



California State University, Sacramento
University Union Operation of CSUS Inc.
6000 J Street • Sacramento, CA 95819-6138
T (916) 278-6744 • www.csus.edu/union

Union WELL Inc.

Budget and Finance Committee

March 6, 2020

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

Minutes

1. The meeting was called to order at 7:34 am by Begley
 - a. Present: Kindra Begley, Missy Anapolsky, Shubh Kaur, Jasmine Lopez
 - b. Also present: Jill Farrell, Bill Olmsted, Amy Jacobsen, Tori Butler, Rose McAuliffe
2. Public Comment: None
3. Approval of Minutes of January 29, 2020 (**MSP: Anapolsky, Kaur**)
4. 2020-2021 Strategic Plan Project List, Olmsted/Farrell (**MSP: Anapolsky, Lopez**)
 - a. Olmsted explains the strategic planning process which includes reviewing the strategic goals for the division of Student Affairs and President Nelsen's imperatives, then setting ten goals as a corporation, which become the guiding values and targets to hit. Olmsted presents the Corporate Administration project list, which includes corporate goals and performance measures, and discusses project list highlights including managing all deferred maintenance projects; developing a new strategic plan and evaluating strategic goals; onboarding a new Director in the Union; and supporting the effort to update or replace the WELL's membership management software.
 - Anapolsky asks if the membership management software is a proprietary system or if there are other systems out there. Olmsted says that there are other systems out there and notes that the RFP will be very specific with business needs. Farrell adds that the current system also has a newer version that has not been explored yet.
 - b. Olmsted continues to discuss Corporate Administration projects including increasing personnel, which is a byproduct of growth; and lastly, redesigning and connecting all corporate websites for Union WELL Inc.
 - McAuliffe asks how many personnel the organization is planning to add. Olmsted says one in marketing, another in Administration/Business Office, up to three in maintenance, and one in the Union Programs and Operations.
 - c. Olmsted then presents the Facilities & IT project list, which is broken down by department, and begins by reviewing the corporate goals that the lists are focusing on as well as performance measures. Administration projects include commissioning systems implemented during Union expansion for the WELL expansion such as a new intercom system and new lighting systems; and creating a two-day off-site retreat for the Facilities & IT department.

- McAuliffe asks who negotiates contracts for the corporation. Olmsted says there is a team of negotiators, but for a contract in this area it would be the Director of Facilities & IT, Andrew Singletary. He adds that Directors always work closely with the Business Office and himself to work out language, terms, and insurance requirements on any contract.
 - d. Olmsted discusses IT project highlights which include developing an implementation plan of DUO multi-factor authentication; implementing an updated Information System for the WELL; begin implementation of two-year plan to replace servers in the AIRC; and migrating cardio equipment from hardwired to wireless. Facility Services project highlights include implementing a new paperless request procedure for cut keys and key fobs; and updating the recycling and composting programs.
 - Anapolsky asks if recycling and composting will be mandated by Chancellor's Office. Olmsted says yes and notes that other campuses have been doing composting and material separation for several years.
 - e. Olmsted mentions project highlights from the Maintenance and Facility Operations list including replacing inefficient HVAC pneumatic controls with new digital controls; and onboarding up to three new maintenance staff.
5. Approved Part Time Wage Scale Update, Olmsted/Farrell
- a. Farrell presents an updated wage scale for 2020. She explains that when the wage scale was approved in December, Games Room Attendants were reclassified from Union1 to Union2 due to the complexity of the position and ~~its~~ job duties. Leads, which work in the area but take on more responsibility, are supposed to make \$0.25 more than the standard position. This was an oversight which has been corrected and staff were paid retroactively.
6. 2019-2020 Year End Projections, Farrell
- a. Farrell refers to the large handout which includes detailed notes on the budget to YEP (year-end projection) variances in addition to the summary in the packet. She discusses new revenue variances including facility use fees stemming from issues in event services and events that were budgeted for but will not be happening in the WELL due to the expansion construction schedule, continued success in the Games Room, UEI food service and store square footage that was not finalized at time of budgeting, interest rates being better than anticipated, and membership revenue that was expected to decrease with expansion but has been delayed. The result is a variance of \$140,529 in revenue.
 - b. Farrell then discusses new expenditure variances which includes custodial supplies relating to unknown usage patterns in the Union after expansion and notes that there was also a savings in the WELL.
 - McAuliffe asks if cleaning processes will change due to the current state of emergency, noting that it might increase supply cost. Olmsted explains that, unlike other buildings on campus, both the Union and WELL are cleaned throughout the day and the products that EHS recommended are already being used including hospital grade supplies in SHCS. Additional free-standing hand sanitizer dispensers are being placed inside every exterior entrance in both building as a reminder to members and show that the organization is cognizant of concerns.
 - Farrell adds that management is meeting with staff and custodial to ensure that everything that should be done, is being done.
 - c. Farrell continues discussing expenditure variances such as maintenance supplies, fitness equipment maintenance, and dues, fees, and subscriptions. Also, the estimated cost for the salary compensation study was overestimated and the actual cost will be approximately \$20,000 lower. Utilities are projected to be under budget. Our ability to project the cost of utilities has improved with accurate readings. Farrell states the savings in wages and

benefits is caused by vacant positions, struggle with filling maintenance positions, and two paternity leaves that were not budgeted.

- McAuliffe asks to clarify that YEP is what is being chosen to spend for rest of year, although the year is not over. Farrell explains that YEP replaces the budget and decisions are made based on it instead of the original budget.
 - Begley asks when the salary survey results will be in. Olmsted says that the consultant hired by UEI should be presenting results this month or next and their recommendation will be considered. Olmsted hopes it will recognize significant deficiencies in salaries and will be able to make the correction.
- d. Farrell discusses the savings in UEI fee, which is 10% of wages and benefits. The savings in the UEI fee is due to the savings in wages and benefits. She then discusses the VEBA (Voluntary Employees' Beneficiary association) variance and explains that payments are being made to UEI to help fund the organizations liability, but a new change is being mandated through auditing standards and these payments are being accelerated, resulting in a variance of \$105,344.
- Olmsted explains that VEBA is essentially an insurance fund for employees who work for the organization long enough and earn medical benefits in retirement, the organization needs to guarantee that the benefit is available for the duration of retirement. If something happens to our organization, this fund takes over the obligation of paying benefits.
 - Anapolsky asks if payment to VEBA is based on number of employees. Farrell explains that it is based on how many people are in the qualifying range. She adds that retirement medical benefits are paid out of account 3813. The VEBA is strictly created to pay benefits if the corporation went out of business.
- e. Farrell discusses travel variances which were related to an increased budget due to the uncertainty of who would fill the Executive Director position and a conference that IT did not attend. Student travel variance is due to not as many students attending NIRSA and ACUI conferences. Lastly, Farrell discusses Capital and Plant which is reported on throughout year and has come down about \$80,000 since the last meeting. The final projection for expenditures is \$13 million, which is a difference of \$708,000 from the original budget.
- f. Overall, a variance of \$1.1 million was originally budgeted but the organization is now predicting a \$1.9 million variance of revenue over expenses, which is a difference of about \$850,000.

7. The meeting was adjourned at 9:03am

Respectfully Submitted:

Shubhkawanpr Kaur
Shubhkawanpr Kaur (Oct 21, 2020 10:06 PDT)

Authorized Signature

Oct 21, 2020

Date