

Asian Association of Utah
Executive Board Meeting
June 25, 2019 – 5:30 pm to 7:00 pm
AAU Building, Salt Lake City

I. Attendance:

- a. Attendees: Judge Michael Kwan, Chair (by phone); Eunice Jones, Vice Chair; Marlene F. Gonzalez, Secretary; Heru Hendarto, Treasurer; Sulistiani Kathol, general Board member; Shu Cheng, Executive Director; Andy Tran, CPO; Randy Mehl, Chief Financial Officer; and Yen Pham, Accountant.

II. Eunice welcomed everyone to the meeting. Judge Kwan called in. Eunice went over the Minutes from the previous meeting for motion to approve.

III. Executive Director's report:

- a. Dr. Cheng informed the Board the threat phone call incident on June 18, 2019. We had to hire a police officer working at AAU for 2 following days. There was no incident.
- b. Dr. Cheng reported that he did not think we should approve the request by the company doing the construction next door (north of AAU) to install earth nails towards AAU property. Marlene moved to not approve the request, Heru seconded the motion. The Board unanimously voted No to the construction project next door to install the earth nails towards our property was voted without any objection in April 17, 2019 Board meeting.
- c. **Funding Report.** Dr. Cheng informed the Board that we received \$84,065 from Salt Lake City for New Refugee Homeless Prevention program. We submitted bids again to Salt Lake County for prevention programs – Health Department for \$114,000 (funds reduction from \$178,000 last 4 years). The (Victim of Crime Act) rental assistance for trafficking victims was funded, the amount is not known yet because we have to negotiate. We have not heard back from Salt Lake County substance abuse treatment program yet. We applied for a lot of after school programs which are offered by the Department of Workforce Services. We would know the results by the end of June. We won't hear the result of the Federal applications until the end of September this year. We also submitted applications to private foundation: Sorenson, American Express, Comcast and those we won't find out about until later this summer.

IV. Restructuring of Staff Benefits. Dr. Cheng also informed the Board about AAU is going to restructure the retirement benefits start July 1, 2019. AAU has offered the retirement benefits for almost 40 years. Because the rising costs of healthcare, a portion of the fringe benefits of staff has gone up. It affected us negatively when we applied for grants because our fringe benefits is higher than average according to the Department of Labor is about 35%. The restructuring is that AAU provides 13.7% for

retirement before, now we do a one-time adjustment to keep 6% in the regular retirement. The rest of retirement benefits will be converted to the regular salary and calculated to 6.5% due to the costs of increased payroll taxes, vacation accruals, worker's compensation and unemployment insurance benefits based on increased salary amount. The restructuring reduces fringe benefits by almost 10%, which is a huge advantage for scoring Agency when applying for grants. The total benefits to staff has been reduced, but it is just a restructuring so that it does not go directly into their retirement, but come out as salary. The staff has an option to contribute the increased amount into their retirement accounts, it actually reduces the tax liability for federal and state. This matter was discussed with the program supervisors who shared it with staff. Staff understand why Agency needs to lower the fringe benefit % because of grant applications.

- V. **Award received.** Dr. Cheng announced AAU received 2019 Leone P. Eccles Legacy of Excellence Award from the Junior League of Salt Lake City.

- VI. **AAU Audit** of 2018-2019: Dr. Shu let the Board know we are closing to the end of the fiscal year and asked whether we want to bid out the contract for an auditor. We are arranging for our current auditor, Justin Shaw CPA, who completed the audit last year to come to the Board meeting and give us a presentation.
 - a. Heru said we need to reconsider if we need to bid out a contract. The main thing is the new auditor has to start all over again and they have to learn new stuff that will cost us extra money, average 20% more. The current auditor knows what he's doing, and our agency's business. Heru moved to keep Justin Shaw as our auditor for next audit. Marlene seconded the motion. The Board members unanimously approved the motion to keep Justin Shaw for audit 2018-2019.

- VII. Heru went over AAU's Profit & Loss Statement and Summary Balance Sheet as of May 31, 2019. Our financial position is not in the red.

- VIII. **Board Retreat:** Eunice suggested the tentative date is Saturday, August 3, 2019, from 9 am to 12 pm at Quality Inn at 5300 S. 300 West

- IX. **Other business:** Dr. Cheng let the Board know AAU finally received the payment from the insurance company paying for the flood damages in the Major St. building. We are all done with fixing and restoring the building. We have to decide the future of the building, how we can use it, and rent out the rest for office spaces. Eunice said it could be an income for agency. If the agency goes for it, Eunice could help and guide us through it.

Meeting adjourned.