. He didn't show up that day, but he seemed to be the most feasible option. Mr. Permaul said they're looking into businesses with relatively low overhead so if they're here only a year and had to make an investment, they wouldn't be hurt financially. And they also had to consider construction. Cramer didn't meet the obligation to send material on Friday, and Creative Cuisine was to have made a presentation that afternoon, but didn't show.

Mr. Poullard said he would entertain a motion to adjourn the meeting. It was so moved and seconded and passed with no objection.

This meeting adjourned at 4:27 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

## Appendix A

### Store Operations Board (SOB) 2010-2011 Annual Report (5/24/2011)

#### Executive Summary:

Over the past year, the SOB has functioned differently than it had at any time in its history. For the first time ever, we discussed broad policy issues on a regular basis. Our discussions and work this year have centered around our long-term strategy to ensure the health of A.S.U.C. commercial activities, our guiding principles, and necessary structural changes to ensure a properly functioning Board.

This year, Board members have expanded their roles and become engaged outside of meetings. We are taking responsibility for our decisions, and are embracing the fiduciary duties entrusted to us by the original Commercial Activities Agreement at a substantive level. We are moving in a direction of greater control and accountability, as per the original spirit of the CAA, and beyond anything I witnessed in my previous two years on the Board. Working with the Auxiliary, we have reshaped the purpose and performance of the Board.

#### Visible Changes:

In September 2010, we brought Kaplan Test Prep to campus.

In February 2011, two new vendors that the SOB previously selected -- Subway and Saigon Eats, came online in the Bear's Lair Food Court, breaking a cycle where vendors exercised more control than the Board did on who occupied A.S.U.C. commercial spaces. Since that time, the Bear's Lair food court has been more vibrant than ever, and drawing more students and other users.

In March 2011, we signed a lease with Fresh Choice, who will be coming to campus next semester. We are also working to fill the vacant space previously occupied by CUBS [Credit Union], and have had several vendors approach us, a condition that did not exist prior to this year. We are viewed more and more as a location of choice, rather than as a difficult place to work with.

In April 2011, with the support of campus, we approved the temporary removal of the Tilden Room as commercial space and the room's designation as non-denominational meditation and reflection space. This action brought an end to an issue that has long been difficult to resolve.

We are considering new collaborations with campus [Dining Services] in the student union both at the Bear's Lair Pub and possibly as our exclusive caterer for Pauley Ballroom.

We're looking forward to a full year of operations after a long period of change and transition.

#### Behind the Scenes:

Throughout the year, we have guided the Auxiliary in finding ways to reduce costs, and consolidating services where possible with minimal impact on service levels. Over the past year, the Auxiliary has consolidated its

HR, IT and Custodial Services. It has for the first time, prepared multi-scenario long-term budget forecasts from fiscal year 11-12 until 18-19

Additionally throughout the year, we have worked closely with the Lower Sproul Planning Committee. In March, Claudia Scotty and Rob York, the Lower Sproul food and retail consultants, spoke to us. In May, members of the Board met with the Brailsford & Dunlavy consultants. SOB members, administrators and students alike, are active in the Lower Sproul work groups and channels of communication and collaboration remain strong.

For the first time in the history of the SOB, we have formed functional subcommittees that have focused on variegated issues such as 1) ASUC Auxiliary Core Services 2) Amending the SOB Charter 3) Core Values to Consider in Selection of New Vendors.

This is also the first year that the SOB held a retreat, which took place on January 23rd, 2011. At this retreat, our conversation centered around long term visioning, charter revisions, and the structure of the Auxiliary.

#### Path for the Future:

In terms of structural changes, we are moving toward a structure similar to that of UCLA's commercial activities Board, which will hold our body more accountable for future decisions and create more continuity and training within the organization. A subcommittee of the Board has been working on Charter revisions and By-laws to submit to both the campus and the A.S.U.C. Senate for approval.

Additionally, the Lower Sproul Project has brought about some very exciting opportunities in the near future. As mentioned previously, we are actively working with the Lower Sproul Planning Committee to create a socially and commercially vibrant space.

We have instructed the Auxiliary to explore opportunities in areas such as food carts, commercial sponsorships, electronic signage, and collaborations with other campus divisions. For example, as mentioned above, we are in discussions with Cal Dining and a third-party vendor partner to take over operations of the Bear's Lair Pub.

In the next few years, based on its conservative estimates, the Auxiliary expects its annual deficits to disappear before it runs out of reserves. By 2016, if not before, as various projects come online, we expect the Auxiliary to achieve positive operating margins that will continue in the future.

#### Note:

I would like to give credit and thanks to the employees of the Auxiliary who have worked closely with the SOB over the past year and have done an excellent job -- 1) Director Nadesan Permaul for making the difficult but necessary cost-cutting decisions while also providing more access to core services; 2) Associate Director Tom Spivey for dealing with our current vendors while working on new contracts; 3) Finance Director Marilyn Stager for the countless financial models, forecasts, and revisions. Year after year, the SOB demands a lot from its Auxiliary, and I would like to thank these folks for always following our requests and maintaining this smooth relationship.

Sincerely,

Yishi Zuo (BS 2011); SOB Chair, 2010-2011; Member 2009-2010; ASUC Senator, 2008-2009

## Appendix B

### Written Update from the ASUC Auxiliary

May 24, 2011

Report to the A.S.U.C. Store Operations Board

Submitted by Director Nadesan Permaul  
A.S.U.C Auxiliary

#### Auxiliary Initiatives

1. Beverage Alliance: The Auxiliary initiated the review of the campus beverage contract this past spring. After months of work, the Campus Beverage Alliance, composed of Intercollegiate Athletics, R.S.S.P., Recreational Sports, the A.S.U.C Auxiliary and A.S.U.C student government, worked out an RFP [request for proposal], which has been published for bidders to act upon. I can discuss the details of the RFP, but until bids are posted and a selection made and signed, the terms offered by any bidder are legally confidential. The RFP is public information and I will send out a copy to you before our next meeting.
2. Lower Sproul Working Group: The Auxiliary has participated in several aspects of Lower Sproul Planning. I represented the Auxiliary in a meeting with student representatives and their architect to establish priorities for program elements in the project based on the need to keep the construction budget for the project in line with funds available. The working group is also hearing that the project itself is very likely to change from a staged construction to a single construction project, which will have direct impacts on the Auxiliary's operations over the next few years, and on our businesses. Revenues should be addressed by "revenue replacement", but the Board will need to look at the terms of the MOU in which those funds are pledged to see the annual and total caps. We are currently in negotiations with vendors on lease terms, and if we are going to close the entire complex next summer or fall, Tom and I need to know that now.
3. Purchase of Chairs for Pauley Ballroom: While deferred maintenance is being studied by the campus for possible sources of funding, equipment purchases are not. The chairs in Pauley Ballroom are over thirty years old and are in short supply for events due to damage and attrition. The Events staff has proposed a purchase of 300 chairs for fiscal year 2011-12 in order to meet anticipated need for events. The cost for the chairs and tables needed is in the range of \$60,000 to \$70,000 out of A.S.U.C equipment reserves. I will need the Board's and Student Affairs' approval to proceed with this expenditure.
4. Personnel: The Auxiliary is moving ahead with student hires as it enters its transition to the Division of Student Affairs. Administrative Lead Assistant Vice Chancellor Jonathan Poullard is reviewing personnel actions and authorizing them as appropriate. Staffing for the Art Studio and Events Services, as well as the Lecture Notes/Admin. Assistant have been approved. Decisions on student affairs hiring is temporarily on hold while review of those cost centers are undertaken as part of the transition to the Dean's Office. Organizational Simplification actions, as part of the campus-wide Operational Excellence endeavor are also moving forward.

Auxiliary Initiatives (cont'd)

5. Brailsford and Dunlavey: Consultants hired by the Lower Sproul project, Brailsford and Dunlavey, met with Tom Spivey, Marilyn Stager and myself for a considerable amount of time to understand our core services, our operations, our funding sources, and our projections presented to the Board. They will be using these materials and other information provided by the campus, along with a set of operational standards, to provide a recommendation to the campus on what the A.S.U.C. will need in terms of staffing and funding to effectively operate the new Student Union facilities upon the completion of the BEARS Initiative.
6. Art Studio Classes: Working with our Acting Art Studio Manager, Erik Scollon, we have done an analysis of class offerings and prices to almost close the Activity Based Costing requirements for the Studio. To close that liability to approximately a \$20,000 shortfall for 2011-12, we would need to raise class prices by 14-15% for students and 17-18% for the community given our distribution of users. We learned when we raised student fees last year by 5% that we lost over the course of the year, approximately 15% of students in classes. We cannot raise community costs much higher than 20% without pricing ourselves out of the Bay Area market. So the Board needs to consider how it wants to proceed. We need a decision by July when we begin advertising the second session of the summer, and our first for the new fiscal year. I have asked Erik for another model to consider, raising student fees by 10% and community members by 20%, but in either option if we raise student fees, we are likely to reduce student participation.

Pending Actions:

1. Electronic Signage: I will meet with Emily Marthinsen to determine how to present a proposal for an electronic information board on the south side of the Student Union, facing the corner of Bancroft and Telegraph.
2. Food Court Initiative: Jonathan Poullard, Ron Coley, and I will propose a meeting with Emily Marthinsen to begin discussion of this concept.

Submitted by: Nadesan Permaul  
A.S.U.C. Auxiliary Director

DECISIONS OF THE BOARD

Procedures

- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- October '10 Mr. Zuo elected as Board Chair
- October '10 Ryan Landis joins the Board, undergraduate representative.
- September '10 Mr. Daal elected as Board Chair.
- September '10 Prof. Edwin Epstein joins the Board.
- September '10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.



Procedures (cont'd)

June '05	Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
Feb. '05	Mr. Miles and Mr. Williamson joined the Board.
August '04	Formed an ad hoc committee to study increasing efficiency in information technology.
July '04	Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
April '04	Considered and amended ASUC Auxiliary Budget Principles.
Jan. '04	Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
Dec. '03	Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
Oct. '03	Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
Aug. '03	Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
June '03	Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
June '03	Formed a Subcommittee on Committees to determine a committee structure for the Board.
June '03	Agreed to hold a Board members orientation by August 30.
May '03	Agreed on the need for a Board members orientation to be held before the start of the school year.
Dec. '02	Enhanced Board minutes by adding "Decisions of the Board."

Vendors

April '11	Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
Mar. '11	Heard from a consultant on Lower Sproul and heard the results of a major survey.

Vendors (cont'd)

- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.  
Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.

Vendors (cont'd)

- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.

Vendors (cont'd)

- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.

Vendors (cont'd)

- |           |   |
|-----------|---|
| March '04 | Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space. |
| March '04 | Recommended signing the Follett contract, dated Feb. 26, '04.   |
| Jan. '04  | Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.   |
| Jan. '04  | Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.  |
| Dec. '03  | Heard from John Martin, operator of the Pub.  |
| Nov. '03  | The Daily Cal lease was signed, and printing of the ASUC government page began.   |
| Nov. '03  | Heard a presentation on Coca-Cola business practices in Colombia.   |
| Aug. '03  | Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.   |
| July '03  | Approved a five-year lease with the Daily Cal.  |
| July '03  | Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.   |
| Sept. '05 | Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.                            |
| May '05   | Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.  |
| Nov. '04  | Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.   |
| Aug. '04  | Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.  |
| July '04  | Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.   |

MLK Student Union / Pauley Ballroom

- April '11 Voted to make the Tilden Room meditation and reflection space.
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
- Oct. '08 Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07 Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05 Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
- July '09 Approved the 2009-10 Auxiliary budget.
- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
- Sept. '04 Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04 Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04 Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03 Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03 A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03 Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.

## STORE OPERATIONS BOARD MINUTES

June 15, 2011

Present: (Members and others)

Waleed Abed (Senator)	Molly Epstein (GA Treasurer-elect)	Bahar Navab (GA Pres.-elect)
Chris Alabastro (EVP-elect)	Prabhdeep Kehal (Aux. SOB Intern)	Michael Nicholas (Bd. mbr.)
Hedy Chen (Board member)	Todd LaPorte (Board member)	Nadesan Permaul (Auxiliary)
Ron Coley (Board member)	Vishalli Loomba(Pres.-elect)	Jonathan Poullard (Bd. mbr.)
Miguel Daal (Board member)	Philippe Marchand (Board member)	Erik Scollon (Acting Studio Mgr.)
Edwin Epstein (Board member)	Emily Marthinsen (Board member)	Tom Spivey (Auxiliary)
	Stefan Montouth (Senator)	Marilyn Stager (Auxiliary)

This regular meeting of the Store Operations Board was called to order by Jonathan Poullard at 9:02 a.m. in the Senate Chamber.

### INTRODUCTIONS

Mr. Poullard said there were some new folks on the Board because of transition among the undergrads, so he thought they'd start with introductions: Miguel Daal, current GA President; Philippe Marchand, graduate Board rep; Vishalli Loomba, incoming ASUC President; Chris Alabastro, ASUC Executive VP; Michael Nicholas, grad student Board member at-large; Ed Epstein, faculty member; Emily Marthinsen, Assistant Vice Chancellor for Planning; Todd LaPorte, faculty member; Nad Permaul, Director, ASUC Auxiliary; Marilyn Stager, Financial Services Manager, ASUC Auxiliary; Tom Spivey, Associate Director, ASUC Auxiliary; Jonathan Poullard, AVC, Dean of Students, and Acting Chair of the Board.

### APPROVAL OF THE AGENDA AND MINUTES

Mr. Poullard called for a motion to approve the May minutes. It was so moved and seconded by Mr. Epstein and Mr. Marchand. **THE MOTION TO APPROVE THE MINUTES OF THE MAY 25, 2011 BOARD MEETING PASSED WITH NO OBJECTION.**

Mr. Poullard said that seeing no requests for public comment, they'd move on in the agenda.

### RETREAT DATES

Mr. Poullard said they sent out the proposed dates for the retreat, August 26-28, Friday through Sunday. They recognize it's the beginning of the academic school year, right after Welcome Week. But they only had three weeks to choose from and it would be before the Labor Day weekend. He asked how many people couldn't make those dates, and noted that he and Ms. Marthinsen couldn't attend. Mr. Permaul said that Mr. Poullard was to have facilitated, so they'd have to find another model. Mr. Poullard said he could assist with that. After further discussion, Mr. Poullard said they'd hold the retreat August 26-28.

Mr. Poullard called for volunteers to help him and Mr. Permaul with planning. They'll have readings on effective workings of boards and the SOB's responsibilities. Members volunteering were Mr. Nicholas, Mr. Alabastro, and Ms. Loomba. Mr. Poullard said material for the retreat will go out by July 21.



Mr. Permaul said he sent out a URL of a relatively short document on how to look at board work and board philosophy. He also brought two books he'd recommend, used by the Alumni Association Board when it restructured.

## AGENDA

Mr. Poullard said he was asked to add the sustainability consultant to the agenda. Mr. Permaul said the person wouldn't be present and the Board could hear from them in July. Mr. Poullard said they could do that, since a report from Brailsford & Dunlavey was the only item on the July agenda. Mr. Nicholas asked if the Board would elect a chair in July. Mr. Poullard said they'd do that as well. Mr. Permaul said they also might have a lease to consider for Fresh Choice and the Naia space, to be sent out in advance.

## ART STUDIO BUDGET PRESENTATION

Mr. Permaul introduced Erik Scollon, who has an MFA in ceramics and a Master's in visual and critical studies from the California College of the Arts. He came to the Auxiliary in 2008 when an agreement was made with bargaining units on campus to move the Studio from limited appointed positions to career status. After the departure of Kate Wees as Manager that fall, Mr. Permaul said he asked Mr. Scollon to serve as Acting Manager. Mr. Scollon is also a world class master's swimmer, ranked in the world's top ten at his level. Mr. Scollon said that as a caveat on his swimming, and it was world class for old people.

Mr. Scollon said he just wanted to check in with the Board and make sure the Studio was going where the SOB wanted it to go.

The Art Studio offers beginner, intermediate, and advanced classes in ceramics, photography, and painting and drawing. Classes are six weeks, offered in two sessions per semester, six sessions in a year. They also provide open-use facility access for ceramics and black and white photography, which are both equipment intensive.

Participants range from first-time recreational users as well as very high-level students. That past year two or three of their students have been accepted into MFA programs. So Studio members get a level of education and service. Departments such as Art Practice shoot for admissions like that. So the Studio has a full range of service.

About 46% of participants are current UCB students. The remaining 54% are affiliates, campus-related faculty, staff, and alumni, and people who live in the community. Each year there's about 2,000 registrations total, ranging from people who register for all six sessions to those who take one class.

Mr. Scollon said the Studio provides a stressless environment from daily and academic matters and it contributes to campus creativity and the arts. They host two holiday sales and have exhibitions. The Studio brings a unique constituency to the Lower Sproul area and provides a service to students they might not be able to find elsewhere.

Mr. Scollon said there are things the Studio does but could do better. One goal was to foster creativity and creative thinking. They teach tactile construction skills and visual literacy. People get bombarded

by 600 visual images a day, and students are taught how to understand those images and not be passive recipients. One thing the Studio could do better was becoming a resource and knowledge base.

The Studio acts as a leader for the campus in creative expression, community engagement, and aesthetic enrichment. It reaches out in broader ways, such as artists taking their work out into the world and through an internship program

A small grant of \$3,000 was received from The Green Initiative Fund, to buy new equipment to recycle more material. A group of students makes recycled bowls and mugs that the Studio sells.

Mr. Scollon said the Studio is set to move forward with a fee hike, and he just wanted to check in with the Board to make sure that's what the Studio should be doing. From fiscal year 08-09, revenue has slowly gone up, because class prices have slowly gone up; but registrations per year were slowly declining. As prices go up, revenue goes up, but access goes down.

The Studio charges a lot more than similar art studios or craft centers on other campuses, such as Oregon State, San Luis Obispo, UCSD, and UCD. The Studio charges \$130 for ceramics, versus \$102 for the U. of Oregon,; \$91 at UCD; \$71 at UCSD; and \$64 at Oregon State.

The Studio has offered classes in programs like Photoshop, but the marketing co-op recommended focusing on core programs of ceramics, photography, painting and drawing. They have staff who are knowledgeable in programs, but they don't have a computing facility that could support classes, something he'd love to provide. They now only have a few work stations for the programs.

The way that other art centers at different schools are funded runs the gamut. Some don't need to cover costs for salaries, rent, or indirect costs. Some are subsidized by student fees for one-third of the budget and some are part of Rec Sports.

Mr. Scollon said the Art Studio also serves affiliates. Compared to other regional arts classes, the Studio is a little bit cheaper than everybody else.

Mr. LaPorte asked how many people other venues serve. Mr. Scollon said they're about the same or less than the number the Studio serves. Mr. LaPorte said there seemed to be an upper limit to programs in terms of the number of participants. Mr. Scollon said that was the case. For most places artists run them, and no venue was heavily marketed. They could increase participants with better marketing.

Mr. Epstein asked what percent of capacity they were operating at and asked about potential campus relationships that might increase usage. Mr. Scollon said ceramics operates at about 110% capacity. It brings in the most money and is the Studio's bread and butter. But given their space and equipment, they're at capacity. For black and white photography they're at about 25% of capacity. In the mid-90s, it was 110%. For painting and drawing and digital photography, it's constantly expanding. As long as there's demand, they could have classes. They have three or four digital photography classes and his goal was double that by the fall. Painting requires a sink and could get messy, but can grow. Classes have doubled since he got there and his goal was for them to double again, by the fall.

Mr. Epstein asked to what extent there's been outreach to the UC Retirement Center, and said he could provide contact information. Mr. Scollon said that if he knew there was a demand, he could fill it. If he just imagines a demand, it doesn't work. Mr. Epstein said they could also make contact with the Center

for New Media. Mr. Scollon said that without a direct contact, it's hard to get to people. He wanted to have a freshman photography seminar, but couldn't get to the freshmen. Ms. Navab said that's where student connections with the Board could help.

Mr. LaPorte said departments were often standoffish when it came to doing things they haven't done before. An informal advisory group of faculty might help departments do things with the Studio with their students. Mr. Scollon said one thing the Studio did was to host academic classes as the only B&W darkroom in the area.

Mr. Permaul said it took a year, until last fall, to restore the Art Studio and completely fix it up. Mr. Scollon has only been there since February.

Mr. Scollon said that as to how other local art centers are able to offer classes is through having retail space, getting gifts and grants, fundraising, and funding from cities.

UC registration is \$130. As to how it's spent, the screen showed a pie chart of the breakdown, including: \$40 for the instructor, the most important part of any art class; \$34 for material and equipment; \$29 for the Studio manager; \$23 for student staff; \$13.50 for career staff; \$9 for administrative full costing; \$23.50 for administration.

The Studio should pay more for utilities and he'd like to pay more to get better custodial service. Direct costs are \$148 and indirect costs are \$44, for a total cost of \$193. Yet they only charge \$130. The question was whether to raise prices for students or leave that the same and raise prices for affiliates and community members.

Ms. Navab asked what "administration" costs cover. Ms. Stager said that covers a portion of Auxiliary salaries, payroll, general accounting, and marketing, people who help manage and run the Auxiliary. Mr. Permaul said he and Mr. Coley came up with an analysis and came up with a formula for the distribution of those costs.

Mr. Coley said that until about three years ago, units in the Auxiliary, particularly the Art Studio, thought they were doing well because they were covering their direct costs. But the units that report to him went to an activity-based costing model, where all costs were distributed over all unit activities.

Ms. Stager said that admin and indirect costs of salaries, benefits, and supply costs for administrative staff are allocated by percentage of time spent on an administration program.

Mr. Epstein said that once indirect costs are added, it's very difficult for operations like the Studio to remain above water, something he's seen at other non-profits.

Mr. Poullard said indirect costs are much higher, 52%, especially on the academic side.

Mr. Coley said that after the first eight years of the ASUC Auxiliary's existence, this problem only became critical when the organization started to bleed red ink and use up its reserves. It was important to know what the actual costs were to do business. Every year the Board has a conversation about subsidizing services that are valuable. What they decided to do was to be very specific about what actually contributed to costs, in an effort to eliminate or reduce indirect costs.

Mr. Marchand said these costs, such as with administrators, would be there no matter what. Mr. Permaul said that was one of the dilemmas of the ASUC and its current structure. As a self-contained unit, there's a cost of doing business. The Auxiliary has been trying to reduce its structure to deal with the bleeding of resources. They're no longer balancing their books. They're shrinking staff but weren't shrinking the services they provide. So they're in a Catch-22. It's the same problem with the Cal Lodge. Even if it's closed, the ASUC still had to pay to maintain it.

Ms. Navab asked how much the Studio was thinking of potentially increasing the cost to students. Mr. Scollon said it costs \$193 to offer a course, so it could be as high as \$63 more. Mr. Permaul said they sent out a model for this year where they'd have a \$17,000 shortfall. That model has an increase in prices to the community next year, but not for students, because of precipitous drops in student participation when student rates are increased.

Ms. Navab asked about the community continuing to subsidize the students. Mr. Permaul said that for the classes that the marketing co-op wanted to emphasize, there's generally demand.

Mr. Scollon said he wanted to offer more digital photography classes and to build a base, with people going from a beginning class to intermediate, and then to advanced. He hoped to have four digital photography classes in the fall and six in the spring.

Ms. Chen asked about the relationship between an increase in costs for community members and if that would go to cover the shortfall. Mr. Scollon said that wasn't in place, and would mean they'd always have 50% community members. Mr. Permaul said that to eliminate the shortfall they'd have to increase fees for students as well. But the Board has directed the Auxiliary to preserve student participation.

Mr. Scollon said that surveys show that 75% who do ceramics think it's a good value. For photography it's around 80%, and about 45% for painting and drawing.

Mr. Epstein asked how prices for non-students compared to other facilities. Mr. Scollon said they're comparable in ceramics, at market rate. For painting and drawing, some charged higher, and some charged the same. But for every price increase they had, there was a decrease in the participation of students and community members.

Mr. Daal asked how much each activity costs. Mr. Scollon said he sent out a budget calculator showing costs based on the ABC model.

Mr. Coley said this was at the heart of a lot of other discussions going on. The Board hasn't talked a lot about the expense line, and that was the big piece that drives all programs throughout the ASUC.

Ms. Navab asked if it would be cost effective for the Studio to offer a group session for grads to host an event. Projects in the GA host events to expose grads to things and to focus, usually, on stress relievers and providing an outlet. This would also allow the Studio to make services available to grads. Mr. Scollon said they just started that with sororities, through an intern who was working for James Walters. The Studio was testing that to see if it was cost effective. Mr. Permaul said they also looked at children's parties and at retirement residences. Mr. Scollon said the Studio finally has the financial model down and they can now start looking at their possibilities.

Mr. Poullard said given the space, there's only so much demand they could meet, especially for ceramics. He asked if the Board was okay moving forward with the assumption that next year the Studio would only have a \$17,000 shortfall.

Mr. Nicholas said he would be okay with funding costs at \$20,000 in the short-term, but in the long term, they should look at reducing direct and indirect costs. He asked about "lengthening" the day and by shortening class times and adding another class. Mr. Scollon said that for ceramics, they couldn't put any more bodies in that space.

Mr. Epstein said they should give Mr. Scollon at least a full year to pursue additional revenue.

Mr. LaPorte said that they perhaps should rethink what they mean by "student recreation." The Studio partly pushes into complimenting academics. So there was a larger story that perhaps might be subsidized.

Mr. Marchand asked if they could increase costs among the different levels of classes and charge more for advanced classes. People who already see the Studio's value might be willing to pay a bit more to continue at a higher level. Mr. Scollon said they've started that.

Mr. Scollon said it was possible they could subsidize access to the public, not to students. They're now at 54% and 46%, and if prices continue to increase, he expected seeing more public users and fewer students.

Ms. Marthinsen said she supported a subsidy for the next year or two, but asked if they should explore more long-term funding for this through the RSF referendum that was coming up.

Mr. Poullard asked what was needed from the Board. Mr. Permaul said they didn't raise fees for students for next year and will only raise fees for the community. They assume, through marketing and strategic expansion of programs, that they'll get enough affiliates to meet costs. They're aiming at a subsidy of \$17,000 for next year. Three years ago it was \$238,000. But inflation will be increasing. They could do this for a year or two, but they had to come up with a sustainable model.

Mr. Daal suggested perhaps Mr. Poullard talking to Mark Lachman to see if the Studio could be added as a gift opportunity in fundraising for Lower Sproul. Mr. Poullard said that Mr. Lachman was the Student Affairs fundraising officer.

Mr. Daal suggested looking at places where the Studio could expand, maybe through Lower Sproul renovation or through the RSF referendum.

Mr. Scollon said the budget calculator he sent out would show how much a subsidy, grant or fund amount would save students when they take classes.

Mr. Epstein asked if there was a check-off for the Studio in the UC Foundation solicitation. Mr. Coley said there probably wasn't. Mr. Epstein said that adding that might be one of the easier things they could do.

Mr. Epstein said there was already a model on campus for the integration of recreation and academics, that model being students and athletics.

Mr. Poullard asked if the Board needed to take any action at that point. Mr. Permaul said that if there was no opposition to raising rates for community members, then they didn't and action from the Board.

Mr. Coley suggested taking all these suggestions and synthesizing them into an action plan going forward, identifying which they'll engage in and when, and if not, an explanation as to why a suggestion wasn't followed. If the ideas were crystallized, there would actually be a strategy to move forward, and reports could be made quarterly.

Mr. Poullard said he'd like to thank Mr. Scollon. Mr. Scollon said he'd like to thank them. (Applause)

### CLOSED SESSION

Mr. Poullard asked for a motion to meet in closed session to discuss the Pub. It was so moved and seconded by Ms. Marthinsen and Mr. Alabastro, exempting Auxiliary staff and Ms. Epstein, incoming GA Treasurer.

Back in open session, Mr. Poullard said that Mr. Permaul will move forward with discussion of the Bear's Lair lease with RSSP and Mr. Stradavarius. A subcommittee will work with Mr. Permaul to coordinate the specific criteria for the lease, which includes Ms. Navab, Ms. Loomba, and Mr. Nicholas. Hopefully there will be a decision point for the July 7 Board meeting.

### REPORT FROM THE AUXILIARY DIRECTOR

Mr. Permaul said a bid process was successfully managed by Kurt Libby, of RSSP, on behalf of the beverage alliance, and they have received a responsive bid. No award has been made yet. They have until June 21 to make an award.

The beverage alliance met last week, with Ms. Navab in attendance, and agreed on a distribution of the sponsorship funds that were articulated in responsive bid. As a result, starting next year, and for the next ten years, the ASUC will receive an additional \$150,000. They will also receive \$25,000 a year in new marketing funds and \$10,000 a year of in-kind product distribution to student groups. They also achieve a number of the sustainability goals they had, not the least of which was to get a recycling program on campus in conjunction with the Office of Sustainability. The beverage alliance hopes to sign a contract on the 21st.

Ms. Navab said the split between Rec Sports, Athletics, and the ASUC, was based on who sold the most. She asked what would happen after Lower Sproul, when the ASUC became a bigger seller. The agreement was for ten years, and she asked if the split would be fair after the remodel.

Mr. Permaul said he thought the split was fair. The group that was disenfranchised in the last contract was RSSP, which distributes vastly more product than anybody else. Intercollegiate Athletics doesn't distribute a great deal of product, but is the primary face of marketing for the campus. So it gets the largest chunk, for a variety of reasons. It was a campus priority. He thought the amount the Auxiliary receives will be in proportion to what they distribute. RSSP got a nice amount mostly because of its

marketing potential and the number of students who use their facilities. He thought this compromise was fair to get the Auxiliary through to the next contract.

Mr. Daal asked if it would be fairer to have a smaller amount of time for the distribution agreement among the beverage alliance members and then re-evaluate the terms after, say, three years. Mr. Permaul said he didn't think the other departments would agree. The beverage alliance wanted this to be resolved among its parties. If they don't agree to this, the agreement would be bumped up to another level. Mr. Stern was part of the discussion on the terms. Mr. Coley said a change would be very problematic. Mr. Permaul said the other members of the beverage alliance would view that as being disingenuous. The members negotiated this before they went to RFP.

Ms. Navab said the Auxiliary could suggest seeing how sales play out. Cal Dining might deserve more. Mr. Permaul said that would come at the Auxiliary's expense. They now have a deal they could bank on. The Auxiliary's share could go down. They couldn't predict sales.

Mr. Marchand asked what the Auxiliary's obligations were, such as volume requirements or marketing. Mr. Permaul said they have a very favorable contract. The \$25,000 for marketing was tied to the promotion of Pepsi, but could be done through the Auxiliary. Coke prescribed how marketing would be done. And they didn't have in-kind distribution last year, and now will have \$10,000 of product they could give to student groups over the course of the year. Also, all of the sustainable things they asked for were granted.

Mr. Daal asked if the internal collaboration among alliance members had any incentives included for a party to increase sales. Mr. Permaul said he wasn't sure it did. Mr. Daal said that would be a good thing to renegotiate.

Mr. Marchand asked if Lower Sproul vendors could sell non-Pepsi beverages. Mr. Permaul said there's a 15% shelf to sell anything they want. That was in the RFP.

Mr. Poullard said he would encourage Board members to read through the RFP. The campus got Pepsi to give a lot. Pepsi really wanted to be here, and agreed to terms on vending machines, marketing, and sustainability. The difference for the Auxiliary between the two contracts was, to him, night and day.

Mr. Epstein said he was persuaded that this agreement made a lot of sense. The one niggling thing he'd throw out, which he wouldn't consider to be renegotiation, was to assess where each participant was in five years in terms of sales and what was being shared. Mr. Permaul said they already look at that information. Mr. Epstein asked if any disparities could be dealt with. Mr. Coley said they could do that. But it was problematic to engage in that conversation now, before the ink was even dry, based on speculation. If the Auxiliary was overwhelmingly disadvantaged by the agreement in five years, he could assure the Board that it would not stand. The situation should first be allowed to present itself.

Mr. LaPorte said that if students were concerned about what will happen after they're gone, he asked if the ASUC and the GA could have a memo to its next leadership alerting future leaders what they should pay attention to later and have that memo go forward each year.

Mr. Permaul said he'd mention some personnel actions. They're working closely with the Human Resources center and with the Dean of Students cluster to reshape the description of the GA's funding advisor position. It was their top priority to get the position listed and out.

They're also working on the Facility Manager position. And they're trying to go forward with an administrative position and support for Lecture Notes and marketing.

Mr. Permaul said that Mr. Scollon is now Acting and Interim Manager of the Art Studio. He'll receive back pay going back to January, reclassifying him. The Auxiliary got permission to hire a .8 lab tech in the Art Studio, which will save them money.

Regarding the annual report and the agreement with Follett, Mr. Permaul said he and Mr. Strong still had to work out terms. Follett was deducting money the Auxiliary owes them from the proposed guarantee. Once they resolve how they'll move forward in the next two to three years, the Auxiliary will get the complete guarantee. It was good the Auxiliary has a guarantee, because Follett will not meet the threshold, although they're moving back up to where they were two years ago when the threshold was exceeded, before the downturn in the economy.

Mr. Permaul said Board members should send him any comments on the annual report from the SOB Chair, which Mr. Zuo sent out.

Ms. Navab asked about SOB committees and which of them had openings. Mr. Poullard said they'll distribute a list of current standing and ad hoc SOB committees. He'd ask Mr. Permaul to do that.

#### CHARTER REVISION UPDATE

Mr. Daal said he sent out an e-mail with the current draft of the Charter revision, as well as the current Charter, and Senate Bill 198A. The bill asks the Presidents to pursue certain changes. The draft of the Charter is the current best attempt to make those changes as well as satisfy issues from the ASUC's and the Chancellor's attorneys.

Mr. Nicholas asked if he could go through the changes from the current Charter. Mr. Daal said he'd try, since there have been so many changes.

Mr. Daal said that for the Board's composition, graduates and undergraduates would keep their current number of voting members, and each would have an additional non-voting member. ASUC and GA Presidents would be non-voting, ex officio members. The Chancellor's appointees were reduced from three to two, and a non-voting alternate. Faculty members were decreased from two to one. The Berkeley Foundation has been granted a voting member and a non-voting alternate. The Foundation was added to give the Board a tie to business interests that have the UC at heart. Alternates would become full voting members once the voting member representing their constituency has departed, and after a full year of training. Targets for the tenure of Board members would be listed.

Mr. Epstein asked if there's an alternate for the faculty member. Mr. Daal said there wasn't, and thought having one would be a good idea.

Ms. Navab said the CAA states that the ASUC President and the EVP are ex officio voting members. Mr. Daal said the current Charter is a part of the CAA. The revision of the Charter would change the CAA.



Mr. Marchand said that not everyone would be an alternate before becoming a member. So that didn't really serve the purpose of training new members, unless there were more alternates. The main purpose of alternates was to fill in for absent members.

Mr. Alabastro asked about the ex officio status of Senators and the EVP. Mr. Poullard said one discussion on Charter revision was how to get people to more fully take their responsibility. They looked at other auxiliary boards, particularly the UCLA model. They focused on composition and an expectation of student members to be actively engaged for the calendar year, not just the academic year. That was tied to being compensated. Secondly, they wanted to empower students at the committee level, something the Board hasn't done. The Board spends a lot of time getting up to date. The meeting that morning was a good example. Subcommittees could hold discussions and then the Board could have a five-minute discussion at its meeting and then move on, rather than returning to issues over and over again.

Mr. Daal said another role for alternates would be to serve on subcommittees, as full voting members.

Ms. Navab said that another element to student members on the Board was that it was part of student democracy on the campus. Student leaders are in office for a year for a reason, and students vote in new people. That's part of the system that students have built. It's a learning experience for students. There's nothing barring students from serving for one more year. The system also creates a disadvantage of grads and professional students from serving on the Board. Most professional students are there for two years. By the time they realize what the Board is, they only have a year to serve. And if there's a two-year commitment, most professional students wouldn't apply.

Mr. Poullard said there was nothing in the new Charter that didn't prohibit the GA or the ASUC from replacing members after a year. Ms. Navab said it was her concern that the applicant pool would be reduced with a two-year requirement.

Mr. Daal asked if the Board wanted to go through the proposed Charter or to do some analysis.

Ms. Navab asked what mechanism Mr. Daal would like so as to have substantive discussion and make recommendations. Mr. Daal said they should probably have another subcommittee meeting. Anybody could attend. Mr. Permaul said he'd be happy to attend. What Mr. Daal was reporting on was also the consensus of staff, who strongly support Mr. Daal's report.. While it was a disadvantage for students to have a two-year commitment as opposed to one year, it was really important to have continuity and have people with more than one year's experience. It's hard for people to get up to speed in a year.

Mr. Marchand said he thought they had to look at responsibilities during the summer. Mr. Landis, e.g., was very active on the Board, but was on an internship outside of the Bay Area. This was a voluntary commitment for students, and people who are graduating had to put careers first. Mr. Poullard said other campuses with this structure have people make the commitment and know about it going in. They're charged with the fiduciary responsibility of the organization and the Board needed to meet during the summer, and not just meet nine months out of the year. The Board often puts things on hold in the summer and then pushes the Auxiliary in the ninth hour to get something done because the Board hadn't met to confer on critical issues. That disadvantages their functioning.

Ms. Navab said that some people had to work over the summer and couldn't afford to be available during the day. That shouldn't disqualify them from serving on the Board. Mr. Poullard said that's why they've talked about stipends. Ms. Navab said that Berkeley was a different type of student government, and

other schools don't have the same level of autonomy that the ASUC and the GA have. Mr. Daal said their autonomy was tied to the Board's ability to address their fiscal responsibilities.

Ms. Marthinsen said that based on other boards she's been on, the roles the SOB had seemed to be overly complex. Instead of having different alternates, she would suggest having one designated student alternate for any students who couldn't attend a meeting. There would be fewer, more focused people. She didn't think they need alternates for faculty and administrators. The expectation is that once somebody makes a commitment, they show up.

Mr. LaPorte said this really had to do with continuity. Maybe at the retreat they should think about incentives for participation for students, administrators, and faculty. Graduates and undergrads here were really busy. People were imagining that there were lots of students who would want to sit on the Board, but he wouldn't be surprised if that wasn't the case. The kind of complications this participation represented was extraordinary. It's one of the more complicated institutional arrangements on the campus. He thought the Board was behaving as if this was much simpler than it actually was. The idea that people could come in and be up to speed fast enough under the existing system seemed to be an unwarranted assumption. Mr. Poullard said that was a big driver of discussion in the subcommittee.

Mr. Epstein suggested having the subcommittee meet prior to the July 7 Board meeting to consider the various comments they've heard, and have a report and a revised Charter to consider. If it was felt additional discussion was needed, they could discuss it at the retreat, and then vote on it at the September meeting. One problem was that the Board talks ad nauseum and he'd like to get to a point where they make a decision.

Mr. Nicholas asked to what extent the Board can change the Charter. Mr. Poullard said it wasn't unilateral. Mr. Daal said they had to get the approval of the Chancellor and his lawyer, as well as the ASUC attorney and the Senate. For many of these issues, they couldn't make everybody happy.

Mr. Nicholas asked if there was a way to invite people who make decisions, such as a representative of the Chancellor. Mr. Poullard said the full Board wasn't the body to do that, and the subcommittee was empowered to do that. It's been meeting for two years, and Mr. Daal has held this together. All these parties had to be involved. The Board has started to move faster, but the necessary work outside meetings isn't done.

Some members expressed an interest in attending the next Charter revision subcommittee meeting: Ms. Navab, Mr. Nicholas, and Mr. Alabastro.

Mr. Nicholas asked if there was a way to bring other voices in before the Board votes on a revision, such as from the Senate and the Chancellor. Mr. Poullard said that work has been ongoing. Ms. Marthinsen said material has also been circulated.

Mr. Alabastro asked about the timeline for the revision to come to the Senate. Mr. Daal said he didn't know.

Mr. Permaul said he wanted to introduce Prabh Kehal, the intern for the SOB. He was there to take photographs of Board members. Mr. Kehal has done an excellent job of updating the SOB's Web site, which was up to date.

Mr. Poullard said that seeing no other business, the meeting was adjourned.

This meeting adjourned at 11:20 a.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- October '10 Mr. Zuo elected as Board Chair
- October '10 Ryan Landis joins the Board, undergraduate representative.
- September '10 Mr. Daal elected as Board Chair.
- September '10 Prof. Edwin Epstein joins the Board.
- September '10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.

Procedures (cont'd)

- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.
- June '03 Agreed to hold a Board members orientation by August 30.
- May '03 Agreed on the need for a Board members orientation to be held before the start of the school year.
- Dec. '02 Enhanced Board minutes by adding "Decisions of the Board."

Vendors

- April '11 Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
- Mar. '11 Heard from a consultant on Lower Sproul and heard the results of a major survey.

Vendors (cont'd)

- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.

Vendors (cont'd)

- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. 08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.



Vendors (cont'd)

- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.

Vendors (cont'd)

- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- April '11 Voted to make the Tilden Room meditation and reflection space.
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
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- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
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- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
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- Feb. '03 Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03 A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03 Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.



## STORE OPERATIONS BOARD MINUTES

July 7, 2011

Present: (Members and others)

Chris Alabastro (EVP-elect)	Lawrence Lawler (Auxiliary)	Nadesan Permaul (Aux.)
Edwin Epstein (Board member)	Vishali Loomba (ASUC Pres.-elect)	Jonathan Poullard (Bd. mbr.)
Molly Epstein (Bd. member)	Emily Marthinsen (Bd. member)	Tom Spivey (Auxiliary)
Todd LaPorte (Board member)	Bahar Navab (Bd. member)	Marilyn Stager (Auxiliary)
Prabhdeep Kehal (Aux. SOB Intern)	Michael Nicholas (Board member)	

[Note: Minutes commenced after the meeting started.]

This regular meeting of the Store Operations Board was called to order by Jonathan Poullard in the Senate Chamber.

Notes from Mr. Permaul on the meeting with Lower Sproul consultants Brailsford & Dunlavey (Jim Carruthers, et.al.)

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Begin notes from Mr. Permaul from Brailsford & Dunlavey consultants

1. Need to increase penetration into the complex from 7-8% to 50% of passing foot traffic.
2. Before 2020-2025 there will be a shortfall of operating funds and revenue to meet expenses.
3. Jonathan then expressed concern about strategies to meet the shortfall by leveraging campus support, resources, and revenue generation.
4. Cost per square foot is high, but needs to be in order to meet traffic demand and facility use (see national standards per LeNorman Strong).
5. Security could cost \$1,000 per day! Could be higher.
6. Emily expressed concern about accuracy of numbers in order to make a case for other campus resources.
7. The value of the northeast corner on the Plaza may be the most valuable retail space on the central campus and certainly in the Union.

End notes from Mr. Permaul from Brailsford & Dunlavey consultants

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COMMITTEES

Ms. Navab said the CAA mentions three Standing Committees: Bookstore, Food Service, and Auxiliary Services. The CAA calls for committees to have five members, a majority of whom had to be students. She didn't believe the CAA states that all committee members had to be Board members, but it does state that the Chair had to be a Board member. As for ad hoc committees, the CAA didn't really mention them.

Mr. Poullard said proposals to revise the Charter involve a similar committee structure. The revision would also call for every member of the Board to be a member of a Standing Committee. That would allow the Board to do its work outside SOB meetings so the Board wouldn't have to spend hours at SOB meetings discussing things. The work will have been done and vetted and would be brought to the Board for a presentation and a decision.

Mr. Nicholson asked if the revision would require any duties for committees. Mr. Permaul said there were no specifically assigned duties for committees, and it would be left up to the discretion of the chair and the Board to set expectations.

Ms. Navab suggested that Board members make an internal agreement among themselves to sit on at least one committee. Since committees had to have a majority of students, it would mean that students would have to sit on two or three committees. Also, some committees have charges that are cited.

Mr. Epstein said he thought committees should go in with a tabula rasa and an understanding of what the committee's function was. The committees would determine their charges.

Mr. LaPorte said he thought having committees would increase the Board's efficiency and allow for the Board to be more informed rather than simply validating what committees recommend to be done. Subcommittees don't currently report to the Board, and Board members don't know what pro and con discussions were held. Without that, Board decisions would just be a validation without really considering the issues. With short timelines, the Board could be in a situation where it couldn't say "no" to a committee's recommendation. That would be a problem over the long-term given the turnover of Board members. The dilemma was how well informed Board members would be in considering committee recommendations.

Mr. Poullard said he was on another board that had subcommittees vet ideas, talk about the pros and cons, and before the board meeting, make a recommendation listing the pros and cons. It allowed Board members to be prepared and able to ask questions.

Mr. LaPorte said that would also mean there would be more personal transactions and effort, and transaction costs would be higher.

Mr. Epstein said he shared the same experience on other boards that Mr. Poullard expressed regarding his membership on another board. Subcommittees develop expertise in certain areas. An example was expertise in budget issues, as opposed to having the entire board discuss something forever.

Mr. Poullard said this partly involved training Board members as to their roles and responsibilities.

Mr. Epstein said committees could be an efficient system to feed into the Board. It didn't mean the Board had to be a lackey or to rubberstamp its decisions. The way the Board currently functioned was for the body to consider everything as a whole, and that didn't make sense.

Ms. Loomba said that on boards and clubs she's been on, many times they'll shift to the subcommittee model before people have done the work. A subcommittee will do its work and come back to the larger body, and then end up doing the work over again. A lot of was a result of the transitory nature of students. They feel like they don't have all the information and want discussions to be held again. Subcommittees were a great model, but the Board needed to make sure they did the necessary work to get to that point.

Ms. Navab said the Graduate Assembly has committees that make recommendations to the Assembly, and Delegates don't end up rehashing the conversation. GA subcommittees have specific charges and procedures to follow. So the GA trusts what comes out them. That might be another model the Board could consider. For instance, they could establish what was needed for an audit. That would mean things wouldn't have to be rehashed.

Ms. Marthinsen said she thought the Board should decide to do this change for the short term and then evaluate things. Rather than having five members, she would recommend having three members on each committee, who would become competent. Streamlining things would be important. If committees are trained, they could move things along and save discussion for key policy matters.

Mr. Poullard said they had to balance having maximum input and more voices while being on a campus where people spend so much time on discussion without getting to a resolution. If the Board makes this change, the charge of committees would be critical so committees would know what they were supposed to do. And as for the number of committee members, the Charter calls for five members, although appointments are made by the chair, and the Board could have a standing rule. He thought five-member committees would be difficult, given the limited staffing they have.

Mr. Poullard said he didn't recall if the CAA specified specific work for the committees. Mr. Permaul said the CAA calls for three advisory committees: Bookstore, Food Service, and Auxiliary Services. The CAA states that committees consist of five members, a majority of whom shall be students, drawn from interested members of the campus community, at least one of whom shall be a member of the Board and who shall serve as chair. Members of advisory committees are appointed by the Board chair with the advice and consent of the Board, and serve at the pleasure of the Board.

Ms. Marthinsen said the Bookstore Committee probably needed more people; and food services was really complicated, as was Auxiliary services. Work on the Charter was also important, as was work on budget and finance. So perhaps they should staff those and maybe hold off on other appointments. Ms. Navab noted that the contract with the Bookstore will be up in a couple of years and probably should be stressed.

After discussion, the following committee memberships were determined:

Food Service -- Mr. Nicholson, Ms. Loomba, Ms. Epstein, Ms. Chen (Chair), and Ms. Marthinsen, with Mr. Spivey as a resource.

Charter Revision -- Ms. Navab (Chair), Ms. Loomba, Mr. Alabastro, Mr. Landis, Mr. Poullard, and Mr. Permaul



Budget and Finance -- Ms. Epstein, Mr. Landis (Chair), Ms. Chen, Mr. Poullard, and Ms. Marthinsen, with Ms. Stager as a resource.

Bookstore -- Ms. Navab, Mr. Alabastro (Chair), Mr. LaPorte, Mr. Spivey, and Mr. Nicholas, with Mr. Deutsch as a resource.

Retreat Ad Hoc Committee -- Ms. Navab, Ms. Loomba, Mr. Nicholas, Mr. Poullard (Chair), and Mr. Permaul.

Mr. Permaul said this was his last official Board meeting and they finally have committees.

Mr. Poullard said they need the Chairs to pull together their respective members for meetings in between Board meetings, and to make reports to the Board. That will be the format for future meetings, where the Board will hear reports and recommendations from the committees.

Mr. LaPorte said they might want to determine the amount of time they'll each spend on subcommittees and at Board meetings, so they know what time commitment was implied by this form of organization.

Mr. Epstein said that instead of having meetings go for three hours, maybe they could be for an hour and a half or so.

#### SOB RETREAT

Mr. Poullard said a draft agenda for the retreat was distributed. He, Ms. Navab, Mr. Nicholas, Ms. Loomba, talked a great deal about the need to develop trust in their relationships and to do a much better job of orienting Board members. Retreats were something to do every year, to set goals, calibrate expectations, get an update on their businesses, and understand their fiduciary responsibility. Mr. Permaul provided a draft of an agenda based on the UCLA Board's model as well as topics the SOB discussed.

Mr. Permaul said he spoke to the Associate VP of Student Affairs of USC, Patrick Bailey, who will tentatively be a facilitator, as well as Lisa Walker, of the MCC.

Mr. Alabastro asked if the recharter wouldn't be discussed at the retreat. Mr. Poullard said it wouldn't be. Ms. Loomba said she had hoped to have the recharter done by the retreat. People thought having the recharter in place would be the best way to guide the retreat and would determine how the Board would function. Mr. Permaul said the Charter would have to be approved by the Senate.

Ms. Marthinsen said that perhaps the blocks of time scheduled in the agenda for certain discussions could be done in less time. Some of the more informational items could possibly be compressed.

Mr. Poullard said they might not need to meet on Sunday. Ms. Navab noted that the GA has a retreat on that Sunday.

Mr. Nicholas suggested having more informational items on Friday and more discussion on Saturday.

Mr. LaPorte asked about the relationship between the Board and the student Senate. The Board in its commercial and business aspects didn't take specifically into account how the Senate relates. Most of the conversations they had with the consultants were from the business world. But the campus was a culture of academics, which was different than the culture of the corporate world. He asked if there was an opportunity to engage in that, so people were clearer about points of contention and enforcement in running a large financial organization within the context of the larger campus.

Mr. Poullard said they talked about that in the subcommittee. Mr. Epstein said that in the last decade or two the campus has gone to a corporate model. He looked to the students to be reflective of student priorities and values that take place in the ASUC and the GA.

Mr. Poullard said he'd send out an article about this that he thought people would find interesting.

Mr. Poullard said the subcommittee working on the retreat will continue working.

Mr. Epstein said he wanted to say good-bye to everyone. It seems like he was leaving the Board at the wrong time, given what's happened at this meeting and the issues they have coming up next year. It was encouraging to see the Board talking about functional committees and making operations much more efficient and effective. It seems the Board has done a lot of regurgitating and not making decisions or acting functionally. He's been very impressed by the students and he wished all of them well. If he could be helpful in a non-Board capacity, he would offer his assistance.

Mr. Permaul said he would like to thank Prof. Epstein. The Board has struggled to get faculty members to join, and Mr. Epstein and Mr. LaPorte have been very helpful.

Mr. Poullard said he would like to thank the Board for allowing him to be interim Chair. He'll talk to the new Chair, Mr. Landis, as things move forward.

This meeting adjourned at 3:10 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- July '11 Elected Mr. Landis as Board Chair
- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- Oct.'10 Mr. Zuo elected as Board Chair
- Oct.'10 Ryan Landis joins the Board, undergraduate representative.
- Sept.'10 Mr. Daal elected as Board Chair.
- Sept.'10 Prof. Edwin Epstein joins the Board.
- Sept.'10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.

Procedures (cont'd)

- |            |   |
|------------|---|
| June '05   | Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.   |
| Feb. '05   | Mr. Miles and Mr. Williamson joined the Board.  |
| August '04 | Formed an ad hoc committee to study increasing efficiency in information technology.  |
| July '04   | Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.  |
| April '04  | Considered and amended ASUC Auxiliary Budget Principles.  |
| Jan. '04   | Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board. |
| Dec. '03   | Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.                            |
| Oct. '03   | Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.                      |
| Aug. '03   | Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.                                   |
| June '03   | Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.  |
| June '03   | Formed a Subcommittee on Committees to determine a committee structure for the Board.   |
| June '03   | Agreed to hold a Board members orientation by August 30.  |
| May '03    | Agreed on the need for a Board members orientation to be held before the start of the school year.                            |
| Dec. '02   | Enhanced Board minutes by adding "Decisions of the Board."  |

Vendors

- |           |  |
|-----------|--|
| April '11 | Elected Hedy Chen elected as SOB representative on the Daily Cal Board.          |
| Mar. '11  | Heard from a consultant on Lower Sproul and heard the results of a major survey. |

Vendors (cont'd)

- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.

Vendors (cont'd)

- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.

Vendors (cont'd)

- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.



Vendors (cont'd)

- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- April '11 Voted to make the Tilden Room meditation and reflection space.
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
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- Feb. '03     Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03     A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03     Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.



# STORE OPERATIONS BOARD MINUTES

August 18, 2011

Present: (Members and others)

Chris Alabastro (Board member)	Vishalli Loomba(Board member)	Nadesan Permaul (Auxiliary)
Hedy Chen (Board member)	Emily Marthinsen (Board member)	Jonathan Poullard (Board member)
Jeff Deutsch (Store Mgr.)	Bahar Navab (Board member)	Tom Spivey (Auxiliary)
Robert Flaharty (Board member)	Michael Nicholas (Board member)	Marilyn Stager (Auxiliary)
Ryan Landis (Board member)		

## SUMMARY OF THE MEETING

The meeting was called to order at 11:10 a.m.

Introductions were held.

### AD HOC AND STANDING COMMITTEE REPORTS

The Charter Revision Committee decided to hold off on rechartering. Also, the Charter and the Commercial Activities Agreement don't match. Proposals will be made to amend the Board's standing rules, including how they can be amended and rules on Board membership.

Regarding the Bookstore, negotiations are being held with Follett about a \$200K overpayment to the Auxiliary.

### DIRECTOR UPDATE

#### Vendor Contracts

A report was read on the performance of each lessee. Saigon Eats isn't open and rent, which was to have started on May 1, hasn't been paid.

#### Update on the Bear's Lair

The new vendor signed a lease for the Pub

#### Vending

The previous vending machine operator was bought out. The level of service has improved.

#### Beverage Agreement

Pepsi and Cal reached an agreement.

Discussion was held on vending machine policy on campus

The Board recessed to have lunch with ASUC Senators.

Board Business

Board meetings were scheduled for Fridays, September 23, October 21, November 18, and December 2, starting at 2:00.

Discussion was held on the Art Studio.

There was an update on the Auxiliary transition team.

Year-End Financials

Ms. Stager went over year-end financials. Reserves decreased \$522K, going from \$3.1M to \$2.6M. Revenue decreased of \$361K, going from \$1.4M to \$1.04M. Issues going forward will be around revenues. Vendors don't want to come in and put in improvements for 10-12 months.

Transition and Personnel

Openings have been posted for the Studio Manager, a Studio lab assistant, and a GA funding advisor. A Facilities Manager is in interview. A Lecture Notes and administrative assistant has just been hired. James Walters resigned, Lecture Notes Manager and Marketing Coordinator.

LOWER SPROUL UPDATE

A decision was being made on having construction done in one phase or two.

A surge architect has been interviewed.

RETREAT UPDATE

The SOB's first retreat will be held at the end of the month.

The meeting adjourned at 1:15 p.m.

End summary of the meeting

This regular meeting of the Store Operations Board was called to order by Ryan Landis at 11:10 a.m. in the Senate Chamber.

**End summary of the meeting**

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This regular meeting of the Store Operations Board was called to order by Ryan Landis at 11:10 a.m. in the Senate Chamber.

Introductions  
Ad hoc and Standing Committee Reports

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## INTRODUCTIONS

Introductions were held: Ryan Landis, SOB Chair, a senior and Business major, starting his second year on the Board; Jonathan Poullard, Dean of Students, current SOB Co-Chair, and attending his last meeting as a Board member; Tom Spivey, Associate Director of the Auxiliary, the operations arm for leaseholders and Eshleman activities; Nadesan Permaul, Auxiliary Director (Ret.); Bob Flaharty, CFO, at RSSP for 18 months, coming from private industry, a Cal alum, attending his first meeting; Emily Marthinsen, Assistant Vice Chancellor for Physical and Environmental Planning, appointed to the Board about 18 months ago, part of Facilities Services, and responsible for real estate project management and physical plant, design work, and town-gown partnerships; Michael Nicholas, a grad student rep starting his second year on the Board; Bahar Navab, GA President, who noted that Molly Epstein, the GA Treasurer, also normally attends; Vishali Loomba, ASUC President; Chris Alabastro, ASUC Executive VP, who noted that that Hedy Chen was the other ASUC representative.

Mr. Permaul said Associate Vice Chancellor Erin Gore will join them, thanks to Mr. Poullard. In addition, Prof. Todd LaPorte is also a member, from Political Science, an organizational theorist. They're also working to obtain another faculty rep in time for the first SOB meeting of the year. In addition, Acting Auxiliary Director Marilyn Stager will be joining them momentarily.

Senators introduced themselves.

Jeff Deutsch introduced himself, Store Director of the Cal Student Store. He didn't sit on the Board or report to it, but will attend Board meetings.

Mr. Landis introduced J.D. Morris, the Daily Cal liaison to the Board and a reporter.

## APPROVAL OF THE MINUTES

A motion to approve the minutes from the July 7 meeting was made and seconded. THE MINUTES OF THE JULY 7, 2011 MEETING WERE APPROVED WITH NO OBJECTION.

## APPROVAL OF THE AGENDA

Mr. Alabastro said Auxiliary staff and the Dean of Students will have a lunch with Senators, and Mr. Alabastro said he wanted to extend an invitation to the Board.

Mr. Landis called for any public comments.

## AD HOC AND STANDING COMMITTEE REPORTS

Reporting for the Charter Revision Committee, Ms. Navab said they decided to hold off on rechartering given the incoming Senate class as well as the realignment of the Auxiliary. The Charter and the

Ad hoc and Standing Committee Reports (cont'd)  
Vendor Contracts

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Commercial Activities Agreement don't match, with the former calling for 11 members on the Board and the latter calling for 12, if the GA President was counted. She would propose to correct that in the Charter. Mr. Permaul said the Chancellor has approved that position, but the Charter was never revised. They'll adjust the Charter on the public site.

Ms. Loomba said they also want to change some standing rules and to better implement others. Ms. Navab said one proposed change dealt with amending their By-laws, which currently had to be approved by the Chancellor and the ASUC Senate. There could also be other changes to membership, to allow for alternate seats for students and making changes to the composition staff and faculty, as well as adding provisions to keep Board members accountable. Mr. Poullard said changes that will be proposed were designed to build greater continuity.

Reporting for the Bookstore Subcommittee, Mr. Permaul said that while they didn't meet, there's been activity around the Bookstore that summer. Two years ago, as a result of contract language to implement The Scholar's Workstation, Follett overpaid the Auxiliary about \$200,000. To resolve that, Follett originally proposed a one-year extension of its lease, which expires in June, 2013. Given Lower Sproul redevelopment, the Auxiliary wanted to consider a possible longer extension. To have time for that, they were proposing an extension of two to three years.

Mr. Permaul said a committee was set up, that included himself, Associate Vice Chancellor for RSSP LeNorman Strong, Ms. Stager and Mr. Poullard. They're negotiating terms with Mary Perry, the Marketing Manager for Follett and the person responsible for the contract. The terms will be considered by the Bookstore Subcommittee.

Parenthetically, Mr. Permaul said there are three major bookstore vendors: Follett, the largest, and is family owned; Barnes & Nobel, which is closing around 60 stores but is still in the college market; and Nebraska Books, which owns Ned's and which has filed for Chapter 11. He called for any questions.

Ms. Loomba said it seemed that the Bookstore Subcommittee wasn't the group involved in discussions that have been held regarding the Bookstore, and moving forward, it would be great to have a student rep at those meetings. Ms. Navab said she, Mr. Alabastro, and Mr. Landis are on the Bookstore Committee. They'd appreciate knowing about meetings with Follett. Ms. Loomba said she would like to be present, if possible.

Ms. Chen said the Food Subcommittee will meet on the 19th.

Mr. Landis said he'll send out an e-mail with the current composition of the committees.

## DIRECTOR UPDATE

### Vendor Contracts



Mr. Spivey said he's asked the Auxiliary's Vendor Relations Manager, Martha Miller, for reports to the Board on the performance of each lessee, which will be posted on the Web site.

Vendor Contracts (cont'd)  
Update on the Bear's Lair

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The Coffee Spot has not met requirements of the lease which requires a point of sales system; doesn't have green certification; and hasn't returned the September 20 lease amendment regarding a buyout clause. Infrastructure costs vendors spend will be bought out by the Auxiliary when the area is redeveloped. If there's no record of that, the University may not pay for the improvements vendors made. The Auxiliary has also not received those costs from Saigon Eats or Subway.

Saigon Eats hasn't been open that week and they can't get in touch with the vendor. Rent was supposed to start on May 1 and hasn't been paid, and is now around \$32,000. Three of the vendor's stores have filed for bankruptcy.

For the Subway vendor, he's likely on vacation and owes invoices, such as for the July phone bill, and also needs to provide improvement costs.

Tully's has new managers and has been making timely payments. The corporate office hasn't paid a \$6,000 security deposit and hasn't finished paying for project costs for the kiosk, with \$10,000 remaining from original costs of \$20,000.

The Daily Cal is in arrears for custodial fees and utilities from last year, and expects to make a payment on September 1.

The Bear's Lair Pub owes \$1,689 for phone bills and May rent.

Mr. Spivey said that he, Ms. Stager, and Ms. Miller will meet with campus counsel and Real Estate Services to discuss demand letters. If there's no compliance, leases can be terminated.

Ms. Navab asked if there was a risk they wouldn't recover all the funds that were owed. Mr. Spivey said there was.

Ms. Chen asked if they've had contact with Saigon Eats. Mr. Spivey said they talked to the vendor a week and a half ago.

#### Update on the Bear's Lair

Mr. Spivey said the Pub lease has been signed after the SOB, after its last meeting, approved the lease in an e-vote. The Pub will have a wing concept, and last also serve salads, French fries, and dips. The kitchen there is extremely small. The company's name is IQ Ventures. They hope to be open by August 25. There will be meetings with the UCPD and Tang Center regarding responsible drinking, as well as and with the health inspector.

Ms. Navab asked if they'll serve wine as well, since the Pub stopped serving wine several months ago. Mr. Spivey said he was pretty sure and would check.

Mr. Poullard asked if the old furniture will remain in the Pub. Mr. Permaul said the new vendor has an agreement about that with the previous vendor.

Update on the Bear's Lair (cont'd)  
Vending  
Beverage Agreement

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Ms. Loomba asked if the rent was the same. Mr. Spivey said he didn't have the details for the agreements between the two vendors for rent or for the alcohol license transfer, which was between the current owner and the previous vendor.

### Vending

Mr. Spivey said Action Vending has been bought out by North County Vending. There's been no change for the Auxiliary other than a better level of service. There's also a signage agreement with the new vendor that will return \$5,000 to the Auxiliary marketing department for vending signage.

### Beverage Agreement

Mr. Spivey said that Pepsi and UC Berkeley have reached an agreement and a Letter of Intent has been signed. The contract was still being worked out, mostly dealing with branding. Mr. Permaul noted that there's a 15% shelf exception for non-Pepsi products. Mr. Spivey said the terms and conditions of the lease that affect the Auxiliary wouldn't change, and he noted that changes are always reviewed with Real Estate Services.

Mr. Spivey said the ASUC will receive from Pepsi over \$350,000, as well as sponsorships, \$25,000 for marketing per year, and \$15,000 in sustainability funding. A committee and a system will be set up to manage the \$15K, probably involving STEAM and other student groups.

Mr. Poullard asked if the Chancellor's Advisory Committee on Sustainability was part of that. Mr. Permaul said that Lisa McNeilly was involved, and they worked with TGIF and Physical Plant to get them designed.

Mr. Goldstein asked if there was a guarantee as to how much Aquafina water would be provided. Mr. Spivey said he didn't believe there's a limit on bottled water. Mr. Permaul said the amount could fluctuate over time, so if trends change, the amount of water sold could be reduced. That would be driven by the market.

Mr. Permaul said the Auxiliary has received a tremendous number of inquiries as to why Pepsi machines were replacing Coke machines, since nobody has announced that to the campus. Now that the LOI has been signed, perhaps Ms. Stager and Mr. Poullard could work to get out a notice. And as he mentioned to Mr. Spivey and Martha Miller, the Auxiliary should have a letter that goes out to every building manager that talks about the Auxiliary's vending program in soft drinks and food. There should be more

effective communication with the Auxiliary's clients. That's why they negotiated marketing money for signage.

Mr. Poullard asked about the previous process when machines in a building were changed. Mr. Permaul said it was person-to-person, with individual building coordinators. Three years ago the Library was approached about having vending machines restored in a location they used to be in. The building

Beverage Agreement (cont'd)  
Board Business

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coordinator initially refused, so as not to compete with the restaurant there. So it was a question of how to enforce campus-wide contracts. They also need to work with Capital Projects to make sure new buildings have appropriate locations for vending.

Mr. Poullard said it seemed that building managers "owned" buildings, and this has been an ongoing issue. Ms. Marthinsen said the place to deal with this would be the Space Assignments and Capital Improvement Committee, SACI. This was a policy question, and perhaps there could be a series of criteria that could be established such as for locations for vending. Mr. Poullard said he would probably be the one to go to SACI with this, along with Ms. Stager. Ms. Marthinsen said she'd be interested as well. She didn't think building managers were where the decisions should be made.

Ms. Marthinsen asked if these were the only vending machines on campus. Mr. Permaul said there are "wildcat machines," where individual departments have gone out and set up rooms with their own machines. People don't know there's a campus-wide contract in place.

Ms. Marthinsen said she thought it would be useful to have a policy through SACCI that dealt with all vending machines.

Ms. Navab asked if there was a place for people to tell somebody about wildcat vending machines that they knew about. Mr. Spivey said people should let him know.

Mr. Poullard said this might be something the Food Committee could tackle. The broader campus made an agreement with the Auxiliary so it could be self-sufficient. But with independent agreements, money doesn't go back to the students, even though the campus doesn't provide other ways for the Auxiliary to be funded. There are agreements that aren't actually lived up to. Agreements aren't reinforced through policy mechanisms.

Ms. Marthinsen said a policy would have more standing than an ASUC staffperson saying something.

Mr. Flaherty said that UCLA was the star of food vending, making over a million dollars a year in food and vending operations. But it has actual vending sites, kiosks. If machines are in strategic locations, vending could generate serious money.

Mr. Permaul said he thought crafting a policy would be the way to go.

Mr. Landis said the meeting would recess at that time so people could have lunch with members of the ASUC. This meeting was recessed.

## BOARD BUSINESS

Back in session, Mr. Landis said he'd do some housekeeping at that time. After each meeting he'll send out an e-mail on action items going forward that the Board agreed to.

Board Business (cont'd)

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Mr. Landis suggested holding Board meetings on Fridays, on September 23, October 21, November 18, and December 2, from approximately 2:00 or 3:00 to 5:00.

Mr. Landis said Board members were polled by e-mail to vote on the new Bear's Lair contract, and the vote passed. He thought they should thank the Auxiliary for working on that. The vote was unanimous, with everybody voting yes.

Mr. Permaul said the Pub vendor wants to work very closely with students to do a better job of marketing. The Auxiliary talked about having a "graduate night," and the Pub was very interested in establishing that and in working with Ms. Loomba and others on ideas to promote the Pub. The Auxiliary also stressed the importance of responsible alcohol consumption.

Ms. Navab asked if it was possible to send an e-mail to the Pub and the Presidents to get them in contact with each other. Mr. Spivey said they could do that.

Mr. Flaherty said there should be a pre-opening meeting to make sure the Pub had the right selection of beverages and food quality.

Ms. Chen asked if student prices at the Art Studio will stay the same for the coming year and if Mr. Scollon got in contact with the organizations that people suggested a couple of meetings ago. Mr. Permaul said that Mr. Scollon brought several models to the Board and as he recalled, the one that the Board approved had increases for everybody but students. Mr. Scollon has done a wonderful job increasing the number of classes, and the Studio now offers beginning, intermediate, and advanced classes. The problem was a limitation of space. As a result of losing the Fresh Choice restaurant, Mr. Spivey is working with the Studio to expand its facilities into Naia next year. Mr. Scollon has been kind of a one person band, given open positions, and a list of permanent positions will be filled, with approval of the Dean of Students, including a manager's position and a tech position. Hopefully that will adequately staff the Studio.

Ms. Navab some grad students have expressed interest in being on the hiring for the Art Studio, including Ms. Epstein, who is a frequent user of the Studio. Mr. Permaul said that Ms. Stager will head those searches.

Ms. Navab said she wanted to give an update on the Auxiliary transition team. The campus and students agreed to a transition team to explore what the Auxiliary should look like, long- and short-term goals, reporting lines, etc. The team includes people from the Auxiliary, the ASUC, the GA, and Student Affairs, to be co-chaired by Elizabeth Stage. There are two open student seats.

Mr. Permaul said that with regard to Lecture Notes, James Walters, the Manager, said that 50 courses have approached them for notes, and there has never before been more than 35. Mr. Walters has done a wonderful job of maintaining contact with faculty. It might not be possible to do that amount since a critical mass of students had to purchase the notes. But to have 50 requests indicates a much better job was being done with faculty about the value of the program.

## Year-End Budget

### Year-End Budget (cont'd)

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Continuing the Director's Update, Ms. Stager said she'd go over the year-end financials. "ASUC Auxiliary Reserves, Change in Fund Balance FY 2010-2011" was distributed showing the beginning and ending balance of their reserve balances. There has been a net decrease in reserves of \$522,515, going from \$3.1M to \$2.6M last year.

Fund 70450, ASUC Auxiliary Revenue, shows a decrease of \$361,946, going from \$1.4M to \$1.04M. This is the Auxiliary's operating fund, and all expenses and commercial revenue flow through this fund. They had projected a change of \$323K. The difference was mostly Follett deducting \$17,000 a month in commission payments as a result of its overpayment to the ASUC, which Mr. Permaul mentioned earlier.

Ms. Stager said the report is stated in the "Berkeley convention," where minus figures in the "change" column are increases to the fund balance.

For Fund 20219, the Lower Sproul Plaza Fee, there was a \$46K increase as a result of starting to receive money last year from the Lower Sproul Initiative and the HUB projects. So they're already getting money from the campus. A budget is provided to the campus and money is given to the Auxiliary to spend against the budget. This is Referendum money, not Auxiliary money. Mr. Permaul said they're holding this money in reserve against any future expenses related to the BEARS Initiative or to MOUs I or II.

Funds 20247, Maintenance, and 20523, TGIF, are student fee monies. There were two elevator fires and \$120K worth of "corrections" for new food vendors, and new stoves and ovens, and the Maintenance Fund decreased by \$93K. \$881K remains. The TGIF reserve decreased by \$75K, with \$255K remaining. When TGIF first started, it kind of built it up and figured out what and how they wanted to fund. They're now paying out a little more than they're bringing in. \$255K remains. They've paid out just shy of \$1M in projects.

For fund 76450, Auxiliary Equipment Repl/Depr, the reserve decreased \$74K, to buy equipment, tables, chairs, etc., for MLK. Use of this Fund was kind of ongoing. \$152K remains.

Ms. Navab asked if money they pay the Consulting Architect Alyosha Verzhbinsky, comes out of the Lower Sproul Plaza Fee. Ms. Stager it did. Mr. Permaul said the campus doesn't want to do this monthly, so the Auxiliary gives the campus a yearly budget. They pay Mr. Verzhbinsky monthly. They also give a report to the Student Fee Referendum Committee on BEARS.

Mr. Poullard noted that as they collect money owed by vendors, that will go into the 11-12 books. The books for 10-11 were closed.

Ms. Stager said a sheet was distributed, "Fund 70450 - ASUC Auxiliary Operating Fund, FY 2010/2011 Review." It gives more detail on the \$361K loss for 70450. It shows what they budgeted; what they projected year end; what actually happened in 10-11; and the difference between what happened and what was budgeted. For revenue, they had \$392K less than they budgeted.

They had originally budgeted a net deficit for 2010-11 of \$69K and had an actual deficit of \$361K, a change of \$292K. That deficit was almost entirely in revenue. Multiple things went into that. There were the two payments from Follett they didn't receive, \$34K; the Pub was not charged \$32K in rent; Subway owes \$15K; and Saigon Eats owes \$24K.

Year-End Budget (cont'd)

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Also, as a result of a survey last year, there were changes in the Art Studio. The previous Manager, Kate Wees, had a robust view of what her budget would be with the new marketing plan, and Studio revenue was \$81K less than what was budgeted. For Lecture Notes, the previous Manager, Karyn Houston, also had a robust view of revenue, and revenue was down from budget almost \$118K. These things added up to a \$392K difference between the 2011 budget and actual 2011 figures.

Ms. Stager said Events Services lost about \$80K to their budget. Three months of business was lost due to a seismic retrofit. They also anticipated revenue from a tent in Lower Sproul that they had last summer, but that didn't pan out as hoped. Between this, Follett overpayment, and their leaseholders, the Auxiliary lost almost \$400K in revenue from what was budgeted. That's where the Auxiliary's deficit comes from, since expenses, salaries and benefits, were down \$118K from what was budgeted.

Ms. Stager a third sheet was distributed, "06-30-2011 Carryforwards, Actual with Explanation." It shows the ending balance of Auxiliary reserves. Items colored blue or gold are restricted reserves, meaning they can't be spent for just anything and are set aside for restricted purposes.

Fund 70450, Auxiliary Revenue Undesig., shows \$249K available to offset any operating deficit. Under this fund, \$799K, was set aside to be used internally for things like repairing a roof. Depending on how things like Lower Sproul turn out, that \$799K can be unrestricted. Other undesignated Funds include 68310, \$7K that Composting forfeited; and 69611, \$108K from ATMs. During construction, ATMs will be out. While the Auxiliary will get revenue replacement, they won't get money to replenish the reserve.

Ms. Stager said that part of the loss also was a result of new vendors not paying the Auxiliary for three months after they were supposed to begin because they opened later than the Auxiliary projected.

Ms. Chen asked about "S&E." Ms. Stager said that's supplies and expenses, and includes such things as buying new computers and paying insurance.

Ms. Navab asked about the difference between S&E and equipment. Ms. Stager said equipment is capitalized and depreciated over a period of time. An item over \$5,000 would be under equipment.

Mr. Flaherty asked how the Auxiliary could submit a deficit budget, since the campus doesn't allow that. Ms. Stager that's been a long conversation with Ron Coley. Mr. Permaul said the operating reserves were pledged against any deficit. So it becomes a zero balance, while in operations calculations, it shows a deficit.

Mr. Poullard said the philosophy at the Board was somewhat to eat away at reserves. The Auxiliary has had flat revenue years while expenses were increasing.

Mr. Flaherty asked if there's a mandate for maintenance and repair reserves. Mr. Permaul said they did a ten-year analysis of capital improvements for BAS. They used various standards. Mr. Flaherty asked if there was a formula for what went into equipment acquisition, replenishment, and depreciation. Mr. Permaul said funds were grown from revenue in years past, but that has been diminishing. The fund from fees is replenished each year, but that has been declining. The third reserve was major equipment, which has been slowly diminishing. Money was put into those reserves the first two years he was there, and they haven't been able to do that for the last three years.

#### Year-End Budget (cont'd) Transition and Personnel

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Ms. Stager said that going forward for 2011-12, the issues will be around revenues. A new Pub operator who won't be paying a monthly lease, and this was more of a service for students. And Follett will continue to deduct the \$17,000 a month, unless something changes in negotiations.

Ms. Stager said they've had a lot of problems getting vendors into the Food Court because vendors don't want to come in for a short period of time. It wasn't worth it to them to put in improvements for 10-12 months. So there was a potential \$77K reduction in the budget from leaseholders.

Ms. Navab asked if the beginning of construction was still going forward starting next summer. Mr. Spivey said bookings for events shuts down on June 15, 2012. Mr. Permaul said that was the last date the campus gave them to use. Ms. Loomba asked if that was early. Mr. Poullard said they had to get people out in phases. Mr. Spivey said they'll re-do the Tilden Room in June.

Mr. Landis asked for an update on what spaces were open. Mr. Permaul said the Naia lounge and the CUBS location are open. They both may or may not be used by the Art Studio.

Ms. Loomba asked about the Tilden Room being replaced in June. Mr. Spivey said the roof of the west side of MLK will be stripped off. It was supposed to have been done this summer, so nothing was booked; and then they had to try and fill the room. That was one challenge Events had. Ms. Loomba asked how long the work will take. Mr. Spivey said it's a three-month project. Mr. Permaul said they're getting money from the campus to cover revenue from that because the Tilden Room now will be meditation space.

#### Transition and Personnel

Ms. Stager said that Ms. Navab talked previously about transition. For personnel, openings have been posted for the Studio manager, a Studio lab assistant, and a GA funding advisor. A Facilities Manager is in interview. A Lecture Notes and administrative assistant has just been hired.

Ms. Stager said she received a resignation notice from James Walters. He's going back to Washington, for personal reasons. He's been doing a spectacular job.

Ms. Navab asked about his responsibilities. Mr. Permaul said Mr. Walters is Lecture Notes Manager and Marketing Coordinator for the Auxiliary. He also assumed responsibilities for Web oversight, since that was part of marketing and information. What he's accomplished since he was hired in January has been pretty remarkable. Moving back to Washington was extremely difficult, and was being done for family reasons.

Ms. Navab asked what the interim plan was. Ms. Stager said she, Mr. Walters, and Mr. Poullard were working on it. Mr. Poullard said one benefit of being in the Division of Student Affairs was the ability to leverage other people for marketing and Web services, until they find somebody else to come in. They had to figure out what they'll do with Lecture Notes, since that was such a specific business. He will talk with Sam Gordon, the marketing person for all of the Dean's area. So they could still have the Auxiliary

Transition and Personnel (cont'd)  
Lower Sproul Update

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do what it needed to do, and take direction from Ms. Stager about where support is needed, until they find somebody else to fill the position. The marketing piece had ties with other areas of the Auxiliary that generate revenue.

#### LOWER SPROUL UPDATE

Mr. Poullard said they're still deciding on whether to have construction done in a single phase or in two phases. Everything seems to point towards a single-phase project. They're trying to get alignment around three major issues. The first was how much it would cost to float bonds quicker for a single phase. The second issue was the surge plan, and trying to maintain the most savings possible. They had to consider the impacts surge would have, particularly on the Bookstore, if everything is surged out at one time. The Bookstore would surge to one location, meaning the Multicultural Center would have to surge somewhere else. So there was a domino effect with one phase.

Mr. Poullard said the third issue, he and Ms. Stager were working on, was revenue replacement funds and what they'll need between now and 2015 to take care of businesses going offline and the impact that will have on the Auxiliary. The plan of Alicia Rosenthal, the Project Manager, was to pull everybody together to give feedback to the workgroup, which will give feedback to the Program Committee, for a decision. This will happen quickly, and they're supposed to meet next week. Ms. Stager has already submitted numbers to Ms. Rosenthal. Mr. Poullard said he would ask people to make sure student involvement and engagement remains high, particularly as they move into the Fall Semester. Input was really important. People on the workgroup and the Program Committee will be really busy that fall to keep the project moving on time.

Mr. Landis asked if somebody could explain what the working group is. Mr. Poullard said members of the working group include himself, Mr. Spivey, Ms. Stager, Ms. Marthinsen, Mr. Nicholas, Cara Stanley, Lisa Walker, from the MCC, LeNorman Strong, who chairs it with a student, and the student rep. It's a broad body to make sure the various constituents have buy-in on the recommendations to the Program Committee. The Program Committee consists of himself, Ms. Marthinsen, students, Harry LeGrande, Cathy Koshland, and other senior administrators. It makes decisions about program scope and how buildings actually get built up. The workgroup, however, does most of the heavy lifting.



Mr. Permaul asked if there was still a plan to look at finishing the Bookstore bowling alley space. Mr. Poullard said that was still in the plan. Abram Hardin realizes that getting that space would mean 15,000 more square feet for students. On the other side, there are OMP costs.

Ms. Navab said people were still working on MOU III, which will impact Lower Sproul. Hopefully there will be an update to the Board next month.

Mr. Spivey said he and Ms. Navab were on an interview panel to select the surge architect, which they did yesterday. All of the architects reviewed were very good.

Ms. Marthinsen said there will be a series of stakeholder interviews in the fall for the design and development phase. It was really important to have ongoing student and stakeholder participation in these

Lower Sproul Update (cont'd)  
Retreat Update

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groups. The interviews will probably happen at the end of October. Ms. Loomba said that will be similar to the way student input was coordinated last year; and this went well last year. They'll come up with a strategy to get as many students to participate as possible.

Mr. Poullard said that hopefully the Daily Cal can attend those forums because the more this information got out to students, the more informed they'd be about where their dollars were going.

#### RETREAT UPDATE

Mr. Landis said the SOB's first retreat will be held at the end of the month. People should have received an e-mail with attachments that they are asked to look at in advance. The agenda for the two-day retreat was distributed.

Mr. Permaul said that out of respect for their facilitators, the Vice President of Student Affairs at USC, Patrick Bailey, and the Coordinator of Multicultural and Student Development, Lisa Walker, he would ask Board members to please read the material in advance, to make the most of people's time. He thought this will be a wonderful start to bringing the Board in line with its goals and functions. They're already working in a much more professional way than the Board has worked in his five years there.

Ms. Navab asked if new Board members will be able to attend. Mr. Poullard said Ms. Gore will be there, and Bob Flaharty will be there for the first day. Everybody else will be there. But they don't have their new faculty person, so they'll be one member down.

Ms. Navab said that some students have recommendations for the faculty seat that's open. Mr. Permaul said they'd look at the names Ms. Navab sent.

Mr. Poullard said he's reached out to folks who were recommended to him through the Academic Senate.

This meeting adjourned at 1:15 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

DECISIONS OF THE BOARD

Procedures

- July '11 Elected Mr. Landis as Board Chair
- Nov. 10 Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
- Nov. '10 Decided to have shorter minutes.
- Oct.'10 Mr. Zuo elected as Board Chair
- Oct.'10 Ryan Landis joins the Board, undergraduate representative.
- Sept.'10 Mr. Daal elected as Board Chair.
- Sept.'10 Prof. Edwin Epstein joins the Board.
- Sept.'10 Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10 Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10 Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10 Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09 Welcomed to the Board Khira Griscavage.
- Nov. '09 Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09 Heard a presentation from Business Services on RFP procedures.
- Sept. '09 Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09 Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09 Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.
- July '09 Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09 Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.

Procedures (cont'd)

- May '09 Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09 Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08 Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07 Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.
- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.
- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.

Procedures (cont'd)

- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information technology.
- July '04 Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
- April '04 Considered and amended ASUC Auxiliary Budget Principles.
- Jan. '04 Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
- Dec. '03 Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
- Oct. '03 Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
- Aug. '03 Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
- June '03 Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
- June '03 Formed a Subcommittee on Committees to determine a committee structure for the Board.
- June '03 Agreed to hold a Board members orientation by August 30.
- May '03 Agreed on the need for a Board members orientation to be held before the start of the school year.
- Dec. '02 Enhanced Board minutes by adding "Decisions of the Board."

Vendors

- April '11 Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
- Mar. '11 Heard from a consultant on Lower Sproul and heard the results of a major survey.

Vendors (cont'd)

- Mar. '11 Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
- Feb. '11 Voted for a month-to-month lease for the Pub, and to go out to RFP.
- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.
- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.
- July '09 Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09 Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.

Vendors (cont'd)

- July '09 Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09 Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09 Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09 Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09 Amended the Panda Express contract and voted to renegotiate.
- April '09 Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09 Approved the Tully's Coffee contract.
- Feb. '09 Voted to approve the CUBS contract.
- Feb. '09 Voted to move forward with the Tully's contract.
- Jan. '09 Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08 Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08 Approved Action Vending proposal to increase vending prices.
- Sept. '08 Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. '08 Heard the terms of a possible Panda Express contract.
- June '08 Approved the concept of bringing the Brazil Café to the ASUC.
- June '08 Approved a Letter of Intent to negotiate with Panda Express.
- May '08 Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate leases with a flower vendor, a bicycle vendor, Panda Express, and a major coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.

Vendors (cont'd)

- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.
- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.
- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.



Vendors (cont'd)

- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.
- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved use of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.
- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- April '11 Voted to make the Tilden Room meditation and reflection space.
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.
- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
- Oct. '08 Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment.
- June '07 Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05 Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.
- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
- July '09 Approved the 2009-10 Auxiliary budget.
- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
- Sept. '04 Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.
- May '04 Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04 Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03 Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03 A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03 Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.



# STORE OPERATIONS BOARD MINUTES

September 23, 2011

Present: (Members and others)

Hedy Chen (Board member)	Mia Hodge (ASUC)	Behar Navab (Board member)
Jeff Deutsch (Store Mgr.)	Sheldon Lam (ASUC Senator)	Michael Nicholas (GA)
Brisa Diaz (ASUC Senator)	Ryan Landis (Board member)	Sharanjit Sandhu (ASUC Sen.)
Mollie Epstein (Board member)	Vishalli Loomba (Board member)	Justin Sayarath (ASUC Sen.)
Sydney Fang (ASUC Senator)	Philippe Marchand (GA)	Marilyn Stager (Auxiliary)
Robert Flaharty (Board member)	Emily Marthinsen (Board member)	Jay Hwang (coffee vendor)
Aviv Gilboa (ASUC Senator)	Safeena Mecklai (ASUC Senator)	Grace Hwang (coffee vendor)
		Kevin Williams (ASUC Sen.)

## SUMMARY OF THE MEETING

This meeting commenced the Fall Semester. It was called to order at 2:13 p.m.

### Public Comment

Philippe Marchand, GA Assembly Affairs VP, said the GA had hoped to book Eshleman Library for GA meetings, but fees are at least \$450. It was problematic that grad student government had to pay that amount to meet in student space.

Justin Sayarath, ASUC Senator, said student government has large events with lots of people, and it would be really helpful to use the space.

### Recognition of Past Members of the Board

The Board recognized past members for their contributions, and presented certificates of appreciation, signed Mr. Landis, as Board Chair, and by Chancellor Birgineau. Certificates were presented to Nadesan Permaul and Edwin Epstein. Certificates will also be given to Ron Coley, Jonathan Poullard, Philippe Marchand, Miguel Daal, and Yishi Zuo.

### Election of SOB Vice Chair

The Board elected Mr. Flaharty as interim Vice Chair.

### Standing Rules for SOB Meetings

Mr. Landis said he'd like to establish standing rules for meetings. He'd like people to not read from their laptops during meetings. People at the table would be members and staff. Participation from the audience would be during open comment or agenda items allotted for them.

The policy of standing rules passed by hand-vote 6-1.

#### Presentation By Tully's Vendors

Grace Hwang said Tully's was in the process of selling its brand to Green Mountain, a multi-billion dollar company. The vendors were cut off from communications with the company and are pursuing legal action. In retaliation, Tully's terminated their franchise rights. So the vendors had to change their coffee brand. They're also unable to provide fair-trade coffee. The name of the kiosk will be changed. They hope to switch by the end of October.

The Board went into closed session to discuss the Tully's vendor presentation. Back in open session, by unanimous voice-vote, the Board voted to negotiate the contract as discussed in closed session.

#### Report from the Chair

The Tilden Room will become a meditation space per the Board's decision last year. Event Services will staff the room

#### Committee Reports

The Bookstore Committee would like to get someone from the faculty to help with adoptions. A campus-wide e-mail went out about this and Mr. Deutsch has started an adoption campaign on the Administration side.

The Food Services Committee heard from representatives from the Food Co-op about moving on campus.

The Auxiliary Services Committee talked about including Directors from the Art Studio and the Cal Lodge in meetings. They talked about the Cal Lodge and possibly collaborating with other UCs with equity in the Lodge. They also have a list of ideas to refinance the Bear's Lair, if it's decided that was a good idea. They also talked about standardized financial reporting.

The Senate passed two bills about the SOB. One would have undergrad Board reps attend the Senate meeting before and after SOB meetings. The other created an ad hoc committee for the Cal Lodge.

The Cal Lodge was part of the Auxiliary in order to manage it. But any deficit is reimbursed by the students.

#### Report from the Auxiliary

Ms. Stager went over August year-to-date financials. Net revenue was \$15,372. The ongoing issue on expenses was building maintenance. The Auxiliary was on budget for the most part. Going forward, financials will be impacted by maintenance items and Follett deducting computer sales because commission was mispaid. This report was strictly for Auxiliary operating fund 70450, day-to-day business. There are many more funds.

For vendors, the Auxiliary got a check Saigon Eats, \$10,300, to offset the business' \$38,000 deficit. The Pub got approval for a hood and now can cook.

Summary of the Meeting (cont'd)

- 3 -

Leaseholder revenues have been budgeted that will not be realized, about \$75K. That will be offset by extra Pepsi money, with a net pickup of about \$75K.

#### Lower Sproul Update

Stakeholder meetings for Eshleman surge were being held. A presentation to the Regents on Lower Sproul will be made in November.

#### Retreat Update/Follow-up

This will be a permanent item on the agenda to follow through on things they felt were important. A follow-up report on the retreat e-mailed.

#### Eshleman Library Discussion/Overview

In July of 2010, because of the financial situation, Director Permaul and then ASUC President Stern agreed to turn the Library from student space into commercial space. But there was nothing in writing, and the Senate didn't approve it.

The Auxiliary started this year to charge for student use of the Eshleman Library. It was suggested that the Senate and the Auxiliary Committee should come up with something that was mutually workable.

Pricing for the Library is based on it being about almost the same size as East Pauley.

There were no waivers for the Library last year.

The 7th floor couldn't go back to being a library because there's no funding for that. If it's not commercial space it would be closed. As a library it would cost \$40K a year.

A proposal was discussed to give students a waiver to use Eshleman, with money to come from the Senate Contingency Fund, which would hopefully be reimbursed at the end of the year.

By a vote of 5-3, the Board approved a motion to not charge student government for use of the 7th floor. This policy would be in place until the next SOB meeting, when they'd re-evaluate policy. An ad hoc committee was created to work on this. It was suggested that it come up with vetted alternatives to vote on.

The meeting adjourned at 4:58 p.m.

## **End Summary of the Meeting**

This regular meeting of the Store Operations Board, commencing the Fall Semester, was called to order by Ryan Landis at 2:13 p.m. in the Senate Chamber.

Public Comment

- 4 -

Approval of the Agenda and the Minutes  
Recognition of Past Members of the Board

### PUBLIC COMMENT

Mr. Landis called for any public comments.

Philippe Marchand introduced himself and said he was the Assembly Affairs VP in the GA and was a previous member of the SOB. The GA, which is the equivalent of the Senate, is based on representation by department, and has over 90 attendees at its meetings. Because of that large number, it was a challenge to have GA meetings in the Senate Chamber, and the GA was looking for options for other places to meet. He had hoped to book Eshleman Library for GA meetings, but found out that there's a fee policy he wasn't previously aware of, and fees to rent the 7th floor are at least \$450. He realized it was a contentious issue as to whether students should be charged to use Eshleman Library. The GA finds it problematic that grad student government has to pay almost \$500 per meeting to meet in student space. Depending on the set up, it would cost about the same to hold the meeting at the I-House, which is not a student facility. The GA is having trouble finding meeting space given the new cost for renting Eshleman Library.

Justin Sayarath introduced himself and said he's an ASUC Senator. He also wanted to echo Mr. Marchand's concerns over Eshleman Library and having it open to student government. The ASUC has been trying to have some events lately and people have been going to Event Services, which has told students it will be in charge of the Library. That was problematic because the student government has large events with lots of people and it would be really helpful to have use of that space.

Seeing no other public comment, Mr. Landis said they would continue with the agenda.

### APPROVAL OF THE AGENDA AND MINUTES

Mr. Landis called for a motion to approve the minutes from the August 18 meeting. It was so moved and seconded by Ms. Loomba and Ms. Navab. **THE MOTION TO APPROVE THE MINUTES OF THE AUGUST 18, 2011 MEETING PASSED WITH NO OBJECTION.**

### RECOGNITION OF PAST MEMBERS OF THE BOARD

Mr. Landis said the Board wanted to recognize past contributors to the SOB. They wanted to do this as a practice going forward. He thought everybody who helps with the SOB realizes how much of a commitment it can become and how difficult a process it is to manage student interests and the SOB's fiduciary responsibilities. He and the Board as a whole would like to thank people who have helped.



Mr. Landis said that with the help of Ms. Stager and Prabh Kehal, the intern for the Board, they got some certificates, signed by himself and Chancellor Birgineau.

Recognition of Past Members of the Board (cont'd)  
Election of SOB Vice Chair  
Standing Rules for SOB Meetings

- 5 -

Mr. Landis said he would like to present a certificate of appreciation to Nadesan Permaul, who made everything go smoothly. Mr. Permaul has really meant a lot to the Board and they'll try and continue his vision going forward. (Applause)

Mr. Landis said the next certificate of appreciation was for Prof. Edwin Epstein. The Board really valued the experience that Prof. Epstein brought to the table. (Applause)

Mr. Landis said they also had certificates of appreciation for Ron Coley, and Jonathan Poullard, to pass on the Board's thanks to them. The Board will also have certificates for student members of the Board, including Philippe Marchand, Miguel Daal, and Yishi Zuo.

#### ELECTION OF SOB VICE CHAIR

Mr. Landis said that since they have a student Chair, they need to have a non-student serve as Vice Chair.

Ms. Navab asked where the Board stood with getting new faculty members. Mr. Landis said as he understood the process, they'd work on that with the Academic Senate. Mr. Permaul said that Mr. Poullard was pursuing two members of the faculty in the business realm. They could also go to the Committee on Committees to see if they had any candidates.

Mr. Flaharty said he would serve as Vice Chair for some period of time, until they find a replacement. Ms. Marthinsen said that maybe they could switch off halfway through the year.

Ms. Navab moved to approve Mr. Flaharty as Interim Vice Chair. The motion was seconded. **THE MOTION TO APPROVE MR. FLAHARTY AS INTERIM VICE CHAIR PASSED WITH NO OBJECTION.**

Mr. Landis said they're going to try to make SOB meetings more welcoming, so they have coffee and cookies. People could let him know what kinds of snacks they'd like.

#### STANDING RULES FOR SOB MEETINGS

Mr. Landis said that as Chair, he would like to establish some standing rules for SOB meetings. Ideally, he would not like to see people reading from their laptops during Board meetings. That could be changed on a meeting-to-meeting basis if they feel a presentation was more appropriate via laptop.

In addition, people at the table will be Board members and Auxiliary staff, if they're giving a report. Participation from the audience will be during open comment or during any agenda items that were already allotted for them. Discussion and questions would not come from non Board members.

Standing Rules for SOB Meetings (cont'd)  
Presentation by Tully's Vendors

- 6 -

Ms. Navab asked about questions to non-Board members and if they could allocate time to someone giving information. Mr. Landis said that if the Chair felt someone will appropriately address something better than a Board member, then time could be allocated. That would happen on a time-by-time basis.

Ms. Navab asked if this was a standing policy to the Board that he was recommending. Mr. Landis said that was correct. Ms. Loomba moved to approve the Chair's standing rules. The motion was seconded by Ms. Chen. **THE MOTION TO APPROVE THE POLICY OF STANDING RULES, AS OUTLINED, PASSED BY HAND-VOTE 6-1.**

#### PRESENTATION BY TULLY'S VENDORS

Mr. Landis said he would suggest hearing from the Tully's at that time. Ms. Navab asked if they needed a motion to make this change to the agenda. Mr. Flaharty said he believed this was at the Chair's discretion. Mr. Landis moved to hear the Tully's presentation at that time. The motion was seconded by Ms. Loomba and passed with no objection.

Mr. Landis said he would invite Grace and Jay Hwang to give their presentation. Grace Hwang introduced herself and said she represented the JH group, a small, family business. She and her husband, Jay, and their father-in-law, invested in the Tully's Coffee franchise business. It took them two years from Day 1 at Berkeley to opening day in the Student Union. She and Jay came up from LA on numerous times. They reside in Orange County.

Their initial plan four years ago was to move up to the Bay Area and to operate the store, and live somewhere close to campus. If possible, she'd still like to move up there. They were approached by Tully's to consider buying area development rights to Southern California. They had at the time five stores. This was just background for the lawsuit she was going to discuss. As a family, they're going through the toughest times in their lives. She and Jay both came to America, when she was 14 and he was 18. Their family put their entire life savings into this business. They recently found out that when they signed the contract with Tully's, Tully's was already in the process of selling its brand to Green Mountain, a very big multi-billion dollar company. The plant was sold to a bigger company that wasn't registered as a franchise, and therefore didn't have a franchise registration in California.

Ms. Hwang said that during the past three years they had been working with the previous executives, when suddenly the entire executive team was replaced by a completely new group of people. Ms. Hwang said they were cut off from communications and had no other option than to pursue legal action, because nobody was communicating with them. In retaliation, Tully's terminated their franchise rights. So Ms. Hwang said they're in a position where they have to change their franchise brand, their coffee brand.

Because the wholesale coffee roasting plant was sold to Green Mountain, Ms. Hwang said they weren't able to provide fair-trade coffee in the beginning.

When they signed the deal with the Auxiliary, one key point was to provide fair-trade coffee. But the wholesale business is in the hands of Green Mountain. Ms. Hwang said they're now in a position where

Presentation by Tully's Vendors (cont'd)

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they could seek out a coffee-roasting plant or brand that can offer them fair-trade coffee and other items in accordance with what they as vendors agreed to.

Ms. Hwang said she wanted to let student government know what was going on. She wanted them to understand that it's very difficult for a small business to change a brand overnight. Tully's gave them five days to change everything. But because they were in the middle of a legal process, the vendors were able to buy a little more time. She called for any questions.

Ms. Navab asked if they planned to change the name. Ms. Grace said the way it's set up now is that they feature Tully's coffee in the Oski Lounge Café. They'll be changing to another name "in Oski Lounge." They haven't decided on the name.

Ms. Chen asked what their timeframe was. Ms. Grace said it was about a month.

Ms. Grace said that going back to Mr. Flaharty's question, four years ago they made a presentation to the Board. The Board chose them because the Board didn't want branded coffee on campus. The Auxiliary was approached by Starbucks. Tully's was one of the smallest brands, offered fair-trade coffee, and used environmentally friendly cups.

Ms. Navab asked if they've looked at Blue Bottle Coffee. Ms. Hwang said that was pricier, and they had to consider affordability for students.

Ms. Loomba asked if they were looking for a brand that was recognizable. Ms. Grace said that was one option. One option they're considering is Coffee Bean & Tea Leaf. There were many factors they had to look into, such as the distribution channels. Tully's sold its distribution to one of the largest distribution companies. That complicates a lot of things for a small business. What students wanted was fair-trade coffee, environmentally friendly cups, affordability, and a good product.

Ms. Loomba asked if they had a month to switch, and if the vendors would know everything at the end of the month. Ms. Grace they'll communicate through Ms. Stager. Ms. Loomba asked if they'd come to a conclusion on what they'll choose. Ms. Grace said that Coffee Bean is an option. They had two other options, brands that weren't as well known. Ms. Loomba asked what they were. Ms. Grace the brands were It's a Grind, a local company, and Beyond the Grind. It was very difficult to start out thinking Tully's was a small company, and to then have Tully's sell the most important part of its business to a large company. As vendors, they wish they had known that before they decided to make an investment. They bought five of Tully's stores and they're only left with two stores.

Ms. Stager said she believed the basis of their lawsuit against Tully's was non-disclosure. Mr. Grace said that was correct, and concealment and violation of franchise law. There are four other complaints. The *Seattle Times* published an article about the case.

Ms. Navab asked what date the month was up. Ms. Grace said Tully's initially gave them five days. If they could make the decision sooner, that was probably in their best interests. The relationship is already severed. They hope to be able to switch everything at least by the end of October. Switching won't be difficult in the sense that the only things they'd have to change were product, cups, and signage.

Mr. Landis said that seeing no other questions he would like to thank Ms. and Mr. Hwang.

Presentation by Tully's Vendors (cont'd)  
Report from the Chair  
Committee Reports

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Mr. Landis moved to meet in closed session for 30 minutes to discuss the presentation by the Tully's vendors, with Ms. Stager to remain. The motion was seconded and passed with no objection. This meeting entered into closed session to discuss the Tully's vendors' presentation.

Back in open session, Ms. Navab moved that regarding Tully's potential breach of contract, that Ms. Stager, and others, as necessary, be authorized to negotiate the contract as discussed in closed session. The motion was seconded. **THE MOTION PASSED UNANIMOUSLY BY VOICE-VOTE.**

#### REPORT FROM THE CHAIR

Mr. Landis said there was a meeting about the meditation space on September 7. Mr. Poullard, some students, Mr. Spivey were there. They discussed how the Tilden Room operation will occur going forward. Last year the Board decided it would be a meditation space, and that will take effect on October 3. Event Services will have someone staff the room to make sure it's safe for students. The Board will hear an update on that. The Board discussed this very thoroughly and they want to make sure that switching to this use was a good idea.

Ms. Navab asked if the Tilden Room was reservable. Mr. Landis said it isn't. Ms. Navab asked if it would be open 24-hours. Mr. Landis said it will be open from 9:00 to 9:00, and will be open to any student. It's a meditation space, and that was all.

#### COMMITTEE REPORTS

Mr. Landis said the Bookstore Committee met, had a good discussion, and will try to focus it going forward. Their main concerns were around getting someone from the faculty to help with adoptions. Increased adoptions would help the Bookstore plan appropriately and would help students by offering better prices to them when the Store buys back their books. The adoption period begins in October.

Ms. Navab asked if Mr. Deutsch had anything to add. Mr. Deutsch said he reached out to Bob Jacobsen, Chair of the Academic Senate, to get faculty involved. A campus-wide e-mail went out to all lecturers from Cathy Koshland's office. Mr. Deutsch said he already started an adoption campaign from the Administration side, something that was a really positive change for this year.

Ms. Marthinsen said she's been in talks about technology and changes to the Bookstore operation. There are disparate conversations about the future of books. Some of the people in conversation about technology don't understand the relationship between the Bookstore and the ASUC.

Ms. Navab said this was something students keep emphasizing with administrators. She and Ms. Loomba are meeting with the Technology Council on Monday and they're supposed to have follow-up conversations with Sean LaPean. Things were moving forward, but not very fast. Ms. Marthinsen said she would encourage people to keep up with this. Ms. Loomba said she's meeting when Shel Waggener

Committee Reports (cont'd)

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in October. This is an ongoing conversation. Ms. Marthinsen said this also involved big-picture things. Ms. Loomba said they've also been talking with Mr. Deutsch as well about books and the future.

Ms. Navab said that maybe they should invite certain members of the technology community to a Bookstore Committee meeting.

Reporting for the Food Services Committee, Ms. Chen said they met two weeks ago. They heard from representatives from the Food Co-op. That discussion involved the possibility of the Food Co-op moving on campus and what that would look like. Possible locations they discussed were the Cal 1 Card office, space between Tully's and the Student Store, and somewhere in the Food Court. The Food Co-op would change from a grocery-style store to a full-service café, or do a hybrid. They might stay open late at night. They'd probably keep their business model, with students as volunteers.

Mr. Landis said he would like to re-establish the guiding principles for food the SOB worked on last year and what to look for in a food vendor, and maybe bring up those conversations in meetings on the new Lower Sproul. Having an outline of what they're looking for would make the process of filling those spots much easier.

Reporting for the Auxiliary Services Committee, Ms. Epstein said they had a small meeting with her, Ms. Stager, and Prof. LaPorte. They talked about possibly including Art Studio and Cal Lodge Directors in their meetings. There's a lot they want to do and students have expressed an interest. The Studio and the Lodge aren't making profit and the Committee talked about marketing. They encourage ASUC Senators to look at the Cal Lodge and try to figure out what to do that year. It requires a lot of care and was very expensive. Things really need to be done, probably before the winter.

They also need to follow-up with the insurance report for the Lodge. One possibility was to collaborate with other UCs, such as UC Santa Cruz, with equity in the Lodge. They also have a list of ideas to re-finance the Bear's Lair, if that's found to be a good idea. They also talked about standardized financial reporting. There's been a partial roll-out of the reporting system, and they want to follow-up on that. They want to make a multiyear budget because, given the membership turnover on the Board, since such a budget would help everybody know what was going on.

Mr. Landis said the undergrad reps on the Board were required to go to Senate meetings prior to and post SOB meetings. One thing Senators brought up was a possible committee to discuss the Cal Lodge. Mr. Landis said he recommended they get in touch with the Auxiliary Committee to team up on that.

Ms. Epstein said they talked about subcommittees to focus on individual businesses. All of the meeting was brainstorming.

Ms. Navab said the SOB could advise, but didn't have decision-making authority over the Cal Lodge, since it's the Senate's business. She wasn't sure it was the best focus of the Auxiliary Committee to work on the Cal Lodge when it's not under Board purview.

Ms. Loomba said she is on the Auxiliary Committee and on the Cal Lodge ad hoc committee, so they he could collaborate. When they first talked to the Auxiliary about the Cal Lodge, the goal was to evaluate it and then give a recommendation to the Senate from the SOB's perspective.

#### Committee Reports (cont'd) Report from the Auxiliary

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Ms. Loomba said she thought it was a good idea for other people to sit on the ad hoc committee.

Ms. Chen the Senate at its last meeting said she or Mr. Landis had to sit on the ad hoc committee. The Senate passed two separate bills about the SOB. One was having have her and Mr. Landis attend every Senate meeting before and after the SOB meets. The other bill created an ad hoc committee, with Senators, Ms. Loomba, Mr. Landis or herself, and the Cal Lodge Director.

Ms. Marthinsen work was being done with Capital Projects to get a structural engineer up to the Cal Lodge. If the cost estimate was large, she asked if the Board would have to decide to spend money. Ms. Navab said that would be the Senate's decision. Ms. Loomba said she'd hope the Board would give its recommendation, but it was the Senate's decision.

Mr. Flaharty asked if the Senate decided to fund \$200,000 in repairs by December 1, if the Auxiliary was required to fund that. Ms. Loomba said the Senate has considered having money come from the Berkeley Foundation, where the Senate has some money. Money wouldn't come from SOB budgets.

Mr. Flaharty said he understood that the Auxiliary was responsible for the deficit. Ms. Stager said the students were responsible. The Cal Lodge is in the Auxiliary in order to manage or oversee it, but any deficit is reimbursed by the students.

Ms. Loomba said they're looking at getting Berkeley Consulting, a student group that does consulting, to also provide a recommendation.

#### Report from the Auxiliary

Ms. Stager said she'd first talk about the August year-to-date financials, which were included in the packet, the monthly budget update. The first page is the summary, and the following two pages were the actual financials.

There were a few things to point out. The net net revenue, or net net gain, at the bottom on the last page of the financials, was \$15,372. The minus in front of the number meant it's a gain. The Berkeley convention shows revenue and gains minuses.

As opposed to the budget of \$69,000 deficit for the first two months of the year, there's a net gain over budget of \$84,493. There were several reasons. One, Follett sends the Auxiliary a check before the end of the month for the next month. Instead of going into a pre-paid account, it was booked as rent. That figure is where most of the rent overstatement comes from. When they do the budget they put rents in where they belong, but unfortunately, September rent was posted in August. So that's where most of that \$143,000 figure came from.

Payroll and benefits is quite a bit higher than the budget, even though without a Director, they'd expect that wouldn't be the case. The University in August charged the Auxiliary for something that didn't belong to the Auxiliary. There will be a net payroll savings in September when that gets corrected. That pretty much offsets revenue gain that was misbooked.

Report from the Auxiliary (cont'd)

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Ms. Stager said the ongoing issue on expenses was building maintenance. It was still pretty expensive even though they're just doing the minimum maintenance, given the Lower Sproul remodel. Maintenance includes repairs to elevators, toilets, plumbing problems, and broken windows. What really put them over budget was life safety and alarm and fire extinguisher charges. Some hit early that year and weren't in the budget for this period of time. That's why maintenance was above budget.

Ms. Stager said Miscellaneous Expenditures, at the very bottom of the report, shows a negative figure, or a minus expense of \$12,374. That dealt with the Cal Lodge. If the Cal Lodge spent more than it brought in, then at the end of the year they reimburse the Auxiliary. What's shown was reimbursement of a net from the Cal Lodge from 09-10.

Ms. Stager said that pretty much the Auxiliary was on budget for the most part. If they look at the first two months of the year the figures are small, and there isn't a lot of impact. But going forward, certain things will surface, and Auxiliary financials will be impacted. For instance, they'll get hit with maintenance items; and Follett will deduct from computer sales because commission was mispaid.

Ms. Stager said the other thing to point out is that these financials are strictly for the Auxiliary's operating funds, fund 70450, which is where the Auxiliary's day-to-day business comes from. But there are many more funds, such as TGIF and the Maintenance Fee. All those funds will be part of the year-end report.

Ms. Navab asked what the parking was for. Ms. Stager said it's for one spot in the garage for the maintenance truck.

Ms. Navab asked about the apparel budget. Ms. Stager said that Events people have brand new shirts.

Ms. Navab asked what happened to the additional Student Services Fee, they got, \$60,000. Ms. Stager said that came in last year, in June. It's sitting in carryforward. The financials she presented were financials of actual expenses this year. July is the first month of the new fiscal year. That money came in during the last fiscal year, so it's actually in reserves. It will be used to offset some expenses. The report that afternoon was strictly the operating lines for July. Next month the report will include reserves.

Ms. Navab said that part of that \$60,000 was earmarked for specific things, such as \$15,000 for the GA's Funding Advisor position. Ms. Stager said that's not in Fund 70450. Ms. Navab asked if those funds

were earmarked in carryforward. Ms. Stager said they were. Next month she'll bring a report with everything on it.

Mr. Landis said that maybe that discussion could occur outside the meeting.

Ms. Stager said that moving forward to vendors, in the packet there should be an Auxiliary Vendor Report. There have been a few changes that she e-mailed out last night. The Vendor Report goes through each leaseholder. The big one was Saigon Eats, an ongoing conversation. The Auxiliary received a check that day from Saigon Eats for about \$10,300, to offset the business' \$38,000 deficit. The Bear's Lair Pub's September fee of \$1,000 was paid. There was just a little confusion since the Pub had been waiting for an invoice.

The Bear's Lair Pub is thrilled to be here. They got approval for their hood and now will be able to cook in the kitchen. That's when they'll really get going with their wings. The Pub has had different types of

Report from the Auxiliary (cont'd)  
Lower Sproul Update

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events on different nights. They have football on the weekends and will bring in TVs and try to enhance the student experience. They're very agreeable to do whatever it was that the Auxiliary wanted to have happen.

Ms. Stager said Mr. Landis had a question about leaseholders. They put in the budget that year leaseholder revenues that have not been realized, including \$20,000 for the Pub when they thought they'd get a different vendor; \$33,000 for Fresh Choice; and \$21,000 for ice cream that was going to go into the Cubs location. Once vendors heard they'd just have one year, they all backed off. Revenue in the Auxiliary budget they will not realize totals \$75,000 that they will not realize. But that was offset by extra Pepsi money, \$150,000 greater than the original Coke contract, giving a net pickup of about \$75,000.

Lecture Notes and the Art Studio are addressed in the summary of the financials. The Art Studio was down a little ending in August, but that was all summer session. She put Mr. Scollon's comments in the summary. He felt the Studio had a great fall enrollment. The figures were in the report.

### LOWER SPROUL UPDATE

Mr. Landis said he thought there was a Lower Sproul meeting on Tuesday and went, but there was no meeting. He was hoping someone at the meetings could give the Board a brief update.

Ms. Navab said they're currently doing stakeholder meetings with different communities on, for surge and for what floor plans will look like. MRY presented some new pictures to the Design Review Committee of what the building will look like. Some designs were simplified from the last time people saw them. They're getting ready to put a presentation together for the Regents in November. There might be some minor changes to some proposals.

Mr. Flaharty asked about the Lower Sproul business plan that was finished last week. Ms. Navab said she hasn't seen a copy of that. Mr. Flaharty said he wasn't officially in that group, but he reviewed the package. They went through two revision cycles of the Brailsford & Dunlavy report and will present



the formal business plan for Lower Sproul, with all revenue and expense assumptions. It was being vetted as they speak.

Ms. Epstein asked who's on that committee. Mr. Flaharty said that specific project reports to LeNorman Strong.

Ms. Loomba said nothing has been decided yet, but it looks like they're moving to a single phase for construction. A decision had to be presented to the Regents on September 30.

Mr. Flaharty said a presentation was scheduled for next week. He would suggest SOB participation. Mr. Landis asked if they'll present at the next Board meeting. Mr. Flaharty said that working groups will see it quickly. It's just a first pass. Ms. Marthinsen said she'd ask Mr. Strong to do a quick briefing or send something out. Mr. Flaharty said they went through it page by page, and revisions were being made at that time. Some of his staff were working on cost assumptions. It was being vetted so the assumptions and numbers were okay and wasn't ready to be vetted yet.

Retreat Update/Follow-up

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#### RETREAT UPDATE/FOLLOW-UP

Mr. Landis said this will be a permanent item on the agenda going forward so they can try and remember what was discussed at the retreat and actually follow through on things they felt were important for the Board. A follow-up report on the retreat was attached to the agenda packet and was e-mailed to everyone. The facilitators did an excellent job and the outline was very nice.

Just to recap, it was a terrific event. The plan was to have at least a one-day, mid-year retreat, probably in January. It wouldn't be the same degree as the past retreat, and suggestions have been made as to what could occur. A two-day retreat will occur every year in August. One thing they talked about doing, which he wanted to continue, was to touch on one topic that occurred at the retreat and to make sure the conversation continues. This was informal, and he asked if there was anything people wanted to bring back up that the Board discussed at the retreat.

Ms. Epstein said it might be good idea to have alumni on the Board, especially if they have expertise on some of the topics the Board talks about, such as financial contracts or best practices. Mr. Flaharty said they'd have to change the Charter. Mr. Landis said that was something they talked about doing next year.

Ms. Navab said that for a minor follow-up, there was some confusion about Auxiliary transition and whether that was part of OE. She posed that question to the OE Program Office and was told that the Auxiliary was not part of any of the OE proposals put forward.

Mr. Landis said he would like to bring up the point that in talking about Lower Sproul, vendors, and what they envision, to remember that they're making decisions that will be implemented years down the line. It was very important that the SOB next year and in two years has an idea of what they were charged to do with Lower Sproul. The Board this year really had an opportunity to set the ground work for that.

Ms. Loomba said she's been thinking about this a lot, about how they plan for the future. Because of the transient nature of students on the Board, what they're defining this year will be taken over by completely new people next year, who will have to pick up where the current Board left off. They're planning so far ahead. They had to be fluid and leave things open for the next people, and allow for breathing room, so things could change. A lot of times they'll set things in stone, and that can sometimes mess things up for the future. This idea has come up in discussions.

Mr. Flaharty said they should try to finalize a mission statement. That's the natural progression of conversations they've had. Secondly, he asked if they could change the name of the group to something other than the "SOB." The extent of their operations was no longer just the Store, and the Auxiliary was much bigger than the Store. It seemed they should have a name that reflects that scope.

Ms. Marthinsen said she wanted to comment on conversations about the future. A question is what students were doing in these conversations and how that will be useful in the future. Ms. Loomba raised this point. People are struck in the details at that time, but in 40 years, they don't want people talking about why Lower Sproul was designed the way it was. This was a vision thing people often don't have time to do.

Eshleman Library Discussion/Overview

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## NEW BUSINESS

Mr. Landis said they already discussed Tully's.

Eshleman Library Discussion/Overview

Mr. Landis said there's been quite an e-mail discussion on this and feedback from different constituencies. People we're doing the best they can in terms of trying to get everybody's input and find information with limited staff.

Ms. Stager said that Eshleman Library was always a library for student use, especially for 24-hour study space during finals. It was the only place on campus where people could eat and study. The Library has a long history. Back in July of 2010, because of the financial situation, the Director, Nad Permaul, and then ASUC President Noah Stern, made an agreement to turn the Library into commercial space. There wasn't anything in writing in the Store Operations Board minutes, which was what she quoted in the body of the discussion she sent out. The minutes talk about why they made the change and the fact that it would be offline until the new Eshleman came up. But there was nothing in writing, and the Senate didn't approve it. It was student space at the time. There was no Executive Order by the President, Noah Stern. Because of what was, for all intents and purposes, a gentleman's agreement, the Library was converted into Events space. It's actually a very attractive space for events, because of its size and the good views it has.

Ms. Stager said that last year the Auxiliary wasn't charging for the space because they had to set it up, get Fire Marshall approval, etc. Once it was approved as events space they started to charge rent for it. The question was whether, since this is a student facility, students should still have full access to it.

The Board heard from Philippe Marchand earlier talk about GA use of the space, and she's been getting questions every week at Senate meetings about waivers for the space and why students couldn't use it. At the last Senate meeting she recommended appointing a committee to work with the Auxiliary Committee, chaired by Ms. Epstein, to come to an agreement on the best use of this space, whether students should have waivers, and if so, if there should be a cap on waivers. Because this wasn't done properly to begin with, the Senate and the Auxiliary Committee of the SOB should get together and come up with something that was mutually workable, so students have access and so the Auxiliary can use it as event space, since they budgeted it as event space with revenue. Students want it as study space at the end of the semester, although there's already study space at Cesar Chavez that has been set aside, which was another thing to consider.

Ms. Stager said that from waivers for last year, the same groups come in and ask for waivers and get some that other groups don't get. It appears that anybody that comes to Fi-Comm can get a waiver, even non-ASUC groups. She asked if that was something they want to continue. They have to consider whether they want to put a cap on waivers. Last year a group had three days worth of waivers. Maybe they should get one day. All these topics need to be worked out so it was workable for both the Auxiliary, which was struggling to make money, and for students, who are struggling to find space they could afford.

Eshleman Library Discussion/Overview (cont'd)

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Mr. Landis said he believed they budgeted \$40,000 worth of revenue from Eshleman into the current budget.

Ms. Chen said another distinction was that last year the Auxiliary charged student groups for Eshleman Library, but didn't charge student government. This year they're charging groups and government. One proposal was to allow student government to use Eshleman Library for free, and to not have a cap on waivers at all for Eshleman or Pauley. She used to be very involved in the ASUC and went to Fi-Comm meetings, where waivers for Pauley were passed quickly and continuously, for anyone who came in. The proposal was to not cap waivers and to allow student government to use Eshleman Library. But instead of allowing the Senate to continuously approve waivers and use Event Services and Auxiliary funding, the Senate would have to take waivers out of its own Contingency Fund. The Auxiliary budgeted \$40,000 and would make up that \$40,000, and could then perhaps, in the end, give money back to the Senate. She thought that would control spending.

Ms. Navab said she would caution against waivers and thought the GA got screwed with waivers because they always go through the ASUC. And the GA is one of the big users of space. They had to continuously go to undergrads and ask for space that was supposed to be partially the GA's space. They have talked with Mr. Permaul and Ms. Stager about getting student government access to its own spaces, and charging other people.

Ms. Loomba said it wasn't \$40,000, but \$30,000 was what they had expected in revenue from Eshleman Library. A big issue on this has been that student government wasn't getting Eshleman for free and had a large expense. The proposal would give student use of Eshleman Library free of cost, for student government purposes only. Student groups would still be charged for Eshleman Library and there would be no fee waivers, unless the Senate deemed that to be appropriate. If the Senate wanted to do that, it could do that on an individual basis, with the money to come out of the Senate Contingency Fund.

Aside from that, to offset the costs, they'd re-evaluate the way in which they do Pauley Ballroom waivers. Currently, when the Senate passes Pauley Ballroom waivers, they cover that waiver cost. They still want to support the Senate and those waivers as much as possible, but they also had to look at their fiduciary responsibilities. The proposal would give the Senate full control over waivers, as many as they'd like to give, and they'd still pay Event Services. Those waiver fees would come out of the Senate Contingency Fund. At the end of the year they'll balance their budget and see if they've covered the cost of Eshleman and the \$30,000 in revenue that they're risking now to give student government unlimited space. Once that cost is offset, anything above that will go back to the Senate Contingency Fund as reimbursement for the Pauley fee waivers, up to the amount they spent on waivers. That would offset their costs and everyone should be happy, and the process should be more accountable. Ms. Loomba said that she and Ms. Chen discussed this to find something that worked for everyone, and would still provide services for students, keeping in mind their fiduciary responsibility.

Ms. Navab said she thought they need to do a little better price comparison for what they charge for space. Eshleman Library wasn't that nice of a venue. For a similar cost, people could get the Alumni House and other venues. Especially for grads, it's much easier to serve alcohol at the Alumni House than at Eshleman, so they start to lose incentives to use their own space.

Ms. Chen said that Eshleman Library costs \$250 for four hours for student groups. The Alumni House costs more. Ms. Navab said that students get a discount. When Mr. Marchand did price comparisons for GA meetings, some other campus spaces were cheaper than Eshleman Library.

Eshleman Library Discussion/Overview (cont'd)

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Ms. Loomba said she'd be interested in knowing how many student groups made use of Eshleman Library last year, and if it was being used much, or if it was too expensive. Perhaps Ms. Stager could have information on this from last year.

Ms. Stager said she didn't have those figures, but she had the waiver list. When the Library came on as event space the question was whether or not there would be waivers for event space. As for pricing for the Library, that's based on it being almost the same size as East Pauley. So the rent and the revenue was equivalent, based on size.

Ms. Chen said there were no waivers for the Library last year. Ms. Loomba said the waivers last year were just for Pauley.

Ms. Navab asked how much waivers for Pauley were. Ms. Stager said she didn't have that, and Vivi Nordahl would have that.

Mr. Landis said that from that discussion, their take-away is to inform the Senate that the SOB was going to evaluate how the fee waiver process was currently being conducted. There was concern about the governments being able to act on this, as well as student groups. He thought they need to continue this conversation a little longer.

Ms. Navab said the Senate hasn't agreed to make Eshleman Library commercial space. So therefore the Auxiliary couldn't charge fees for the space. Ms. Stager said that technically that was correct. It was agreed upon, but not codified. It was more of an agreement between the President and the Director.

Ms. Chen said that if they bring this to the Senate, and the Senate didn't want to make this a commercial space, the space couldn't go back to being a library because there was no funding for that. So essentially, it would be lost space that would sit there and collect dust.

Mr. Nicholas asked if there was a cost per month. Mr. Landis said that as a library, it costs \$40,000 a year to operate. Mr. Permaul's projection from two years ago was to cut the staff, which saved the Auxiliary \$40,000. In addition, the idea was to also make \$40,000 from rentals. Without the purview to do reservations, the space would be locked.

Ms. Stager said the 7th floor was library space they had Ann Marie Molosky, the Advisor for both publications and the Library. She had quite a few students as staff. The \$40,000 salary savings comes from not employing students and not having that oversight from an Advisor. The Auxiliary doesn't have money in its budget for that.

Ms. Navab suggested that the Board decide to keep Eshleman Library open for another month, pay the costs, and not charge students. The ASUC would decide if it wants to return it to commercial space and what the conditions would be. Events that have already made reservations wouldn't get shafted. At the next Board meeting they could re-evaluate the situation.

Ms. Loomba asked what they'd re-evaluate. Ms. Navab said the Board can't decide what to charge until the Senate decides what to do with the space. Instead of closing it for one month, she'd recommend footing the bill for a month.

Eshleman Library Discussion/Overview (cont'd)

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Ms. Loomba said that from her perspective, there was only one way to go. She didn't any see other options. Otherwise, the 7th floor would be shut down. It was very black and white to her. She didn't know if they were ready as a Board to make a decision. She strongly felt this was the right policy, but maybe it was something they could discuss more at the next Board meeting. She thought the Senate could vote on it next week. It not being commercial space was just a small technicality to her. The bigger issue was the policy. She would like to hear comments as to what she and Ms. Chen discussed as a possible resolution to allow student government to use the space.

Ms. Navab asked what Senators thought since they'd vote on this.

Ms. Stager said space is rented quite far in advance, and there were still people who have made reservations beyond one month.

Mr. Flaharty said it seemed that this question would fall under the Auxiliary Committee to come back with a proposal. Assuming it was confirmed as commercial space, the Committee could draft an MOU.

Ms. Chen asked if Senators there had any objection to turning the 7th floor into commercial space. Ms. Loomba said it's technically been functioning as commercial space for a year. It was just the terminology that was shifting a little bit. Ms. Chen said the option was commercial space, or a locked 7th floor, or having the Senate take money out of its Contingency Fund. Ms. Hodge said the Contingency Fund has \$18,000 in it, so that wasn't really an option.

Mr. Landis asked if Senators would like to speak for a minute.

Ms. Diaz said she felt there's a tendency to address all groups on the campus as the same, but there's a reason certain groups need to have space. A lot of her communities are underfunded or don't have the means to pay for space. That's why they have to request waivers. It was important to keep that accessibility and the ability to make events happen. They shouldn't just lump all groups together. She's a Latino-endorsed Senator.

Ms. Loomba asked if they were saying costs should be offset for student groups. Ms. Diaz said that was correct. Revenue needed to be addressed further, but student groups don't have access to facilities. So they should strike a balance, and maybe have waivers.

Mr. Sayarath said there aren't many spaces on campus to do things. Student groups really utilize space effectively. Student groups should at least have discounted prices, and space for student government should be free, since they organize the student body effectively.

Ms. Mecklai said she was in support of turning this into a commercial space. They'd need to flesh out what that would mean. Student groups should have access, and whether that would be through discounts or waivers should be a separate discussion.

Mr. Williams said it needs to be space that generates revenue, but the Senate should still have the accessibility it needs, and it should be available to student groups at a lower price.

Ms. Fang said there are very few spaces on campus that are free and are the size of Eshleman Library, which allows students to put on events in a room of that size. She understood the Auxiliary was in a very difficult position.

Eshleman Library Discussion/Overview (cont'd)

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Mr. Nicholas said he thought the Eshleman Library should be free to student government and to groups. It could be commercial space at times when it's not being used by students. Some costs would have to be eaten and the Board would have to discuss where that money would come from.

Ms. Loomba said that from what she heard, having some sort of waiver for students to use Eshleman was the way to go. They could take the money from contingency and offset the costs for student groups, and at the end of the year, would reimburse what they could. That would also set a limit. Before, everyone got a waiver, and there was no due diligence on the part of the Senate. She sat on Fi-Comm herself and did that. So this policy would put a check on that as well. Students wouldn't be reimbursed for everything. The Senate would find key student groups to receive waivers, which wouldn't be available for everyone.

Mr. Landis said they would just set the standard for how much money the Auxiliary needed, and the Senate would go about figuring out how to do it. The Senate would decide charges.

Ms. Navab said the Board couldn't tell the Senate how to give out waivers, or set terms for that. The Board could set the price of the room, if it's commercial space.

Mr. Landis said he thought the idea was to have the room make \$30,000. How that happens was irrelevant. If the Senate gives out waivers for \$50,000 and the room makes \$30,000, they'll get \$20,000 back. Ms. Navab said that if they pay \$20K, they'd need to put \$20K back. Ms. Loomba said they're saying they'd reimburse that. If they make revenue, they'd set a budget of \$30,000. In the past, student groups

would get a waiver from the Senate. But if they want to cover the cost, they couldn't do that anymore. But if the Board wanted to cover the cost, there would come a point where they couldn't give out waivers any more. So they'd put responsibility on the Senate to do its due diligence, so when they pass a waiver, that money would go to Event Services from Contingency, and at the end of the year, when the budgets were balanced, if there were waivers of \$20,000 and the room made \$30,000, the Auxiliary could reimburse Contingency.

Ms. Navab asked if they could have a condition that the Senate gives waivers with the money to come out of Contingency. She didn't know if they could put that condition on to waivers, or if that was something the Senate would decide. Mr. Landis said the Board couldn't say the money had to come from the Contingency Fund, and all the Board would say was that it needed a certain amount of money.

Mr. Nicholas said there were other spaces available to students for free in MLK. Rather than waivers, they could say that once a month a student group could use the space, and if they wanted to use it more than that, they'd have to pay for that. That would allow the 7th floor to be used as a commercial space.

Ms. Chen said they could cap the waivers a group could receive. Having funds come from the Contingency would have a self-control itself.

Mr. Landis said that given the conversation, this needed to get fleshed out by a committee. The Senate would need to give its input. He would promote moving this to a committee.

Ms. Navab asked what would happen in the next month. They need an answer before the next Board meeting.

Eshleman Library Discussion/Overview (cont'd)

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Mr. Flaharty said they could decide to not change the policy that currently exists, and decide that by the end of October they'd have a new policy. The current practice would stay in place until a new policy was set. Ms. Navab said current policy was illegal. Mr. Flaharty said they should close it as commercial space and shut it down.

Ms. Navab moved that for the next month, until the next SOB meeting, when they can re-evaluate policy, student government, the ASUC and the GA, cannot be charged for using the space. That didn't mean that student government could sponsor student groups to use the space. But student government itself could host events there.

Mr. Landis asked how that would be paid for. Ms. Navab said it would be how it's been covered in the past.

Mr. Nicholas asked if there's a way they could find money for the month to support student government using the space.

Ms. Stager asked if free use of the space by student government meant the room charge, including set-up, or if it just involved the room charge. Ms. Navab said it just dealt with the room charge.

Ms. Loomba asked if student government could use the room without set-up. Ms. Hodge said it could. There are salary savings from the Director, but some of that will be used for the Director search and to

offset the deficit they budgeted. From the Pepsi money they get, half would be offset from leaseholder income they won't realize. What they never know are things like elevator repair and other maintenance issues. On the surface it looks like they have some money to cover that, but there are unknowns going forward, and she couldn't say they'll have money.

Mr. Nicholas said it didn't seem like it was a large amount they're talking about. They're basically asking to waive \$250 for the GA so the GA could hold its meeting there.

Ms. Loomba said it sets a bad precedent even if they only do this for one month. The budget set for Eshleman Library is \$30,000 in revenue. At the end of the year, if enough student groups use that space, and the Auxiliary made \$30,000, any amount made over that amount would be reimbursed. Whatever waivers are approved up to, say, \$15,000, would be reimbursed by the Auxiliary. The process is the same, but this would allow student government to use the space for free. She thought it was agreed that student government should be able to use its own space for student government events. That's the policy they came up with. They talked a lot about Pauley Ballroom waivers and how they're out of control. The proposed policy would add a level of control because the Senate would have to do its due diligence, since if it spent \$50,000 on waivers for Pauley, the Senate would have to cover a lot of those costs, as there's no way the Auxiliary would be able to pay for that. That's the policy they came up with. It keeps student government sustainable and balances the budget. On whether to take this from other things that go there, it's not logical to take money from random sources and put it towards this space to use for student government.

Mr. Landis asked if they could vote on this and see if this conversation needs to occur in a subcommittee. This conversation could take hours and it wasn't a good use Board time. He only asked people to be there until 4:55, and that's what time it was.

Eshleman Library Discussion/Overview (cont'd)

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Mr. Landis said the motion was that student government would get to use the Eshleman Library for the next month, until the next SOB meeting, without paying the room reservation fee. Student government couldn't use the room to sponsor student group events. It's just for internal student government events.

THE MOTION PASSED BY HAND-VOTE 5-3.

Mr. Landis said this conversation would continue in the Auxiliary Committee. He was recommending that a subcommittee be formed within the Auxiliary Committee and that Senators and Board members make sure that before the October meeting at the latest, they know exactly what the plan is.

Mr. Nicholas asked if the subcommittee had to be under the aegis of the Auxiliary Committee, or if they could create a new subcommittee. Ms. Navab said they could create an ad hoc committee.

Mr. Nicholas said he didn't think this subcommittee necessarily had to be under the Auxiliary Committee.

Mr. Landis said they'd have a focus group to discuss what they just talked about regarding Eshleman Hall.

Ms. Stager asked what dates were inclusive in the waiver. Mr. Landis said it was one month, until October 21, the date of the next SOB meeting.



Mr. Landis asked who would like to be on the focus group. Members indicating an interest were Ms. Chen, Ms. Epstein, Ms. Navab, and Ms. Loomba.

Mr. Landis said he would bring this up at the Senate meeting.

Mr. Flaharty said the subcommittee was charged with coming back with two completely vetted alternatives to vote on, and not have discussion.

Ms. Loomba asked if the Senate still had to vote on making the 7th floor commercial space. Mr. Landis said that would be a good idea.

Mr. Landis said he would entertain a motion to adjourn. It was so moved and seconded and passed with no objection. Mr. Landis said he would like to thank people for attending that afternoon.

This meeting adjourned at 4:58 p.m.

These minutes respectfully submitted by,

Steven I. Litwak  
Recording Secretary

Decisions of the Board

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### DECISIONS OF THE BOARD

#### Procedures

<b>Sept. '11</b>	<b>Established standing rules for Board meetings.</b>
July '11	Elected Mr. Landis as Board Chair
Nov. 10	Voted to give Senators access to SOB bSpace material, with the Board Chair to remove confidential material.
Nov. '10	Decided to have shorter minutes.
Oct.'10	Mr. Zuo elected as Board Chair
Oct.'10	Ryan Landis joins the Board, undergraduate representative.
Sept.'10	Mr. Daal elected as Board Chair.

Sept. '10      Mr. Daal elected as Board Chair.

- Sept. '10      Approved Resolution on Board Authorization of Minor Lease Negotiation, whereby negotiations on a minor lease may be stopped by Board vote.
- June '10      Approved up to \$13,000 for the search and selection of a Lower Sproul consulting architect and for a LS student relations position.
- April '10      Amended Section 3.3 of the CAA to define “minor leases” at \$150,000.
- March '10      Emily Marthinsen joins the Board, replacing Ms. Griscavage.
- Dec. '09      Welcomed to the Board Khira Griscavage.
- Nov. '09      Established a Food Subcommittee for the Bear's Lair Food Court.
- Sept. '09      Heard a presentation from Business Services on RFP procedures.
- Sept. '09      Voted to have \$20,000 from ASUC reserves, held by the Auxiliary, to be used for the Lower Sproul campaign.
- July '09      Welcomed to the Board Prof. Myers and Dean Poullard.
- July '09      Elected Mr. Rajan and Mr. Poullard as Chair and Vice Chair.

Decisions of the Board (cont'd)

Procedures (cont'd)

- July '09      Established a subcommittee to consider amendments to the SOB Charter and By-laws.
- July '09      Approved an operating principle of perspective vendors submitting an ROI to the Auxiliary before having the matter come to the Board.
- May '09      Welcomed Mr. Zuo and Ms. Coleman to the Board, undergrad reps in two-year and one-year terms respectively.
- May '09      Approved proposed changes to the CAA that would have the ASUC and the GA share commercial revenue.
- Dec. '08      Asked the Auxiliary to look into whether confidential contract documents could be delivered to members prior to Board meetings.
- Nov. '07      Welcomed Marilyn Stager to the Auxiliary, Business Services Officer.

- Sept. '07 Welcomed to the Board Prof. Cluff and Mr. Ortega, GA rep.
- Aug. '07 Elected Mr. Dally and Mr. Nguyen as Chair and Vice Chair for 07-08.
- May '07 Mr. Smith's first Board meeting as undergraduate representative.
- May '07 Mr. Spivey's first Board meeting as ASUC Auxiliary Associate Director.
- Dec. '06 Amended the Commercial Activities Agreement, to list the Blue & Gold Yearbook under Exhibit A, Part B, Number 11, to allow the Yearbook to receive student addresses from the Registrar's Office.
- Nov. '06 Elected Mr. Dally as Vice Chair of the Board and elected to have Ms. Putnam-Smith serve as Chair for the remainder of her term, ending at the conclusion of Spring Semester, '06-7
- July '06 Mr. Permaul's first Board meeting as Auxiliary Director.
- June '06 Unanimously endorsed the efforts of the Chancellor and the UC President to utilize programs such as the Designated Suppliers Program, or other means of preventing the use of sweatshops in the production of University apparel and goods.

Decisions of the Board (cont'd)

Procedures (cont'd)

- April '05 Mr. Dally joined the Board as undergrad representative.
- Dec. '05 Asked the Finance Committee to discuss with Internal Audit the ASUC's Use of the BFS accounting system.
- Dec. '05 Elected Ms. Putnam-Smith as Chair of the Board.
- June '05 Voted to have committees, after the August meeting, agree upon meeting Times, during normal business hours, and for the Finance Committee to meet at least quarterly, and for each committee to have representation of faculty, staff, and students.
- June '05 Re-elected Mr. Cohen as SOB Chair and elected Ms. Putnam-Smith as Vice Chair.
- Feb. '05 Mr. Miles and Mr. Williamson joined the Board.
- August '04 Formed an ad hoc committee to study increasing efficiency in information

July '04	Elected Elliot Cohen as Acting Chair of the SOB, for 2004-5.
April '04	Considered and amended ASUC Auxiliary Budget Principles.
Jan. '04	Agreed to send another letter to the ASUC Senate and the GA asking to resolve the question of GA representation on the Board.
Dec. '03	Voted to send a letter to the ASUC and the GA asking to resolve the question of GA representation.
Oct. '03	Approved the establishment of ad hoc committees: Commercial Operations, Auxiliary Services, and Finance.
Aug. '03	Heard a report on the establishment of the Space Assessment Committee for Eshleman and MLK.
June '03	Elected Ms. Quindel and Mr. Bucklin as Board Chair and Vice Chair, 2003-4.
June '03	Formed a Subcommittee on Committees to determine a committee structure for the Board.

#### Decisions of the Board (cont'd)

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#### Procedures (cont'd)

June '03	Agreed to hold a Board members orientation by August 30.
May '03	Agreed on the need for a Board members orientation to be held before the start of the school year.
Dec. '02	Enhanced Board minutes by adding "Decisions of the Board."

#### Vendors

April '11	Elected Hedy Chen elected as SOB representative on the Daily Cal Board.
Mar. '11	Heard from a consultant on Lower Sproul and heard the results of a major survey.
Mar. '11	Formed a committee to envision Lower Sproul food, retail, and the Bookstore.
Feb. '11	Voted for a month-to-month lease for the Pub, and to go out to RFP.

- December '10 Voted to extend the Follett lease for one year, to 2014, in exchange for an overpayment by Follett.
- September '10 Paramjit Singh, Subway, and Henry Pham, Saigon Eats, welcomed to the Auxiliary.
- September '10 Approved Kaplan lease for space formerly occupied by STA Travel.
- April '10 Approved the preparation of leases for space Nos. 2 and 3, Saigon Eats and Subway Sandwiches, for a maximum of seven years, with vendors to invest over \$100,000 in infrastructure and appearance of the spaces.
- April '10 Approved the extension of the Coffee Spot lease by two years.
- April '10 Voted down a motion to prepare an RFP for copying services at the Postal Annex site.
- Jan. '10 Voted to enter into negotiations with Subway Sandwiches and Saigon Eats.

Decisions of the Board (cont'd)

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Vendors (cont'd)

- Dec. '09 Passed a Resolution to extend the Taqueria lease until May 31, 2010; gave the Taqueria until January 10, 2010, to accept terms that were presented in July. A negative response or no response would have the Auxiliary issue an RFP on January 11, 2010,
- Dec. '09 Determined weights for the Bear's Lair RFP scorecard.
- Nov. '09 Reduced CUBS' rent 50% for the summer months the space was inaccessible due to University issues.
- Nov. '09 Decided to charge a \$500 deposit to CALPIRG.
- Nov. '09 Offered to extend the lease of the Taqueria through May, 2010.
- Oct. '09 Extended the lease of Healthy Heavenly Foods through May, 2010.
- Oct. '09 Extended the Daily Cal lease to September 30, 2012, adding CPI and electrical monitoring.

- July '09      Approved a one-year contract extension for the Daily Cal, through 2012.
- July '09      Approved Mr. Zuo as SOB rep to sit on the Daily Cal Board.
- July '09      Voted to present the SOB's contract to Food Court vendors, and to go to RFP if the terms were accepted.
- May '09      Approved an amendment to the Naia lease, to allow the sales of sushi and salads, with Naia to reopen in the fall.
- May '09      Approved a five-year lease extension for CALPIRG, with new lease terms.
- May '09      Agreed to a three-year lease extension for the Daily Cal, and on terms to repay deferred rent payments, with an SOB member to sit on the Daily Cal Board until repayment.
- April '09     Amended the Panda Express contract and voted to renegotiate.
- April '09     Agreed to present draft contracts to the Coffee Spot, the Taqueria el Tacotento, and Healthy Heavenly Foods, going to RFP's if necessary.
- March '09    Approved the Tully's Coffee contract.
- Feb. '09      Voted to approve the CUBS contract.

Decisions of the Board (cont'd)

Vendors (cont'd)

- Feb. '09      Voted to move forward with the Tully's contract.
- Jan. '09      Voted to continue negotiations with Panda Express and Tully's Coffee.
- Dec. '08      Voted to go out to bid for all Bear's Lair Food Court vendors.
- Nov. '08      Approved Action Vending proposal to increase vending prices.
- Sept. '08     Agreed to Daily Cal terms for deferment and reduction of rent.
- Sept. 08      Heard the terms of a possible Panda Express contract.
- June '08      Approved the concept of bringing the Brazil Café to the ASUC.
- June '08      Approved a Letter of Intent to negotiate with Panda Express.
- May '08      Approved Letters of Intent to: renegotiate leases with Bear's Lair Food Court vendors, ESI (English Language Institute), the Daily Cal; to negotiate

- coffee vendor; and to amend the Coffee Spot lease for coffee cart operations at Anthony Hall.
- Dec. '07 Heard a presentation by CUBS.
- Nov. '07 Received "Roadmap to Redevelopment at the ASUC: A Conceptual Draft for Physical Improvements to ASUC Commercial Operations."
- June '06 Unanimously approved having Mr. Rolle look for someone to manage the Lodge, with the same relationship as with the previous manager, removing restrictions for a leaseholder.
- March '06 Approved a five-year lease option exercised by the Jupiter Pub.
- May '09 Voted down approval of the proposed Panda Express contract.
- May '09 Voted to go to RFP, on June 30, for the STA Travel space, and any other spaces that become vacant in the coming year.
- May '09 Revised the agreement with CampusLink to end its monopoly on Student Union advertising.
- Feb. '06 Authorized pursuit of a judgment against the previous Cal Lodge leaseholder on behalf of the ASUC and the ASUC Auxiliary.

Decisions of the Board (cont'd)

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Vendors (cont'd)

- Sept. '05 Authorized the Chair to write a letter to Associate Vice Chancellor LeGrande about the rate and usage of the Cal 1 Card.
- March '05 Heard a presentation by Daryl Ross and agreed to investigate the possibility of a "green" restaurant in the southeast corner of the Student Union.
- Nov. '04 Approved the transfer of ownership of The Taqueria to the owner's nephew.
- July '04 To advertise the Store, the ASUC worked to give CalSO counselors a \$5 gift certificate and RAs a 15% discount card.
- June '04 Approved a five-year extension for the STA Travel lease.
- June '04 Approved the Resolution In Support of Follett Contract Performance Review.
- June '04 Approved changes to the terms of the Pub's lease.

- April '04 Authorized negotiations for a 12-month contract with the current Bear's Lair tenant, and to terminate the lease if negotiations failed, and to issue an RFP.
- March '04 Agreed to a four-with pilot project for the New York Times Readership Pilot Project.
- March '04 Rejected contract proposals submitted by Pub management, called upon the Commercial Operations Committee to initiate a student survey on use of Pub space, and approved sending out an RFP for the space.
- March '04 Recommended signing the Follett contract, dated Feb. 26, '04.
- Jan. '04 Agreed to publish a letter in the Daily Cal to the general campus community promoting Auxiliary businesses.
- Jan. '04 Voted to send a letter of apology to the Bookstore manager for the content of a flier for the ASUC Bookswap.
- Dec. '03 Heard from John Martin, operator of the Pub.
- Nov. '03 The Daily Cal lease was signed, and printing of the ASUC government page began.
- Nov. '03 Heard a presentation on Coca-Cola business practices in Colombia.

Decisions of the Board (cont'd)

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Vendors (cont'd)

- Aug. '03 Amended the Daily Cal lease to have a code of conduct for the paper discussed by the campus community at-large.
- July '03 Approved a five-year lease with the Daily Cal.
- July '03 Authorized an engineering study of the Cal Lodge, for use in negotiations with the lessees.
- Sept. '05 Approved used of an inspector suggested by the Alumni Association to inspect the Cal Lodge, to authorize pursuing an agreement for the Alumni Association to manage the Lodge.
- May '05 Approved the further exploration with Daryl Ross of placing a green café at the southeast corner of the Student Union.
- Nov. '04 Approved a two-year lease extension, begin Jan. 1, '05, to the Taqueria and Healthy Heavenly Foods.



- Aug. '04 Decided to offer the Pub, after consulting with counsel, a reduction in rent, with conditions.
- July '04 Heard a counter proposal from the Pub regarding a contract revision. Authorized the Director to seek legal counsel.

MLK Student Union / Pauley Ballroom

- Sept. '11 Voted to not charge for student government use of Eshleman Library until the next SOB meeting, when policy would be re-evaluated.**
- April '11 Voted to make the Tilden Room meditation and reflection space.
- Feb. '11 Approved a \$1,900 contribution to open the Senate Chamber for study space during finals.
- September '10 Welcomed Lawrence Lawler as new Student Union Director.
- June '03 Formed a subcommittee to further consider the Daily Cal lease.
- May '03 Heard a presentation by Coca-Cola representatives on the company's business practices in Colombia.
- Dec. '02 Added a fair-trade coffee option into the lease of the Coffee Spot.

Decisions of the Board (cont'd)

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MLK Student Union / Pauley Ballroom (cont'd)

- Dec. '02 Authorized a letter to Coca-Cola expressing the Board's concerns with allegations of human rights abuses in Colombian bottling plants, and requested a company representative speak to the Board.
- April '10 Approved an appropriation of up to \$3,000 from Auxiliary reserves for Lower Sproul, BEARS Referendum-related expenses.
- Nov. '09 Allocated \$30,000 out of Auxiliary reserves to fund a study on a maximum build-out option for Lower Sproul redevelopment.
- May '09 Learned that due to a possible FEMA grant, phase 3, of the Student Union seismic project would be postponed until the summer of 2010, including the Pub, and the Store, and the Multicultural Center.
- Dec. '08 Work began on the seismic retrofit of MLK.
- Oct. '08 Heard from, gave feedback to, Brailsford & Dunleavy, on Lower Sproul redevelopment

- June '07 Approved up to \$35,000 for Student Union improvements, estimates, and studies, including the Tilden Room, Pauley Ballroom, and the Food Court.
- May '05 Voted to approve the LoSpro lounge proposal for the space in the Student Union occupied by the Bearcade.
- May '05 Voted to explore options for the expansion of the Art Studio.
- Oct. '04 Authorized ASUC President Leybovitch, with matching funds from H&D, to spend up to \$2,500 for a Student Union/food service survey.

Budget

- May '03 Approved agreement with the Chancellor's proposal on the multicultural lounge; to enter into negotiations on costs and the Auxiliary's role in managing the facility; and to approve a negotiating committee. Current Officers will negotiate, with new Officers to shadow them until current Officers leave.
- May '03 Approved having Mr. Cordi and Mr. Rolle submit a proposal to support student use of Pauley Ballroom by the June SOB meeting.
- April '03 Received a proposal, as part of the 2003-2004 budget, to allocate 20,000 for the Senate and the GA to use for Pauley Ballroom fee waivers.

Decisions of the Board (cont'd)

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Budget (cont'd)

- Feb. '03 Approved a subcommittee to look into policies for Pauley Ballroom and for fee waivers.
- Feb. '10 Had a session to envision the Auxiliary budget.
- July '09 Approved the 2009-10 Auxiliary budget.
- April '06 Approved the 2006-7 Auxiliary budget.
- April '05 Approved the 2005-6 Auxiliary budget.
- Sept. '04 Approved a motion to state that the Board alone had authority to shift funding; to determine 03-04 residual profit at \$103,208; and to transfer \$50,000 from residual profit to the Auxiliary Contingency Fund, making up for a transfer of that amount to the ASUC to balance its 04-05 budget.

- May '04      Approved a motion to urge the future SOB, 04-05, to consider as a high priority, fully funding one position for the OSA and a half OSA position for the GA.
- April '04     Approved the ASUC Auxiliary FY 2004-5 budget, including a transfer to the ASUC of \$50,000 from Auxiliary Contingency Reserves.
- Feb. '03      Received "ASUC Auxiliary Revenue and Expense Report, July-December 2003."
- June '03      A committee was formed to balance the Auxiliary budget. The Subcommittee on Committees will determine if this should be an ad hoc committee.
- May '03      Approved the 2003-4 budget, and charged the Auxiliary Services Committee to determine cuts to balance the budget. Absent a recommendation by August 30, agreed to staff the security desk in Eshleman.

## Lower Sproul Student Community Center Working Group Meeting

**Date:** November 1, 2011  
**Time:** 3:00 – 5:00pm  
**Location:** HDS Berkeley Room

### Meeting Summary

1. Introductions and Updates (LeNorman Strong, Farah Eriqat)  
Introductions were made around the table.
2. RRC Presentations (Kirk Coleman, Donna Jo Pepito)  
Representatives from the RRCs and Bridges presented to the Working Group. The representatives stated that the open space floor plan would not meet the needs of Bridges and the RRCs and would be detrimental to their recruitment, retention and outreach efforts. They described their work and emphasized the need for safe, permanent spaces that are available only to the RRCs without needing to reserve them with other groups. The representatives agreed that an open space that is enclosed for the RRCs with some enclosed space within it, like large suites, could work and would be preferable to sharing an open space plan with other student groups. Space for physical document storage was discussed and whether it should be in Eshleman or elsewhere. Lisa Walker provided information on the history of the RRCs. She stated that a goal is to increase and maintain diversity on the campus. The representatives extended an invitation to the Working Group members to visit their current space and see the work that they do firsthand. They are hosting an event this Saturday 10:00am – 3:00pm at Wheeler Hall.
3. Scenarios (Bahar Navab)  
Bahar Navab presented options identified by the students for the RRC and meditation spaces (presentation attached). Bahar emphasized that Options 1A and 1B are strongly preferred by the students including the RRCs and meditation group. Option 3 (discussed in conjunction with Option 1A) is a sketch by MRY Architects showing the RRCs' space on the 4<sup>th</sup> floor of Eshleman and maintains natural ventilation of the space. This option also maintains the OCF, Cal TV, storage and meditation space in the mechanically conditioned space in the basement level, with practice and performance space located in Naia. It was noted that practice and performance will be used 24/7 while the OCF closes at 6pm. Therefore, it could be preferable to locate practice and performance in Eshleman. Rob Gayle stated that none of the options presented are cost prohibitive. He stated that we do need a decision-making process and timeliness of decision-making is important. Michael Nicholas stated that the Store Operations Board will be meeting to discuss future uses of Naia. Beth Piatnitza and Felicia Lee emphasized the importance of including enough storage in the plans. Beth suggested including a minimum of 600sf of storage. The Working Group members agreed that the students will develop a hybrid plan using Options 1A and 1B based on the discussion in this Working Group meeting, giving further thought to

storage and Cal TV. Uses for Naia will be further discussed at the next Working Group meeting. Beth Piatniza stated that at the project team's direction, BicyCal prepared a memo to the chairs of the Working Group and has asked to speak at a Working Group meeting. Also, the Cal 1 space still needs to be addressed. Rob Gayle suggested keeping facilities decisions flexible in order to make the buildings relevant and adaptable for future uses.

4. Other Items (All)

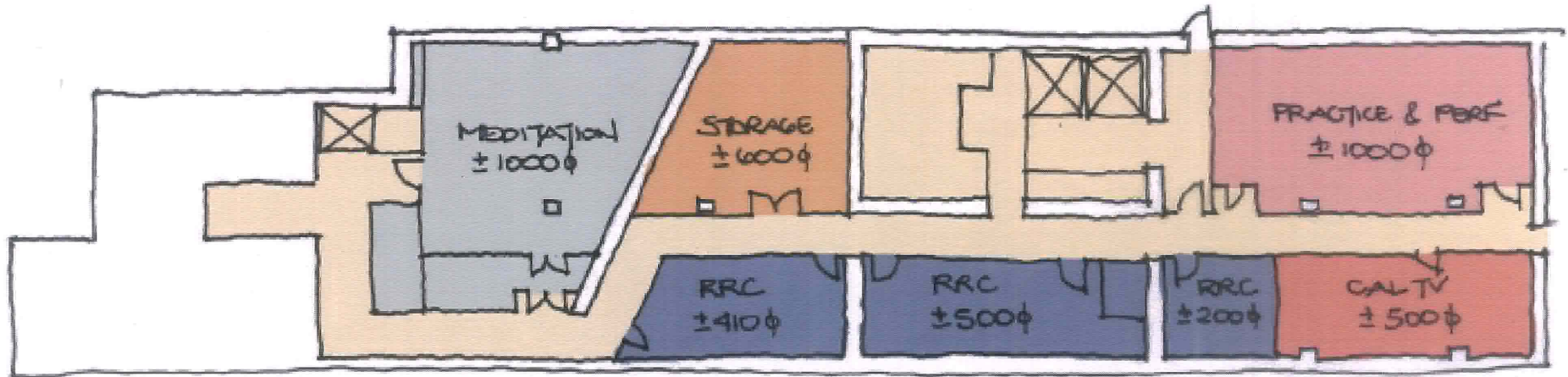
Alicia Rosenthal stated that the 11/8/11 Working Group meeting will be the last meeting for stakeholder input prior to starting Design Development. She suggested the Working Group focus on design issues during that meeting, deferring other items. Alicia will request MRY to provide their presentation for the 11/8/11 meeting by 11/6/11 for review by the Working Group prior to the meeting.

Attached: Options 1A, 1B, 2 and 3 presented during the meeting.

# Meditation and RRC options

11/1/2011

# OPTION 1A



Eshleman Basement now includes:

- 1000sq ft meditation space
- Roughly 1110 sq ft of semi-enclosed office spaces (for RRC or other student groups)
- Cal TV at roughly 500sq ft
- Practice and Performance space of roughly 1000sq ft

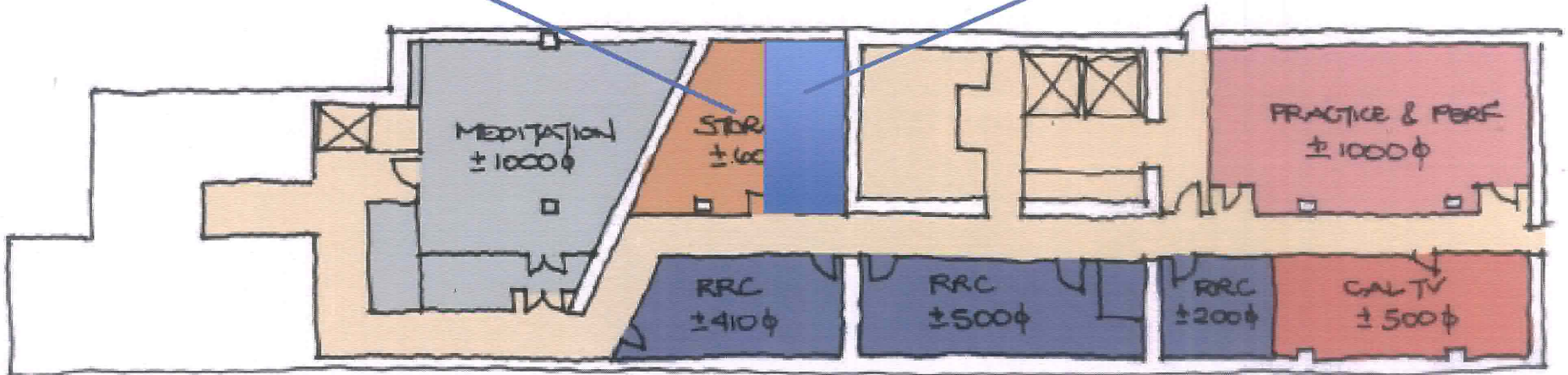
NAIA Lounge

- Houses OCF and their classroom, meeting space and publication lounge
- Event space on 6<sup>th</sup> floor

# OPTION 1B

RRC ~ 300sq ft

Queer Alliance  
~300sq ft



Eshleman Basement now includes:

- 1000sq ft meditation space
- Roughly 1410 sq ft of semi-enclosed office spaces (for RRC or other student groups)
- Cal TV at roughly 500sq ft
- Practice and Performance space of roughly 1000sq ft
- Roughly 300sq ft for queer student group

NAIA Lounge

- Houses OCF and their classroom, meeting space and publication lounge

Event space on 6<sup>th</sup> floor



# OPTION 2

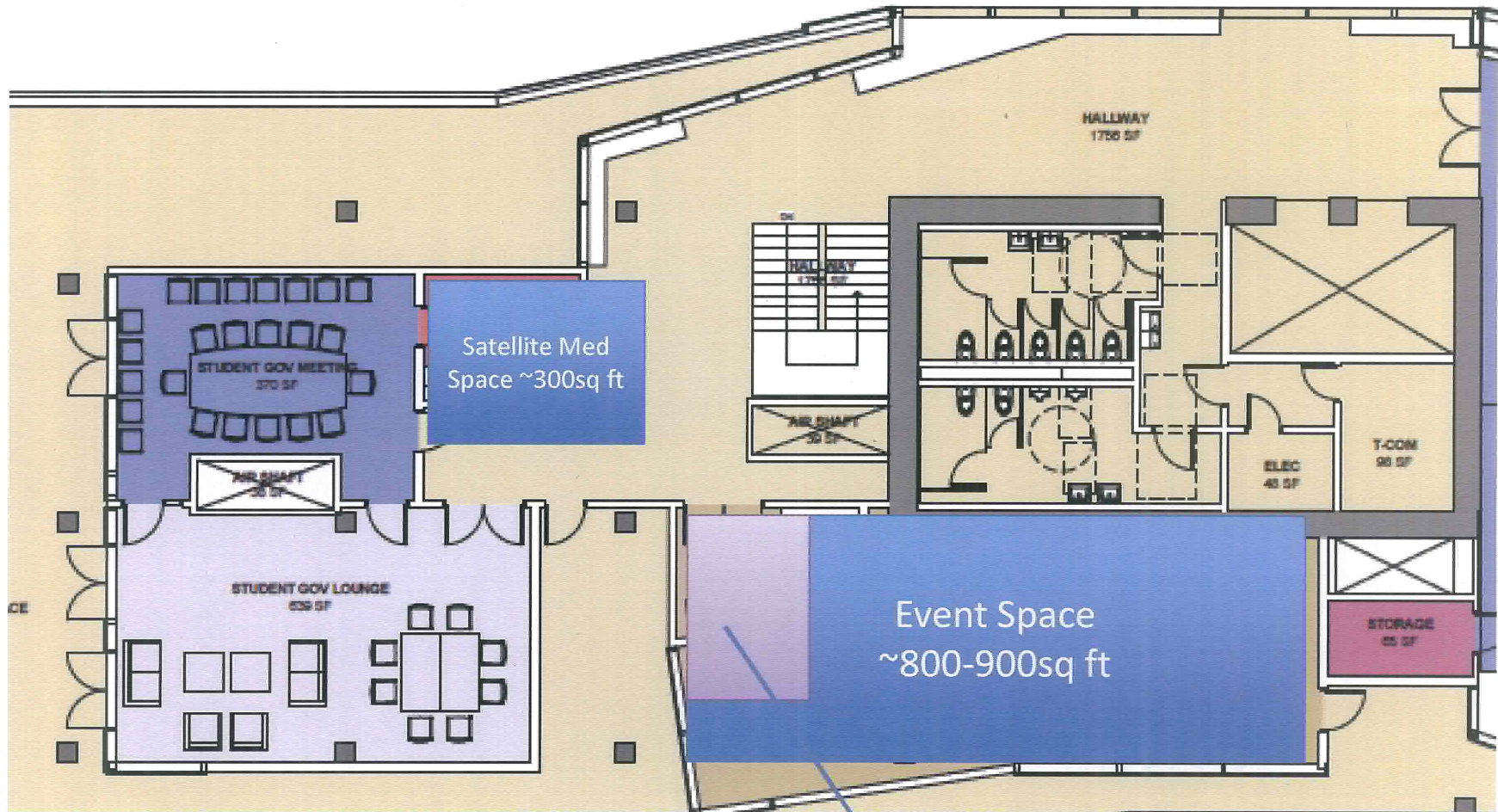
Sixth floor of Eshleman includes:

- Senate chambers
- Student govt. lounge
- Student govt. terrace
- Student govt. meeting rooms
- Warming kitchen/kitchenette
- 800-900 sq ft event space
- Satellite meditation space (250-300sq ft)

NAIA includes:

- RRC or enclosed student group spaces
- 1000sq ft meditation space

# Option 2



Event Space  
~800-900sq ft

Kitchenette

# Pros and Cons

OPTION	PROS	CONS
Option 1A	<ul style="list-style-type: none"> <li>• OCF prefers to be in NAIA</li> <li>• RRCs in Eshleman (24hr space)</li> <li>• Full med space in Eshleman</li> <li>• Full event space on 6<sup>th</sup> floor</li> <li>• RRCs and Med together increase foot traffic on basement level</li> <li>• P&amp;P space is more appropriate</li> <li>• Stakeholders on board</li> </ul>	<ul style="list-style-type: none"> <li>• Have to ventilate and add cooling to NAIA lounge</li> <li>• Not the most ideal space to put groups into basement</li> <li>• Still no private queer student org space</li> </ul>
Option 1B	Same as above plus gives more RRC space and space for queer umbrella student org	Same as above plus loss of storage space
Option 2	<ul style="list-style-type: none"> <li>• Med has at least some space on 6<sup>th</sup> floor</li> <li>• OCF space in Eshleman basement already set up for proper cooling</li> <li>• Leaves storage in tact</li> </ul>	<ul style="list-style-type: none"> <li>• Event space on 6<sup>th</sup> is smaller</li> <li>• Requires creativity from architects to make this work</li> <li>• RRCs don't want to be in NAIA</li> <li>• Must make NAIA 24-hr space (added cost)</li> <li>• Prefer not to have 2 med spaces</li> <li>• No private queer student org space</li> </ul>

# Scenario 3

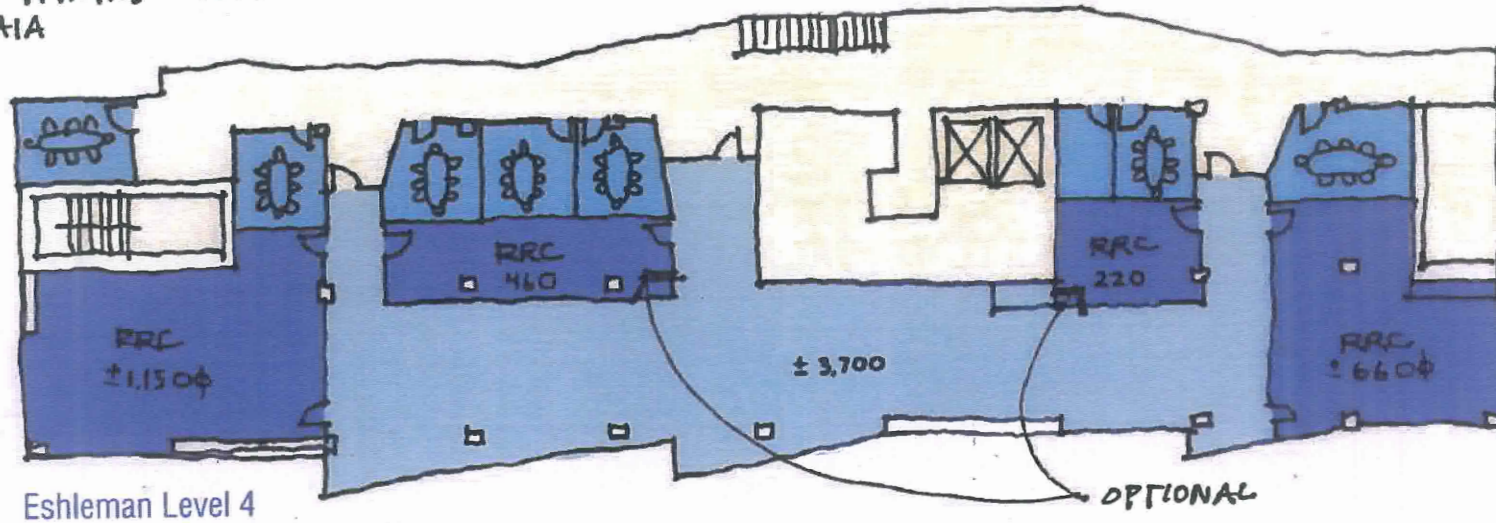
- RRCs at Level 4
- 1800 SF - 2500 SF
- Replaces Practice & Performance at Level 1 with Meditation
- MOVES PRACTICE & PERF. TO NAIA

## Pros

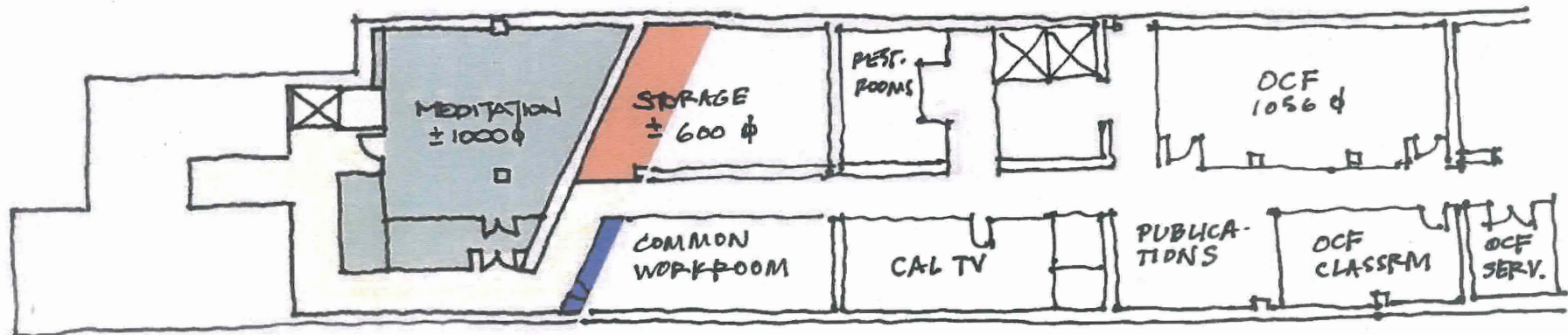
- No impact to MLK
- Minimal budget impact
- Keeps OCF / Workroom in Student Center (ESHLEMAN)

## Cons

- Largest reduction of Org. workspace
- Reduces viability of natural ventilation & daylighting



Eshleman Level 4



Eshleman Level 1