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Union WELL Inc.

Budget and Finance Committee
January 29, 2020
7:30am, WELL Shoreline Room

Minutes

1. The meeting was called to order at 7: 33 am, by Begley
 - a. Members Present: Jasmine Lopez, Missy Anapolsky, Kindra Begley, and Norman Kwong
 - b. Also Present: Jill Farrell, Amy Jacobsen, Bill Olmsted, and Tori Butler
2. Public Comment: None
3. Approval of Minutes of December 6, 2019: **(MSP: Anapolsky, Lopez)**
4. Cap and Plant Updates, Olmsted/Farrell: Information
 - a. Farrell provides an update on the Capital and Plant project list and cost variances, noting that most of the adjustments resulted from price changes upon completion of projects or final bids received. The net result is a \$1,646 savings.
 - b. Farrell adds that she anticipates reporting savings at the YEP (year-end projections) presentation as well. She notes that savings are anticipated on some projects such as the Union waterproofing project that ended up being done in-house rather than contracted out, resulting in a large savings.
 - i. Kwong asks if WELL expansion is on track to finish in one and a half years as planned, acknowledging that it may be off-topic. Olmsted states he believes it will take longer than eighteen months, but it's hard to know when the clock will start because of the lengthy State Fire Marshal approval process. Kwong inquires about the timing of the bond funding since construction is still a ways off. Olmsted explains that the bond was taken at the advice of the Chancellor's Office. Unfortunately, every step in the process has taken significantly longer than expected.
 - ii. Anapolsky asks where the bond money is being held. Kwong states it is sitting on the campus side but there are spend down guidelines, and adds that the perception is that work is not being done. Olmsted clarifies that a lot of work is being done, it's just not work that is outwardly visible to others.
 - iii. Begley asks to confirm that the project's current holdup is State Fire Marshal approval. Olmsted confirms and explains the project submission process and anticipated timeline, which averages about 6 months from the time of submission of final plans.
5. 2nd Quarter Budget to Actual Variance Review, Olmsted/Farrell: Information
 - a. Farrell reports on budget variances through December 31. Revenue variances include continued success in the Games Room, interest earning higher than expected, and a 2% increase in WELL

- membership. She explains that a membership decrease was anticipated due to expansion, which has been delayed. Recreation program revenue variance is due to success in aquatics programming as well as personal training. The Lab has experienced an increase in revenue since moving back to the Union, and possibly due to advertising services offered for the first time.
- b. Farrell then discusses expenditure variances such as fitness equipment maintenance which have had less repairs than anticipated since conducting preventative maintenance regularly, and is a true savings. Repair & Maintenance Contracts variance is mostly related to the fire alarm contract payment. She explains that Repair & Maintenance Parts is somewhat of a savings account for "just in case" scenarios so the timing is usually unknown, and that Repair & Maintenance Outside Services is for subcontracted projects done by an outside vendor.
 - i. Begley asks if projects such as the elevator repair in the Union would fall under contracts or parts. Farrell explains that the elevator modernizations are being funded through campus because they are a lingering part of the expansion project, but that regular elevator repair in either building is funded through the outside services budget.
 - c. Farrell continues to discuss expenditures such as utilities, which have been an ongoing unknown. At this point, it is being considered a savings since actual reads are taken off meters, and staff is coordinating with facilities to help ensure that billing is accurate. Olmsted adds that the team is in a better position than ever before with projecting utilities thanks to systems now in place and collaborations with campus.
 - d. Farrell discusses the accounts related to staff wages, benefits and the UEI fee. The full-time staff savings are mostly due to unplanned vacancies and delays in filling maintenance positions. Some of the variance in student wages is ongoing from Union Event Services which was impacted by room closures caused by the extended work in the Union. Intramurals had less sign-ups in the first quarter and therefore their staffing was also down. The wage variances also affects the UEI fee since this fee is based on expenses in wage related expenses.
 - e. Farrell explains that the savings in campus services accounts are due to a delay in billing, therefore not a true savings.
 - f. Lastly, Farrell reviews the accounts related to travel for full-time staff as well as accounts for student travel. She explains that the ACUI conference was somewhat local and the team had budgeted to take a large group, but not as many attended as expected. Also, the IT department had anticipated taking their entire staff to the Consumer Electronics Show (CES) but some staff went to AOA so only one went to CES. The savings in travel related accounts are actual.
 - g. Farrell then refers to a table she created that deducts the savings that are not actual, in an effort to show the true anticipated savings, which is \$134,580.08 when estimating the variance in the excess of actual revenue over expenditures vs the budget amounts as of December 31, 2019.

6. The meeting was adjourned at 8:30 am

Respectfully Submitted:


Authorized Signature

3/6/2020
Date