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**Union WELL Inc.
Budget and Finance Committee
October 18, 2017**

Minutes

1. The meeting was called to order by Kisanet Woldeyohannes at 7:30am
 - a. Members present: Kisanet Woldeyohannes, Missy Anapolsky, Stacy Hayano, Asmita Dahal, Emily Yang, Alex Brown
 - b. Also present: Jill Farrell, Bill Olmsted, Tori Butler
2. Public Comment: None
3. Review of the Charge to the Budget and Finance Committee
 - a. Farrell reviews duties and responsibilities of the committee and its members.
 - i. Brown asks if meeting minutes are published. Farrell confirms and states that they are posted on the corporate website.
4. Approval of Minutes of April 5, 2017 (MSP: Hayano, Anapolsky)
Approval of Minutes of April 11, 2017 (MSP: Anapolsky, Brown)
5. Proposed Strategic Planning and Budget Timeline, (MSP: Hayano, Dahal)
 - a. Farrell refers to the timeline included in the handout and explains its purpose.
6. Proposed Student Wage Scale (MSP: Brown, Yang)
 - a. Farrell reviews the structure of the Union WELL Inc. wage scale then refers to the proposed wage scale for 2018. She explains the minimum wage increase that was adopted by the State of CA two years ago which directs progressive minimum wage increases every year until 2022, when the minimum wage will be fifteen dollars per hour. Farrell notes that any wage not highlighted in green on the proposal will be fifty cents more than last year's wage on January 1st and will be increasing by one dollar every year, for each of the following four years. She points out that the wages highlighted in green are fitness instructors, personal trainers and lifeguards, whose wages are based on a person's skillset and training level. Research was done to gather market data because these classes of wages were not impacted by the minimum wage changes. Farrell explains that these proposed wage ranges are based on the amount of certifications an employee holds. If an individual has more certifications, they start at a higher wage. Only the lower wage in the range is increasing based on research, but the higher wage will not change. She also explains that the Union 6b and 7b is the hourly wage for trainings and meetings and there are no changes to that wage.
 - i. Yang asks who is analyzing the data. Farrell states that the Assistant Director of Fitness, Coordinator of Fitness, the Director of the WELL and the Associate Director of Member Services and Operations.

7. TBU01 updates and approvals, Action Requested (MSP: Anapolsky, Hayano)
 - a. Farrell explains the TBU01 repair & replacement fund, and that there were some projects scheduled for the summer but some major changes occurred. The Summer Operating Committee was called in to ask for the board's approval on changes and new projects.
 - b. Olmsted discusses the changes starting with the proposed AV total project cost, noting that the ballroom technology is over 20 years old. The project has gone back and forth amongst the architects, engineers, and contractors involved and there have been changes in the scope of work, increasing cost to \$655,000 versus the original cost of \$417,421. Olmsted proceeds to discuss the project with the biggest variance, which is the conversion from steam generated heat to boilers in the Union. He explains that the original plan was to replace the heat system in half of the building, but after realizing the expenses involved, in addition to finding out that the infrastructure was already installed to convert, it was decided to do the entire building all at once. The early estimate was \$300,000 and increased up to an estimated \$800,000, which was presented to the Board over the summer. However, the cost has come down since then due to some adjustments. Farrell adds that the boiler project also went through the Chancellor's office and it is merited. She acknowledges that the 2018-2019 budget will be structured to replenish monies back into the TBU01 fund.
 - c. Olmsted reviews the new projects on the TUB01 proposal. He starts with waterproofing the Union building exterior, explaining that when it rains, parts of the building absorbs water rather than repels it. He then proceeds to discuss the failures in the Union kitchen plumbing, resulting in the need to replace the plumbing piping underneath the kitchen. Lastly, the Union south walkway project was completed over the last two weeks of summer. He explains that a tree was pushing up the concrete, causing a tripping hazard. The tree was removed and the walkway was re-done and redesigned to aid traffic flow.
8. Cap and Plant Updates, Olmsted/Farrell (Information)
 - a. Farrell begins by explaining that The Capital and Plant Fund is for repair and replacements, projects that are funded with the Union WELL Inc local operating budget funds and that the projects are typically smaller in scope than TBU01 projects. She notes that there are no changes to the Capital fund budget of \$46,000. She then notes that the BOD approved an increase of \$73,970 to the original Repair and Replacement budget of \$501,000 on July 31. Farrell notes that the increase included the replacement of a failed trash compactor in the amount of \$40,000 and two projects totaling \$33,970 that were carried over from the prior fiscal year due to a delay in completion. Farrell then discusses the additional savings since July 31 totaling over \$10,000.
9. 1st Quarter Budget to Actual Variance Review, Olmsted/Farrell (Information)
 - a. Farrell begins by explaining the budget process noting that the budget is analyzed monthly by management, and is presented to Budget & Finance quarterly.
 - b. Farrell then discusses expenses and reviews variance highlights. She notes that account 3431, Fitness Equipment Maintenance, will continue to see an overrun. She explains that the budget was set in April, but there was an analysis done on the fitness equipment maintenance process that determined a need for additional maintenance. Financially, it was better to utilize an outside company, Gym Doctors, than hire a dedicated employee at this time. Olmsted adds that there may be a point in the futures where it would make sense to hire a dedicated person, noting that the situation will be reviewed throughout the year.
 - i. Hayano asks how equipment maintenance was handled prior. Olmsted states that Gym Doctors has always performed maintenance in conjunction with internal staff; the change is just increasing the level of service. Equipment is getting older and needing more

maintenance. He adds that internal maintenance staff is focused on the many Union projects, leaving fewer resources to perform maintenance internally.

- c. Farrell continues to review expenses noting that the utilities budget is doing well thanks to many changes such as LED replacements, strategic lighting schedules, and changing how laundry is processed.
 - i. Yang asks if the Union or The WELL have solar. Farrell answers that the WELL does, not to a point of seeing savings but it is close to breaking even. Olmsted adds that this is typical of large solar projects; there is a set rate for solar, so you rely on regular electricity rates increasing and solar rates staying the same. Hayano adds that solar panels are so expensive that you typically do not see savings for many years until it is paid for.

10. The meeting was adjourned at 8:35a.m.

- a. Farrell announces a location change for the next meeting on November 29 to the WELL's Vineyard room, across the hall from the usual Shoreline room.

Respectfully Submitted:



Name



Date