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Union WELL Inc.

Budget and Finance Committee

Agenda

December 6, 2019

7:30am, WELL Shoreline Room (2nd floor)

1. Call to order: 7:30 am, Begley
2. Public Comment: Members of the audience may address the Budget & Finance Committee on any item on the agenda. Comments are limited to 3 minutes and the overall time shall not exceed 15 minutes. Speakers will be required to sign in.
3. Approval of Minutes of October 23, 2019
4. WELL Expansion – Additional Funding Request, Olmsted: Information
5. Proposed Part Time Wage Scale, Olmsted/Farrell: Action Required
6. TBU01 & TBU04 updates, Olmsted/Farrell: Information
7. 2019-20 Cap and Plant Updates, Olmsted/Farrell: Information
8. Optional Budget Process Training February 6, 2020, Farrell: Information
9. Adjournment



Union WELL Inc.

Budget and Finance Committee

October 23, 2019

7:30am, WELL Shoreline

Minutes

1. The meeting was called to order at 7:46 am by Begley
 - a. Members present: Kindra Begley, Stacy Hayano, Shubh Kaur Jasmine Lopez, Norman Kwong
 - b. Also Present: Jill Farrell, Bill Olmsted, Amy Jacobsen, Tori Butler, Rose McAuliffe
2. Public Comment: None
3. Review Charge of Budget and Finance Committee
 - a. Farrell provides an overview of the committee responsibilities.
4. Conflict of Interest forms
 - a. Begley points out the conflict of interest forms that were handed out, and asks everyone to sign them and turn them in.
5. Approval of Minutes of March 27, 2019 **(MSP: Kwong, Shubh)**
6. Proposed Strategic Planning and Budget Timeline 2020-2021 **(MSP: Shubh, Lopez)**
 - a. Farrell presents the proposed timeline that was included in the handout.
7. TBU01 & TBU04 updates and approvals **(MSP: Shubh, Lopez)**
 - a. Farrell explains that TBU01 is the budget for repair and maintenance projects and TBU04 is for capital improvement projects. She presents the list of projects for each account and discusses the one change, which was an increase to the Union chiller project in the amount of \$6,378. The total budget for TBU01 is \$693,613 and TBU04 is \$815,925, for a combined total of \$1,509,538.
 - i. Kwong asks if there is an estimate of the Union's deferred backlog and if \$693,000 keeps the organization up to date on maintenance. Olmsted states that this plan

keeps the corporation on schedule, and explains that there is a five year plan to perform work every year to bring equipment up to date. The team will also be reviewing priorities as they shift, and as things come up, the budget will be adjusted as necessary. Farrell adds that the team strategizes priority and personnel, since both buildings have major projects going on at the same time. She notes that the corporation could likely afford more projects, but staff cannot handle more since maintenance is currently short-staffed.

8. 2019-20 Cap and Plant Updates
 - a. Farrell provides an update on Capital and Plant projects and explains that as priorities shifted last year, projects had to be delayed or rescheduled due to personnel or resource issues. Those projects were deferred to this year. Monies allocated for those projects fell into surplus and they remain in reserves. Farrell explains that department 70 is for capital projects, which are new projects, and department 80 is for repair and replacement projects. She states that projects will always be presented to the Budget & Finance Committee for approval ahead of time, if possible. However, emergency repairs will be done as needed and brought forward as an update.
 - i. McAuliffe asks what happened in Round Table that cost \$48,000. Olmsted explains that the Union's 2nd and 3rd floor restrooms on the south side feed to the main drain-line, and that line failed directly above Round Table. Olmsted states that a remediation company was brought in within one hour to restore the area. The work was completed in less than five days, and Round Table was open the day after it occurred, with use of half of their space.
9. 2019-20 Department 68 Update
 - a. Farrell explains that department 68 is for expansion related expenses, which are not part of the scope of the project, rather occurring because of the project. Farrell states that the original approved budget for 19-20 was \$250,000 and that the BOD approved additional projects carried over from 18-19 in the amount of \$141,367. The revised budget for 19-20 now totals \$391,367.
10. Optional Budget Process Training
 - a. Farrell states that a training on the budget process is offered for members, to show the structure of the budget and how it will be presented. This typically helps members prepare and be more comfortable with the approval process. Begley offers her experience with the budget training, noting that she is not a budget specialist, so the training helped her understand how our organization functions.
11. 1st Quarter Budget to Actual Variance Review
 - a. Farrell explains the layout of the 1st quarter financial variance report.
 - i. Kwong states that return of surplus may be throwing people off, and asks if it is the amount for the year. Farrell confirms, and explains that the return of surplus is recognized when received, but funds will be utilized throughout the year to fund operations.

- b. Farrell continues to explain that variance reports are presented quarterly. She then discusses revenue and expenditure impacts. Highlights include a decrease in Union facility use fees and lease revenue. She explains that it was agreed that a CPI increase for SHCS would not be assessed during construction and thus not budgeted for, but due to delays in construction, the organization assessed CPI.
 - i. Kwong comments that he is concerned that if SHCS is given a one-year pass on CPI it could accumulate over time unless you go back and assess. He asks if the organization would go back and bring CPI up to date once expansion is complete. Farrell states it was decided with the SHCS not to catch up. This was agreed not only as a goodwill gesture, but also for unplanned and unknown factors. Kwong states that he understands not doing it the year of construction occurs, but inconvenience is a one-time thing and, by not catching up CPI, they get a break forever. Farrell acknowledges the comment and that management understood this fact, but in the end, it was a business decision to calculate this way.
 - ii. McAuliffe asks if the team goes out and gets market studies on cost per square foot in Sacramento. Farrell states that the organization had done research in the past. She adds that Kate Smith conducted additional research for the SHCS space when plans were being developed for expansion. McAuliffe acknowledges that a market study does not have to be used.
 - iii. Hayano asks if CPI is based on Bay Area index. Farrell confirms yes.
 - iv. McAuliffe asks what the budget for dues fees and subscriptions includes. Farrell explains that it is mostly IT systems and subscriptions, noting that the IT portion alone is about \$80,000 of the \$303,061 budget.
 - v. McAuliffe asks how many staff members there are. Farrell states that there are about 47 full-time staff.
12. The meeting was adjourned at 9:07 am

1 Union WELL Expansion Phase II: WELL Expansion Project Approved Long Range Plan Variance Analysis				
	A	B	C	D (C-A)
	April 24, 2019 BOD	Project Final GMP (Guaranteed Maximum Price) October 23, 2019	Approved Breakdown of WELL Expansion Final GMP to BOD (November 6, 2019)	Variance
Project Cost Break down				
Health Project Cost	\$13,837,591	\$15,936,973	\$15,936,973	\$2,099,382
Fitness Project Cost	\$26,024,172	\$24,943,307	\$24,943,307	(\$1,080,865)
Total WELL Phase II Project Cost	\$39,861,763	\$40,880,280	\$40,880,280	\$1,018,517
Funding Break down				
Health Cash Contribution	\$13,837,591	\$15,936,973	\$14,200,000	\$362,409
Fitness Cash Contribution	\$9,225,062	\$8,143,960	\$9,880,933	\$655,871
Fitness SRB Series 2019A Bond Proceeds	\$16,799,110	\$16,799,347	\$16,799,347	\$237
Total WELL Phase II Project Cost Funding	\$39,861,763	\$40,880,280	\$40,880,280	\$1,018,517

2 Union WELL Inc. Project Recap	
Fitness Final GMP (as of 10.23.19)	\$24,943,307
Fitness BOD approved cash contribution (currently paid \$9,225,062 and overfunded by \$1,081,102)	\$8,143,960
Fitness SRB Series 2019A Bond Proceeds. Approved with estimate of \$16,799,110. Actual Bond Proceeds \$237 more	\$16,799,347
Total Fitness Project Cost Total Funding	\$24,943,307

3 Student Health Center Project Recap	
Health Final GMP (as of 10.23.19)	\$15,936,973
Health BOD approved and Cash in Full	\$13,837,591
Additional Health Cash Contribution	\$362,409
Total Project Cost Health	\$14,200,000
Remaining Contribution needed Health	\$1,736,973

4 Approved Funding Change for Board of Directors 11-6-19 Increased Costs to be Paid by Union WELL Inc.	
BOD Approved Health Project Costs paid by Union WELL Inc.	
Fitness GMP savings from Approved	\$1,080,865
Additional Fitness Cash Contribution	\$655,871
Additional Fitness SRB Series 2019A Bond Proceeds	\$237
Grand Total Health BOD approved paid by Union WELL Inc.	\$1,736,973

5 Approved New Project Cost Breakdown (as of November 6, 2019 BOD)	
Health Project Cost	\$14,200,000
Fitness Project Cost	\$26,680,280
Total WELL Phase II Project Cost	\$40,880,280

Proposed Wage Scale for the Union/Well Inc. Effective January 1, 2020

No change. All other classes increase by \$1.00 minimum wage impact

Job Code	Rate	Employee Classes:
UW - hired prior to 1/1/17		
U - hired 1/1/17 or later		Name change only two U1 below
U50101 UW50101	\$13.00	Union 1 Terminal Lounge Attendants Gallery Attendants Office Assistants/Office Assist- Reception Information Desk Attendants Equipment Desk Attendant Event Services Attendant Inclusive Recreation Attendant Campus Recreation Attendants (Intramurals, Fitness, Check out, Informal)
U90501 UW90501	\$13.00	Union 1 Set-up Assistants Event Set-up Recycling Assistant
U50101L UW50101L	\$13.25	Union 1-L Desk Managers Fitness Lead Attendants Lead Trainees
U90601L UW90601L	\$13.25	Union 1-L Lifeguards* Climbing Wall Attendants
U90501L	\$13.25	Union 1-L Lead Set-up Assistants
U90502 UW90502	\$13.25	Union 2 Sound & Light Technician
U50102 UW50102	\$13.25	Union 2 Program Assistants (Unique) Gallery Coordinator Administrative Assistants Marketing Assistant WELL Front Desk Assistants Games Room Attendants
U90602 UW90602	\$13.25	Union 2 Intramural Officials Group Facilitation Leaders
U50102L UW50102L	\$13.50	Union 2-L Lead WELL Front Desk Attendants Marketing Lead
U90602L UW90602L	\$13.50	Union 2-L Lead Officials
U50103 UW50103	\$13.75	Union 3 Graphic Design Print Shop/Production Event Supervisors Accounting Assistants
U30103 UW30103	\$13.75	Union 3 Information Technology
U30303 UW30303	\$13.75	Union 3 Photographer
U90503 UW90503	\$13.75	Union 3 Maintenance Assistants
U90503L UW90503L	\$14.00	Union 3-L Lead Maintenance Assistants
U50104 UW50104	\$14.50	Union 4 Building Supervisors Program Supervisors - (various areas)
U50105	\$16.00	Union 5 Graduate Assistants
U90608 UW90608	\$14.50	Union 8 Swim Instructors
Various C906PM	\$19-\$29/hr \$14.50	Union 6-A Personal Trainers (Teaching) Union 6-B Personal Trainers (Training/Mts/Assess)
Various C906FM	\$19-\$29/hr \$14.50	Union 7-A Fitness Instructors (Teaching) Union 7-B Fitness Instructors (Training/Meetings)

CLASS	Rate	Class Cap Rate
Union 1	\$13.00	\$15.00
Union 1-L	\$13.25	\$15.25
Union 2	\$13.25	\$15.25
Union 2-L	\$13.50	\$15.50
Union 3	\$13.75	\$15.75
Union 3-L	\$14.00	\$16.00
Union 4	\$14.50	\$16.50
Union 5	\$16.00	\$18.00
Union 8	\$14.50	
Union 6-A	\$19-\$29/hr (see criteria sheet)	
Union 6-B	\$ 14.50	
Union 7-A	\$19-\$29/hr (see criteria sheet)	
Union 7-B	\$ 14.50	

Removed Custodial Assistants

Name change only
Name change only

Moved from Union 1

Moved from Union 2

*Lifeguards are in the lead classification due to the certifications required for their position, they do not act in a lead capacity

2019-2020 TBU01 & TBU04 B&F 12-6-19

TBU01 Non-Recurring Maintenance/Repair (NRMR)

UU Back of House VCT Tile Replacement

Carpeting/Flooring

UUBallroom Bathroom Front Carpeting (\$1,460)

WELL 2nd Floor Elevator Hallway Carpet (\$6,000)

UU Chiller Condenser Pump Replace+Redundancy markup included

Union Airwalls Panels Replacement markup included

Ballroom airwalls panels replacement (\$132,300)

Forest airwalls panels replacement (\$29,400)

Foothill airwalls panels replacement (\$33,075)

Orchard airwalls panels replacement (\$66,150)

Valley airwalls panels replacement (\$25,725)

UU East and West (Remaining) Walkway Repairs joint wood filler

Remaining Group II WELL Project (\$253,260 in Project. \$753,260 total) Approval for \$500,000. Only need Engagement Center for \$100,000 in 2019-20

Adaptiview (25k), Refrigerant Monitor (15K) (Phase 1A)

UU Retaining Wall Water Intrusion

Grand Total TBU01

TBU04 Capital Improvement Project (CIMP)

Redwood Room LED overhead and track lighting

Feasibility Study Terrace Suite Screens

University Union South Automatic Doors Replacement

WELL Locker Room Remodel

Grand Total TBU04

Grand Total TBU01 & TBU04:

	Orig. cost	Change B&F 10-23-19	Approved Budget B&F 10-23-19	Change BOD 11-20-19 Update B&F 12-6-19	Approved BOD 11-20-19 Update B&F 12-6-19
UU Back of House VCT Tile Replacement	\$30,000		\$30,000		\$30,000
Carpeting/Flooring	\$7,460		\$7,460		\$7,460
UUBallroom Bathroom Front Carpeting (\$1,460) WELL 2nd Floor Elevator Hallway Carpet (\$6,000)					
UU Chiller Condenser Pump Replace+Redundancy markup included	\$157,500	\$6,378	\$163,878		\$163,878
Union Airwalls Panels Replacement markup included	\$286,650		\$286,650		\$286,650
Ballroom airwalls panels replacement (\$132,300) Forest airwalls panels replacement (\$29,400) Foothill airwalls panels replacement (\$33,075) Orchard airwalls panels replacement (\$66,150) Valley airwalls panels replacement (\$25,725)					
UU East and West (Remaining) Walkway Repairs joint wood filler	\$65,625		\$65,625		\$65,625
Remaining Group II WELL Project (\$253,260 in Project. \$753,260 total) Approval for \$500,000. Only need Engagement Center for \$100,000 in 2019-20	\$100,000		\$100,000		\$100,000
Adaptiview (25k), Refrigerant Monitor (15K) (Phase 1A)	\$40,000		\$40,000		\$40,000
UU Retaining Wall Water Intrusion				\$20,390	\$20,390
Grand Total TBU01	\$687,235	\$6,378	\$693,613	\$20,390	\$714,003
TBU04 Capital Improvement Project (CIMP)					
Redwood Room LED overhead and track lighting	\$150,000		\$150,000		\$150,000
Feasibility Study Terrace Suite Screens	\$10,000		\$10,000		\$10,000
University Union South Automatic Doors Replacement	\$168,300		\$168,300		\$168,300
WELL Locker Room Remodel	\$487,625		\$487,625		\$487,625
Grand Total TBU04	\$815,925	\$0	\$815,925	\$0	\$815,925
Grand Total TBU01 & TBU04:	\$1,503,160	\$6,378	\$1,509,538	\$20,390	\$1,529,928

Changes to 2019-20 Capital and Plant Fund B&F 12-6-19

70 = Capital (new)
Misc projects under budget

Install Velocity Riser Room at The WELL
Misc projects under budget

80 = Plant Fund (repair and replacement)

Replace Union Keywatcher added WELL adjusted budget
Hand Dryers - Women's Locker Room. Not needed
Replace 2nd floor patio furniture. Not needed. Funding from expansion project
VFD installation on AHU 4 qty 2. Carryover from 18-19 with budget increase of \$6,485.68
WELL Main Telecom AC Replacement. Carryover from 18-19
WELL MAC Replacement Team/Soccer Doors. Carryover from 18-19
Replace damaged floor tiles + fully cover floor. Carryover from 18-19
Union South Drain Pipe Relining. Emergency repair
Round Table & 2nd Floor Restoration. Emergency repair
Replace Entrance Mats existing Union adjusted budget
Misc projects under budget

Union & WELL Partial Office Furniture Replacement

Office Furniture Replacement
Replace 6 ft Tables(3)-Union Adjusted budget
VFD Replacement WELL CT2

Adjusted Capital (new) 9-18-19 BOD

Adjusted Capital (new) 1-30-19 B&F

Adjusted Plant Fund (repair & replacement) 9-18-19 BOD

Adjusted Plant Fund (repair & replacement) 11-20-19 BOD

Adjusted Plant Fund (repair & replacement) 12-6-19 B&F

Total Capital and Plant fund

Orig. cost	Approved BOD 9-18-19 B&F Updated 10-23-19	Revised Budget	Approved BOD 11-20-19	Revised Budget	Update B&F 12-6-19	Revised Budget
\$135,250.00	(\$23.09)					
	(\$23.09)	\$135,226.91		\$135,226.91		
					\$3,100.00	
					(\$337.12)	
					\$2,762.88	\$137,989.79
\$698,976.00	\$5,536.32					
	(\$5,000.00)					
	(\$8,000.00)					
	\$15,485.68					
	\$8,564.00					
	\$14,500.00					
	\$30,000.00					
	\$8,657.94				\$757.57	
	\$48,500.00				\$1,765.72	
	\$6,450.00					
	(\$184.44)					
	\$124,509.50	\$823,485.50				
			\$72,500.00			
			\$72,500.00	\$895,985.50		
					\$5,117.49	
					\$569.51	
					\$7,900.00	
					\$16,110.29	\$912,095.79
\$834,226.00	\$124,486.41	\$958,712.41	72,500.00	\$1,031,212.41	\$18,873.17	\$1,050,085.58

Due to privacy compliance
Adjustment to actual

Adjustment to actual
Adjustment to actual

Due to ergonomic necessity
Adjustment to actual (orig. \$4,750)
Emergency repair