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**Union WELL Inc.  
Budget and Finance Committee  
March 27, 2019**

**Minutes**

1. The meeting was called to order at 7:31 am by Woldeyohannes
  - a. Members present: Kisanet Woldeyohannes, Stacy Hayano, Kristen Lopez, Serena Lee, Alyssa Trejo
  - b. Also present: Jill Farrell, Tori Butler, Jenny Moran, Amy Jacobsen, Bill Olmsted
2. Public Comment: None
3. Approval of Minutes of March 7, 2019 (MSP: Lee, Lopez)
4. Non-Recurring Maintenance and Repair & Capital Improvement 2018-19 (TBU01 & TBU04) (Information)
  - a. Farrell updates the committee on a decision made by the Board of Directors at the March 14 meeting to increase the 2018-2019 TBU01 budget by \$50,000. The approval included adding the Pride Center to the carpet refresh project in the amount of \$10,000, increasing the total Union carpet refresh cost to \$36,000. Also approved was adding an Adaptiview and a refrigerant monitor to Phase I of the Union chiller project in the amount of \$40,000.
    - i. Hayano asks how long the chiller systems usually last. Olmsted says that the Union chiller was installed in 1998 and has been functioning with replacement of certain motors and key parts. If maintained, it should last another 10+ years on current system.
5. 2019-20 Budget: (Information)
  - a. General Revenue
    - i. Farrell explains that the budget approval process is being broken up, and that she will begin the 2019-20 budget presentation today, but will not ask for approval until the presentation is complete. She presents the budget by category, calling attention to changes or complexities in the budgeting process.
  - b. General Expenses
    - i. Farrell discusses expenses beginning with personnel changes including the Executive Director search, new and vacant positions including three building maintenance positions, Union Administrative assistant and WELL Exercise Physiologist vacancies.
    - ii. Continuing with expenditures, Farrell reviews the Campus & Outside Service budget. In 19-20 the net increase for IRT is about \$10,000. Public safety and all other services are estimated at a 5% increase over the year-end projection numbers. Campus cost allocation is in arrears, thus the square footage addition in the Union will show in the 20-21 budget year. Public Safety made a significant change in the methodology of how they charge for

services, which is resulting in a reduction. The net result for campus and outside services is a reduction of \$127,959 compared to 18-19.

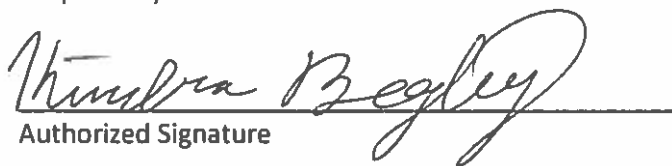
- iii. Farrell discusses utilities, noting the cost has been rising. She explains that campus lost key personnel and meter reads were not happening this year, so the organization is going into the budget season without data and spent a lot of time analyzing utilities before deciding what to budget. She notes that the increase in Union electricity is due to the increase in square footage. The Union increased around 61,000 square feet. The WELL will also be increasing in electricity due to the expansion starting and moving construction trailers on-site. Otherwise, utilities as a whole is budgeting a savings of \$2,778.
  - iv. Farrell explains that custodial services is outsourced for both the Union and WELL and is currently in the middle of a contract. The service rates are under contract but their company is also impacted by the minimum wage increase, which was planned for. In addition, the square footage increased in the Union, so custodial cost increased by \$96,498. The total impact of campus and outside services resulted in an increase of \$16,156 from 18-19 to 19-20.
- c. Personnel
- i. Also, for personnel, a 4% salary pool of \$155,827. Farrell shows a breakdown of the California minimum wage increase, which is progressively increasing \$1.00 per hour each year, up to \$15.00 an hour in 2022. The corporation employs close to 300 students, and each hour costs \$1 more next year. The minimum wage difference in 19-20 from 18-19 is \$162,691 including wages, benefits and the UEI fee. She then reviews the benefits budget, including the health & PERS benefit rate increase. The estimated increase for health benefits is 7%, dental is 3%, and the PERS increase is confirmed at almost 2%, resulting in a total benefit increase of \$128,630 in 19-20 including the UEI fee. The Compression study to evaluate minimum wage implications was not completed this year, so \$49,000 is being carried over to next year. The total personnel impact to the 19-20 budget, including all areas is \$773,773.
- d. Capital
- i. Olmsted discusses the Capital projects list, highlights include a couch replacement in the WELL Terrace Suite and an additional wheelchair lift in the Union. He notes that it has been found that some event organizers prefer a ramp rather than a lift for wheelchairs and included in the budget is a dedicated ramp system and an additional lift. Other projects include additional charging lockers in the Union, and digital signage for meeting rooms utilizing a cost-efficient solution using an iPad in a frame. Farrell notes that the digital signage project was an 18-19 project that is carrying over because the team worked on exploring options, testing prototypes, and working towards the best solution. Olmsted continues to discuss projects including adding equipment to member entry gates in WELL to protect against power surges, and new Games Room area dedicated to virtual reality gaming. Farrell states that the grand total budget requested is \$135,250.
- e. Plant Fund (Repair and Replacement)
- i. Olmsted discusses the Plant fund projects. He reminds the group of the fitness equipment replacement schedule, and that the upcoming year was going to include a lot of cardio equipment. However, due to savings in this year's budget, some equipment purchases were pulled into the current year to ease the budget for next year. Farrell states that about \$167,000 was moved into this year. Olmsted discusses repair and replacement projects, highlights which include an update to the Union west walkway, crash pads for climbing wall, new hand dryers in women's locker room, replacing Union Redwood Room doors, and the piano in the Union. Olmsted explains the annual workstation refresh, which is on a

rotation schedule for repairing and upgrading CPU's in the organization on a three-year cycle. He also notes that the WELL is going out for an RFP on upgrading or replacing the current membership software in WELL, which has been used since the building opened and is becoming problematic. Farrell states that the total impact of Repair & Replacement projects is \$698,976. She adds that the total budget for Capital and Plant fund is \$834,226.

- f. Non-Recurring Maintenance and Repair & Capital Improvement (TBU01 & TBU04)
  - i. Olmsted discusses TBU01 non-recurring maintenance and repair projects, highlights include vinyl tile replacement in Union back of house, carpeting and flooring repairs in the Union Ballroom bathroom, and WELL 2<sup>nd</sup> floor elevator hallway carpet.
  - ii. Farrell points out that the projects that have been approved but are carrying over are listed in the gray box, which include a Union chiller condenser pump replacement, as well as Group II WELL expansion project purchasing and make ready work.
  - iii. Farrell discusses the TBU04 projects, including LED track lighting in Redwood room. Olmsted notes that the cost includes entirely new wiring back to the panel.
    - 1. Hayano asks if the project will make the room brighter, as the room is pretty dim. Olmsted confirms, stating yes and adds that LED's are typically brighter but the new system also will allow more control over level of lighting.
  - iv. Farrell continues to discuss the feasibility study for Terrace Suite screens. Olmsted points out that wide format screens had to be installed over built-in screens, but the team would like to widen the existing opening and permanently install wide screens. Lastly, Farrell mentions the Union automatic doors are having issues and need to be replaced. Olmsted states that south and east doors have died, but parts aren't made anymore, doors cannot be serviced, and doors are not a standard size. The replacement of the doors will involve structural and architectural changes.
    - 1. Hayano asks if the replacement doors will be the same as the new doors in the expansion areas. Olmsted confirms, yes. Adding that maintenance will be able to stock parts in-house so that doors can be repaired immediately.
  - v. Farrell states that the total budget for TBU01 and TBU04 combined is \$347,460. She then summarizes budgets for all categories:
    - Capital: \$135,250
    - Repair & Replacement: \$698,976
    - TBU01: \$37,460
    - TBU04: \$310,000
- g. Long Range Plan
- h. Reserve Levels

6. The meeting was adjourned at 8:40 am

Respectfully submitted:

  
Authorized Signature

10/23/19  
Date