1. Call Meeting to Order

2. Roll Call

3. Approval of February 3, 1988 Minutes

4. President's Report
   a. Literacy Volunteers of Missoula -- Henri Whiteman / Jim Morton
   b. ASUM Child Care -- Marcia Mayes, Director
   c. ASUM UC Bookstore Ad Hoc Committee - Cindy Staley
   d. General Announcements

5. Vice President's Report
   a. Committee Appointments

6. Business Manager's Report
   a. Budget and Finance Committee Report

7. Committee Reports

8. Public Comment Period

9. Old Business
   a. Williams Resolution
   b. Bell Resolution

10. New Business
   a. MontPIRG Resolution - Deschamps

11. Comments

12. Adjournment
CB Members

Bell, Rob
Breidenbach, Patti
Dare, Mike
Deschamps, Kristin
Flynn, Debbie
Harmon, Kevin
Henderson, Will
Hiett, Nancy
Holland, Peter
Hurlbut, Sonia
Isern, Jennifer
Johnson, Chris
Mutch, William
Oumar, Bachchi
Palmer, Wendy
Shultz, Bruce
Williams, Paul
Wimmer, Jay

ASUM Officers

Snelson, Scott
Mathison, Mike
Fickler, Kyle

Faculty Advisor

Haloupka, Bill

Montana Kaimin
Bellow, Doug
Hann, Jim
The ASUM Central Board meeting was called to order by Snelson, ASUM President. Members present were Bell, Breidenbach, Dare, Deschamps, Harmon, Henderson, Hiett, Helland, Hurlbut, Johnson, Mutch, Oumar, Shultz, Williams, Wimmer, Mathison, Fickler, and Chaloupka. Flynn, Isern, and Palmer were excused.

1. The minutes of February 3, 1988 were approved as written.

PRESIDENT'S REPORT

2. Henrietta Whiteman, Literacy Volunteers of Missoula, announced the fund raising Scrabble-Rama to be sponsored by LVM. Whiteman reported that there are 5,000 - 11,000 illiterate adults in Missoula reading below a 5th grade level. She encouraged all members to participate in this worthwhile event.

3. Marcia Mayes, Child Care Director, clarified how the money that the program receives from the Administration is budgeted. She explained the unanticipated problems that have developed within the Center II operation. The possible options to keeping Center II operating are 1) combine with Center I (problems with lack of space); 2) hire additional staff; and 3) close Center II. She added that if the Board doesn't provide adequate funding for Center II it will probably have to be closed. If we close Center II we will lose the $10,000 that we currently are receiving from the UM Administration.

4. Cindy Staley, UC Bookstore Ad Hoc Committee, thanked everyone for being so helpful with the research. She reported that the mission of the UC Bookstore is to provide service to students, faculty and staff. Staley presented members with a copy of her final report (Appendix A). Brian Thornton, UC Bookstore Manager, commented that the Committee has been very courteous and asked intelligent questions. Thornton added that the UC Bookstore welcomes student input and has already reviewed suggestions proposed by the Ad Hoc Committee and will be implementing some of them in the very near future.

VICE PRESIDENT'S REPORT

5. Mathison - Fickler motioned to appoint Mike Dare and Dennis Small to the ASUM Elections Committee. Upon vote, motion passed.

6. Mathison reported that he attended the Student Services Retreat last week and will present members with a written report in the near future.
BUSINESS MANAGER'S REPORT

7. Fickler reported that the Budget and Finance Committee has been talking with the Kaimin on the possibility of hiring a full-time professional advisor. In other Committee business line-item change requests were approved for WSIC and SLA.

COMMITTEE REPORTS

8. Bell, Student Legislative Action, reminded members of the Gubernatorial Forum to be held next week, February 18.

OLD BUSINESS

9. Upon vote, motion to approve Williams' resolution passed. (Appendix B)
10. Upon vote, motion to approve Bell's resolution passed. (Appendix C)

NEW BUSINESS

11. Harmon - Deschamps introduced a resolution to establish an election's polling place at the Law School. (Appendix D)
12. Deschamps - Fickler introduced a resolution to place the Can and Bottle Bill question on the ASUM General Election ballot. (Appendix E)

ADJOURNMENT

13. Hiett - Hurlbut motioned to adjourn at 6:45 p.m. Upon vote, motion passed.

Respectfully submitted by,

Pamla Grier
ASUM CB Recording Secretary
MEMORANDUM

To: ASUM President Scott Snelson and Central Board Members
From: Special ASUM Bookstore Review Committee
Re: Committee Report
Date: February 10, 1988

PURPOSE

This committee was formed by Central Board to address two issues:

1. The validity of the corporate reorganization of the bookstore.

2. The accuracy of the statements made in recent Kaimin news articles.

COMPOSITION OF THE BOOKSTORE BOARD

The following are the current members of the board:

Faculty:
Lee Von Kuster, Education School
Larry Gianchetta, Business School
Mary Ellen Campbell, Business School
Kay Unger, Economics Department
Joe Weber, Finance Department

Students:
Mark Lucarz
Mike Lamphier
Kurt Sobolik
Zan Olsen

One student position is presently open on the board. Two additional positions will become available spring quarter 1988. The recent interest in the bookstore resulted in the board receiving 18 applications for the current vacancy--an extremely
unusual amount of interest which has been unheard of in the past. They will continue to accept applications for bookstore positions on an ongoing basis.

A screening process was recently approved. The student members of the board are conducting interviews this week to fill the present vacancy. They hope to make a decision before the end of this week or certainly before their next board meeting.

The board meets the second Wednesday of every month in the UC Montana Rooms (360 series). Anyone can attend, although lunch will be provided for board members only. The board has an excellent attendance record, as typically only one board member is absent from a meeting.

The board does not consider itself a political decision-making body, but rather a policy-overseeing body. At these meetings, Mr. Thornton presents complete financial and administrative reports. The board sets the bookstore policies, and Mr. Thornton then implements those policies.

1984 REORGANIZATION

Before beginning, it should be noted that corporate minutes typically are a record of motions made and passed rather than a reflection of the discussion of the board members. Because of this, corporate minutes often do not indicate the intent of boards and memberships when adopting new policies. Therefore, the committee has relied upon Mr. Thornton's remembrance of past occurrences for the following explanations.

According to Mr. Thornton, the intended purpose of the 1984 reorganization were three-fold:

1. To change the name from Associated Students' Store (which had an offensive acronym) to U Center Bookstore, Inc.

2. To clarify the tax-exempt status of the nonprofit corporation.

3. To provide for a procedure for distribution of the assets of the corporation upon dissolution.

Unfortunately, although it was not the apparent intent of the bookstore board when adopting restated articles of incorporation, the changes had the following additional ramifications:
Memorandum
February 10, 1988
Page 3

1. Student and faculty membership in the corporation was eliminated.

2. The bookstore board now elects all board members, rather than the previous method of students electing student members and faculty electing faculty members.

3. The board is now required to hold only quarterly meetings rather than the previous requirement for monthly meetings.

Article V(B) of the original articles of incorporation provided for two classes of membership with equal interest. The first class included all regularly registered students at the university, and the second class consisted of all members of the faculty.

Mr. Thornton explained that the board merely requested their attorney to prepare the restated articles and relied upon his legal expertise in following all legal requirements. The board's attorney, Bob Phillips, of Snavely & Phillips, apparently used the nonprofit corporation format most frequently used by typical retail operations—a format which does not include membership. It was not the board's intent to eliminate membership, and Mr. Thornton was rather surprised that this had in fact occurred. If need be, Mr. Thornton indicated the board could consider revising its present bylaws to include membership. It should be noted, however, that MCA § 35-2-501 indicates nonprofit corporations need not have members.

Article II, Section 1, of the original bylaws provided the students would elect five student members to the bookstore board at the same time that they elect their ASUM officers. Article II, Section 3, of the original bylaws provided student members were to serve for a two-year term. Article II, Section 5, of the original bylaws provided that in the event of a vacancy, the remaining student membership would select a replacement to serve for the remainder of the term. A question that could be posed is who constituted the "student membership"—the bookstore board student members or university students as a whole?

Mr. Thornton explained some of the board's logic for eliminating election of board members by faculty and students. Apparently a perpetual problem existed getting students to run for board positions. However, it remained extremely difficult to obtain interested students. The new procedure allows the bookstore board to pick individuals with specific skills which
will be of value to the board and to move the board appointments out of the political arena. It also allows people who are not assertive enough to run for an office an opportunity to apply for a board position.

Article VII of the original articles of incorporation provided that the articles could be amended by a two-thirds vote of the total membership of the corporation. This article is also in keeping with MCA § 35-2-207 which provides that if there are members entitled to vote, the board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon. Written notice or a summary of the amendment shall be given to each member. Two-thirds vote of members present or represented by proxy is required. MCA § 35-2-210 provides that restated articles of incorporation are to be adopted in the same manner as amendments to the articles of incorporation.

Article I, Section 1, of the original bylaws allowed the board by two-thirds vote the power to amend, repeal, or add to these bylaws. This is in keeping with MCA § 35-2-211 which gives the board the power to adopt, alter, amend, or repeal bylaws.

On March 14, 1984, the bookstore board amended the bylaws of the corporation to add the following article:

Twenty (20) duly qualified members of the corporation physically present or present by proxy shall constitute a quorum at any meeting of the membership of the corporation, computed without regard to their class of membership.

Three faculty members and three student members were present at this meeting. At the time of the meeting, the board consisted of eight members. Therefore, a quorum was present contrary to suggestions made by the Kaimin. However, an argument might be made that the above bylaw amendment does not exempt the bookstore from complying with its original articles which provided for a two-thirds vote of the total membership of the corporation as a bylaw cannot preempt the provisions of the articles of incorporation. Finally, an additional argument might be presented that 20 votes would not accurately reflect the views of the membership of the corporation.

Thereafter, on April 11, 1984, the board issued the following notice and call to meeting:
The Board of Directors of the Associated Students' Store hereby calls a special meeting of the membership to be held at Montana Rooms at 3 o'clock P.M. on the 15th day of May, 1984, for the purpose of enacting Restated Articles of Incorporation, generally amending the original Articles of Incorporation of the Associated Students' Store, changing the name of the corporation, providing for the maintenance of tax exempt status of the corporation, and providing that the Articles shall include no provision regarding the internal affairs of the corporation. The proposed amendments will supersede the original Articles of Incorporation of the Associated Students' Store.

Four faculty members and four student members were present.

On May 2, 1984, a call to meeting appeared in the legal section of the Kalmin. An argument might be made that this was insufficient notice to all members of the corporation and that the article was not strategically placed to obtain the attention of the membership of the corporation.

On May 15, 1984, the minutes of the corporation indicate a board of directors' meeting was held with four faculty members and four student members present. At this meeting, a motion was made, seconded, and passed that the board accept the restated articles of incorporation as presented. The minutes reflect 77 proxy votes were presented. Although the records do not indicate the origin of the proxies, Mr. Thornton believes the majority were from faculty members, although some were from students. It should be noted that the board of directors did not have authority to adopt the restated articles of incorporation. However, Mr. Thornton indicates that although the minutes reflect this was a special board of directors' meeting, it was in fact a special membership meeting.

Obviously, some legal questions still exist as to whether the restated articles of incorporation were properly adopted, and ASUM will have to determine whether it wishes to pursue this matter further.

ACCESS TO MINUTES

In accordance with MCA § 35-2-509, members of a nonprofit corporation have the right to inspect minutes and books of the corporation at any time. Therefore, the books of the corporation
are open to its membership up until May 15, 1984, when membership in the corporation was eliminated. The bookstore board will soon be addressing whether it will allow access to the minutes after this date.

A suggestion was made to the committee that this corporation is in the nature of a public body because of its interplay with a public body and its quasi-public functions. As such, it would be covered by Montana's "right to know" provisions in accordance with a recent Attorney General ruling. If so, access would be allowed to all minutes, including post-1984. However, please note that the committee has not pursued this avenue of thought any further than making note of the above suggestion.

BOOKSTORE MANAGER

Brian Thornton has worked at the bookstore since 1971. He became manager in 1979 with a salary of $18,400 a year. Mr. Thornton now receives a salary of $33,897 per year, plus benefits. It is true that the board of regents reports that the average UM professor's salary is $29,084. However, this committee would like you to note that Mr. Thornton's salary increases have been in direct proportion to store expansion and rising sales. Mr. Thornton did not receive a raise last year. Mr. Thornton received the car reported in the December 3, 1987, Kaiman article as a part of a contract negotiation with the board in lieu of raises for a three-year period of time.

All bookstore employees receive benefits equivalent to those of university employees, i.e., health insurance and a $10,000 life insurance coverage, as well as receiving a 15% store discount (with the exception of textbooks and cigarettes) and getting their birthday off.

The board sets the policy; the manager implements it. However, the board cannot judge the effect of policies on the store and personnel. That is where Mr. Thornton's humanistic style of management play an important part in the bookstore's operations. Mr. Thornton continually sends informative update memoranda to the board members and attempts to obtain input and feedback from all board members. He speaks individually with one or two board members on a weekly basis.

Mr. Thornton typically spends 50 hours per week in job-related activities with the bookstore itself, board meetings, and community activities. Mr. Thornton does maintain membership in
Rotary (a service club for businessmen). This membership is used to enhance the image of the University in the community. By attending these meetings, Mr. Thornton makes himself available to hear complaints from competitors (i.e., concerns about the recent addition of the computer store).

The bookstore itself belongs to the Chamber of Commerce. However, Mr. Thornton no longer maintains membership in the Redcoat arm of the Chamber.

The bookstore is also a member of the Missoula Downtown Association. The university is considered part of Missoula's downtown in that the business community is within walking distance of the university. Through Mr. Thornton's association with this organization, the downtown business owners are continually made aware of how closely aligned they are to the students and the university.

For Central Board's information, Mr. Thornton is also actively involved in numerous additional organizations at his own expense.

The committee would like to note that Mr. Thornton has been extremely cooperative in our efforts to obtain information relating to the bookstore. He has indicated he would be happy to talk to any of you individually or in groups at any time. If in the future you have questions concerning the bookstore operations, you should feel free to contact him.

FINANCIAL MATTERS

The board adopts a budget. Mr. Thornton has authority to make expenditures within that budget. He reports on expenditures made, and the board then has the authority to overturn his decisions. Mr. Thornton cannot recall any instance of that happening.

The shrinkage figure, as a percentage of retail, is low. The shrinkage figure includes shoplifting, donations, errors, damaged goods, and shop worn merchandise which is reduced for sale. The percentage of bad checks received is also low. Both of these matters reflect well on the student population at the university.

The bookstore's fiscal year runs July 1 through June 30. From August through mid-September, the bookstore maintains no
excess funds. Because of this, the reported "surplus" of $86,037 on June 30, 1987, was non-existent by the end of the summer. However, the bookstore did in fact have a profit of $57,804 at the end of the fiscal year. The committee would like to point out, however, the term "profit" is rather a misnomer. Rather, the bookstore merely had $57,804 in excess operating funds at the close of business on June 30, 1987. These funds would then be used over the next couple months to pay employee salaries and other operating costs.

The bookstore maintains retained earnings in a reserve trust account in the sum of approximately $100,000. The investment of this reserve is a major source of income for the bookstore. It should be noted that the moneys in this reserve are not moneys that would previously have been given to the reserve fund for distribution to student activities.

MSU has a bookstore board structure similar to UM's. MSU's bookstore has more sales (approximately $1.8 million more). MSU maintains an incredible reserve ($750,000) to generate revenue. MSU, of course, has a higher student population than UM. MSU's bookstore is also more supply oriented because of the needs of its engineering students.

The Kaimin indicated donations to the UM Special Reserve Trust Fund Board were ended after 1980 to allow the excess money to be directly handled by the bookstore board while official minutes from the Special Reserve Trust Fund Board contain no reference as to how this dissolution was accomplished. The decision to close the Trust Fund Reserve Account was made by Mr. Thornton and Cal Murphy. They transferred the remaining balance to several requests from the Fine Arts Department because the trend had been that moneys from the account had most recently been going to fine arts' projects. ASUM and the Trust Fund Board had previously been heavily funding the athletic department.

Through advertising, the bookstore presently promotes many fine arts and athletic programs. It has contributed to the purchase of equipment and is a regular sponsor of KUFM's "All Things Considered" program. It provides refreshments for graduation exercises. It has been a contributor to the Excellence Fund. It splits the cost of printing the UM quarterly calendar with the UC. It has also made small donations to many campus groups in the form of materials, advertising, and money.

The bookstore anticipates a decrease in student enrollment and a change to semesters will affect bookstore profits.
Memorandum
February 10, 1988
Page 9

RECENT POLICIES ADOPTED BY THE BOOKSTORE

1. Purchase of Office Stores. Office Stores provides all university departments with supplies. The supplies come from central purchasing in Helena. This will effect some cost savings for the departments. The bookstore will still be buying from Central Stores in Helena; 6% of the sales will be used to offset the cost of bonds on the building space previously leased by Office Stores; 7% will be discounted back to the departments (the bookstore hopes to increase this to 10%). This will not be a direct savings to the students, but an indirect savings in that the departments will have more money to use elsewhere.

2. Increased textbook buy-back. In the mid-70s, textbook buy-back was increased from 50% to 60% in answer to a need for a book exchange. In the fall of 1988, the textbook buy-back will increase from 60% to 75%. The buy-back policy will apply only if a textbook will be used the coming quarter, if the textbook is a current edition, and if the textbook is in good condition. The bookstore will continue to purchase books going to wholesale (current editions of a textbook UM will not be using next quarter). The wholesale buy-back is seldom more than 30%. The new buy-back policy will be funded from (1) revenues accrued from investments of the reserve fund, (2) increased sales in athletic wear, and (3) sales of 40-50% profit items such as cards.

3. Offering 40 bookstore scholarships of $250 each. These will be announced at the end of spring quarter 1988 and take affect during fall quarter 1988. The cost of these scholarships to the bookstore will actually only be about $200 each. The scholarships relate to student need and a marketing effort to increase recruitment efforts at UM. The financial aids office and admissions office indicate scholarships are in critical need on this campus. Although the scholarships are being offered for one year only, the bookstore hopes this will become a tradition. An additional benefit to the scholarship recipients is that they may return their textbooks for the 75% buy-back. The scholarship committee is presently looking at adopting policies for awarding the scholarships.

UPCOMING GOALS OF THE BOOKSTORE

1. Discounting new textbooks by 5%. The board is hopeful this can occur within the next three years. This effort will be funded primarily by changes in inventory mix.
2. Opening a convenience store in the UC in conjunction with the UC mall development project. If awarded a contract, this would occur within the next year. The convenience store would include expanded food items, t-shirts, supplies, and reference books. This would allow the bookstore itself to close on Saturday, while the convenience store would remain open until 9:00 or 10:00 at night. The convenience store would also be open on Saturday and Sunday, so there'd be access seven days a week to many bookstore items.

COMMITEE RECOMMENDATIONS

The students, faculty, and staff at the UM are the reasons the bookstore exists. A role for students in the bookstore's operation should be ensured. The two major problems which this committee perceives are eliminated student and faculty membership in the corporation and lack of student input.

We make the following suggestions:

1. ASUM request that the bookstore report periodically to it on financial matters and policy decisions.

2. ASUM request the bookstore to provide it with copies of future survey results.

3. ASUM request the bookstore to reinstitute student and faculty membership in the corporation.

4. ASUM request student bookstore board members to solicit further student input on future bookstore policy decisions.

5. ASUM appoint a standing committee with which the student bookstore board members could consult to obtain additional student input.

6. UM students offer input into the guidelines which are being adopted for awarding bookstore scholarships.

7. ASUM suggest future bookstore corporate minutes be expanded as much as is possible to include some indication of the intent of the board when adopting policies to provide a better historical record of bookstore activities.
CONCLUSION

Several matters have been cleared up by the investigation of this committee. We regret that the Kaiman articles were in many ways rather incomplete as to the information they presented. However, we believe the Kaiman instigated the means by which UM students can become more actively involved in bookstore operations. In addition, the articles have triggered an increasing awareness of the bookstore's need for increased public relations and an understanding of the role the bookstore plays within the university community.

We thank you for the opportunity to serve on this committee and apologize for the length of our report. However, we felt it necessary to provide a written record for ASUM's files of the information received and present an accurate picture of the bookstore operations.

Cindy Staley, Chairman
Bruce Shultz, Central Board Member
Heidi Owen Snelson
RESOLUTION CONCERNING THE PAST-DUE RECEIVABLES COLLECTIONS PROCEDURES OF THE MONTANA KAIMIN

WHEREAS the Montana Kaimin has had a chronic problem with the timely collection of receivables;

WHEREAS past-due receivable amounts in recent years have been as high as $50,000 to $60,000, with receivables currently totalling over $42,000, $30,000, of which is past-due;

WHEREAS the use of professional collections agencies is both costly and in most cases unnecessary;

WHEREAS the ASUM Legal Service is both qualified and willing to provide legal assistance for the Montana Kaimin in the collection of past-due receivables;

LET IT THEREFORE BE RESOLVED THAT THE CENTRAL BOARD OF THE ASUM DIRECTS THE BUSINESS MANAGER OF THE MONTANA KAIMIN TO INTEGRATE THE FOLLOWING INTO THEIR PAST-DUE RECEIVABLES COLLECTIONS PROCEDURE:

(A) When it becomes necessary for the business manager of the Montana Kaimin to obtain professional assistance in the collection of past-due receivables, he/she must first utilize the ASUM Legal Service.

(B) Effective March 15, 1988, Montana Kaimin past-due accounts will no longer be sent to professional collection agencies, unless their use is suggested by ASUM Legal Services.

(C) Prior to March 15, 1988, the Business Manager of the Montana Kaimin will meet with either the Legal Services committee, or the manager of the ASUM Legal Service, to discuss the details of this plan.

respectfully submitted by:
Paul Williams
Resolution concerning an activity fee increase poll.

Whereas, ASUM has had less funds to allocate to student the student groups which provide vital services and functions to UM students, and Whereas, a commonly suggested solution to this problem is to increase the ASUM Student Activity Fee, and Whereas, ASUM has the unique opportunity to poll student opinion on an increase in the fee.

Therefore let it be resolved that the ASUM Student Senate will attach to the Feb. 24 election ballot the following question:

Would you favor an increase in the ASUM Student Activity Fee in order to additionally fund ASUM groups and agencies?

  ____YES  ____NO

If "Yes", which of the following increases would you favor?

  ____ $1
  ____ $2
  ____ $3
  ____ Other ___

This poll is only an opinion poll, and will not be binding on ASUM.
WHEREAS, the law students are activity fee paying students of ASUM;

WHEREAS, the University of Montana Law School has traditionally had a low voter turnout during ASUM elections;

WHEREAS, many law school students are uninformed about ASUM activities;

WHEREAS, law students are both politically conscious and politically active and would be a useful element in ASUM activities;

WHEREAS, as the law school courses are offered on a semester basis rather than the quarter calendar used by the remainder of the University of Montana, maintaining a separate voter registration list for law students will pose no administrative problems to ASUM;

WHEREAS, in an effort to encourage participation in ASUM, a separate polling location at the law school for law students only will be beneficial to both ASUM and the law students;

NOW, THEREFORE, be it resolved that ASUM establish a polling location at the law school for law students.
over 10 percent of the student body have signed petitions requesting a campus vote on the Montana Can and Bottle Bill, and;

WHEREAS, the opinions of University of Montana students are useful and critical to the formation of public policy which effects Montana's environmental and economic future.

LET IT THEREFORE BE RESOLVED THAT the Central Board of the Associated Students of the University of Montana endorses action by the ASUM Executive officers and Election Committee that would place the following ballot question, which appeared on the aforementioned petitions, before student voters in the March 2&3, 1988 ASUM election:

Do you favor enactment of a Montana Can and Bottle Bill which will place a minimum 5¢ deposit on all carbonated beverage containers and require convenient redemption of that deposit at any point of purchase?

(Mark one "X")  (___) Yes  (___) No