Union WELL Inc. Budget and Finance Committee

Minutes

March 11, 2022
7:30am, Zoom Meeting

1. The meeting was called to order at 7:32 am, by Raya
   a. Present: Lauren Garrett, Maanvee Mehrotra, Sebastian Raya, Missy Anapolsky
   b. Also present: Jill Farrell, Bill Olmsted, Amy Jacobsen, Tori Butler

2. Public Comment: None

3. Approval of Minutes of January 26, 2022: **(MSP: Garrett, Mehrotra)**

4. 2022-2023 Project List, Olmsted/Farrell: **(MSP: Anapolsky, Mehrotra)**
   a. Olmsted explains that each department is wrapping up the current year's projects and working on project lists for next year. Prior to being presented to the Board of Directors, University Union (UU) and WELL project lists are presented to their respective advisory groups, and Budget & Finance Committee previews the corporate administration and Information Technology (IT) & Facilities project lists. Olmsted then presents the 2022-23 corporate project list and discusses highlights beginning with Corporate Administration. Projects include the overall planning and project management of significant capital projects; reconciling and tying up financial ends of UU and WELL expansion projects; beginning the process of developing a new strategic plan, which will occur after campus puts forth their new plan in order to maintain alignment with the university's vision and mission; onboarding a new UU Director and filling other positions; supporting the efforts of replacing the WELL membership management software and the redesigning and connecting of corporate websites. IT & Facilities Administration project list includes implementing the redesigned corporate website; adjusting and further developing the 10-year capital and plant project plans; participating in the WELL member management software replacement; and supporting teams with various facility related projects. IT project highlights include more emphasis on professional development for full-time staff and students; researching and implementing replacement of development/testing environment hypervisor; migrating physical servers and virtual machines to Windows' latest server operating system; upgrading network system monitoring tools; and generally purchasing more tools for the IT toolbox.
      i. Mehrotra asks if there is any data or information that does not go in the cloud storage. Olmsted explains that some aspects of the cloud involves storing information on the campus data center, but for some software, the cloud is their data center. There is some information that would not be stored off campus and would stay in the server environment on campus. He adds that any software used or device implemented for any aspect of running programs all have to be approved through IRT and Information Security Office, and have to pass security level testing. The qualifications that software or devices have to meet are stringent and campus wouldn't allow to move forward unless it's secure.
   b. Olmsted discusses Facility Services project highlights including updating the corporate key management systems; and implementing customer related feedback systems for custodial related concerns. Maintenance projects include onboarding new staff members; replacing inefficient HVAC pneumatic controls in UU with digital controls; coordinate with campus on plans for remodeling the UU west restrooms; starting an engineering and feasibility study on the ability to put a crane on the roof of both

facilities to eliminate the need to rent equipment for higher level work; replacing aging carpet in the WELL to align with expansion areas; renovating the WELL maintenance shop; and replacing the WELL lighting control systems that were not replaced during expansion.

    i. Anapolsky asks about the cost factor of hiring cranes versus installing them. Olmsted says that is part of what is being explored. One issue is that the process to bring a crane on campus starts 2-3 weeks ahead of time for campus approval. The need for cranes occurs frequently and the organization wants to be able to move quickly on projects, especially for emergency repairs. The study will compare the cost of investment versus continuing to rent. Anapolsky asks about the weight of a crane. Olmsted states that engineers will study this to find out if they can be installed and where they can be placed, or see what can be done to make it possible.

5. 2021-2022 Year End Projections, Olmsted/Farrell:
    a. Farrell shares the 2021-22 budget to YEP (year-end projection) comparison and discusses variances, beginning with revenue. Facility use fees are still under budget, which is expected since there were no room rentals in July or at the beginning of the year. Although events are starting to pick back up, revenue is around $90,000 under projections. Interest revenue was budgeted at $177,000 but will end up around $42,000, which is $134,000 under budget. Contract lease revenue from tenants like ASI and food service is over budget since the delay in starting food service was expected to be limited through spring, but started opening up in the fall. Miscellaneous revenue is a combination of collaborations and co-sponsorships and is over by $20,000 thanks to a co-sponsorship with the expansion contractor for the WELL grand opening. Farrell adds that expenditures ran higher for this event but is offset by this overage. Membership revenue is under budget around $26,000 due to EFT memberships being frozen until October 1, and only having PS3 revenue prior to that. Informal recreation, group facilitation & pool revenue is $12,000 below projections since there were no swim lessons and WELL Builds were not offered due to COVID. Fitness and personal training were also impacted by COVID since the Weight Warriors program was not offered. Total revenue is projected to be $145,000 below the original budget.
    b. Farrell then discusses expenditure variances, beginning with event related accounts which are mostly related to Unique Programs and are reflecting true savings since there were no larger events beginning of fall due to COVID limitations. There were also no events for the first two weeks of spring. Insurance is a new cost allocation expenditure from campus, and is for the buildings themselves as the corporation holds its own liability insurance. She explains that these charges are typically mitigated through discounts for student orientation, which was not the same due to COVID. The organization has not been charged before, so the expense was not budgeted but is a proper bill causing the overage. Maintenance supplies, which is where budgeting for COVID related expenditures is tracked, is under budget as purchases have decreased. Program supplies reflected savings in the first two quarters but spending has increased. She explains that the department 68 expansion budget was authorized to overspend by $55,000, but savings from projects moving to next year and some purchases being delayed offset the overage to $20,000. Advertising is $4,500 over budget due to lots of hiring for vacancies. Call volume continues to be down due to lack of business, resulting in almost $6,000 savings. The outside services account is over budget almost $23,000 from hiring contractors to paint the UU Event Service rooms to prepare for re-opening of the building. Also, an in-person event switched to virtual last minute, and the customer was charged for the AV vendor that was hired but the organization had to pay the vendor first, which will be offset once paid by the customer. Although it was budgeted conservatively, utilities are $67,000 under projections due to the lower population on campus. Expenditures for services outside of the organization but on campus are around $42,000 lower than projected. Maintenance, who has had difficulties hiring, used an outside service to hire temps causing part-time wages to go over budget around $38,000. Accounts related to full-time and student

employee wages and benefits have a combined variance of $1.4 million. Travel has been limited due to COVID but a little did occur and the variance is true savings. When capital & plant expenses were last discussed, it was expected to be over budget $206,000 but is now reflecting a $44,000 savings. The original budget anticipated ending with a deficit budget of $4 million but YEP is ending with a $2.3 million deficit, which is a $1.6 million variance to budget.

6. The meeting was adjourned at 8:30am

Respectfully Submitted:

Jasmine Lopez

Jasmine Lopez (Apr 3, 2022 08:44 PDT)

Authorized Signature

Apr 3, 2022

Date