



SACRAMENTO
STATE

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**Union WELL Inc.
Budget and Finance Committee**

April 5, 2017
7:30am, WELL Shoreline Room

Minutes

1. The meeting was called to order at 7:31 am by Kisanet Woldeyohannes
 - a. Present: Kisanet Woldeyohannes, Carter Sun, Missy Anapolsky, Stacy Hayano, Alyssa Trejo
 - b. Also present: Jill Farrell, Bill Olmsted, Amy Jacobsen, Tori Butler
2. Public Comment: None
3. Approval of Minutes of March 3, 2017 (MSP: Anapolsky, Hayano)
Approval of Minutes of March 29, 2017 (MSP: Hayano, Anapolsky)
4. 2016-2017 Capital & Plant addition updates and approvals: Action Requested (MSP: Anapolsky, Sun)
 - a. Farrell begins by briefly reviewing the project list on the request for approval for whomever was not in attendance when the items were discussed in detail at the March 29 meeting. This includes an update on the cost for the replacement of two domestic hot water heaters in the Union, listed in red with a revised price of \$43,795, as well as the Hornet's Nest Food Court power survey, which is a new item also listed in red with an estimated cost of \$6,400. Lastly, Farrell reviews the amendment item listed in green, which is a feasibility study for a conversion from steam provided heat to boiler provided heat in the Union. She reminds the group that this item was discussed in detail on March 29, however at 4PM yesterday (April 4) new information was received from Todd McComb with Facilities, announcing that Design Energy will perform the study and that the project price is actually \$24,000, not \$12,230 as requested. Farrell summarizes that on March 3 the request was for a Capital and Plant budget of \$55,853.36 with a \$31,000 variance, whereas this updated request is for \$100,048.36 with a variance of \$75,283, which is an additional \$44,195 from the original variance.
 - i. Questions/Comments: Hayano asks if people are using space heaters for warmth. Olmsted answers that there have been a few cold days, but the building does hold some heat, so no space heaters have been necessary. Anapolsky asks if campus heat is generated by steam. Olmsted confirms that campus heat is generated by steam and states that campus is moving away from it to reduce reliance on master plant, adding

that campus will be phasing out steam provided heat over time. Hayano asks if the Union uses the hydroelectric plant to generate steam. Olmsted answers that it does not. Anapolsky asks to confirm that, once approved, the request will be presented to the board for approval, and then is implemented. Olmsted confirms that upon approval from this committee, there are still several processes to go through. He adds that the schedule that is being put forth would have us fully ready to begin work in August or September.

5. Policy Revisions, Farrell

a. Travel Reimbursement, Action Requested (MSP: Hayano, Anapolsky)

- i. Farrell states that complications arose during travel reimbursements recently, which warranted an update to the travel reimbursement policy for clarification, and proceeds to review the proposed changes. A redlined policy reflecting the changes is included in the handout.

6. 2017-18 Budget: Action Requested

Farrell presented the 2017-2018 Budget and discusses the major budget variances from 2016-2017 including key issues impacting the 2017-2018 budget. She states that 2016-2017 Year End Projections (YEP) came in with more income than expected, resulting in a projected \$1,791,187 surplus. Farrell briefly reviews the changes to the WELL membership rates and reiterates that the changes were made in hopes of increasing membership revenue.

Questions/Comments: In reference to the discounted WELL membership rate for non-enrolled summer students, Hayano asks what the WELL summer semester fee is. Farrell answers that she believes it is \$72 off the top of head, although she needs to double check. Hayano states that she asks because if students enrolled in summer school are paying \$72, that is more than students who are *not* enrolled who would be paying \$48 for the summer, and may appear to be unfair. Farrell explains that the fee is a Union WELL Inc. fee; therefore, it's not just for the WELL but also for Union services. Farrell then corrects her answer and states that enrolled summer students pay a \$235 Union/ WELL fee which is 72% of a Spring or Fall semester. Trejo states that she just confirmed the amount on the campus website. Discussion ensued regarding the fact that the fee is structured through Financial Services who determine what the summer rate is based on a proration of a regular semester rate. Farrell also states that the rate was set by referendum long ago plus consumer price index (CPI). Hayano adds that there is a push on the University side to get higher summer enrollment, so in her opinion if fees are high for summer, students may not be as likely to enroll. Farrell states that our Long Range financial plan is based on this fee and the debt payments of our buildings are dependent on this fee. Therefore, lowering the fee is not an option. Jacobsen notes that the discounted rate is an early bird offer and must be established by June 1, after that the rate is the normal \$31 per month.

- a. General Revenue
- b. General Expenses
- c. Personnel
- d. Capital

e. Plant Fund (Repair and Replacement)

7. Capital Repair and Replacement (TBU01): Action Requested

- a. Farrell reminds the group that the 2017-2018 capital repair and replacement items and projects were reviewed in detail on March 29, but recaps quickly for a total TBU01 budget of \$1,023,765. Farrell reviews the long-range plan, which is included in packet. Farrell then discusses undesignated and designated reserves, cross-referencing with the spreadsheet included in handout. Farrell also reviews designated reserves including repair & replacement, and capital repair & replacement projections. Lastly, Farrell reviews a reserve accounts recap, including a year-by-year comparison.

Budget 2017-2018

Events	\$ 233,250
Insurance	\$ 57,263
Supplies	\$ 967,224
Services	\$ 39,785
Contracts	\$1,575,955
Utilities	\$ 663,309
Travel	\$ 91,241
Wages	\$4,430,907
Benefits	\$1,532,089 (Includes \$50,000 for VEBA Funding)
Capital	\$ 46,035
Repair & Replace (Local)	\$ 501,174
Capital Rep & Replacement (TBU01)	\$1,023,765

Undesignated Reserves

Revenue Fund (Projected)	\$11,902,648*
Local Reserves (Projected)	<u>\$ 10,810,045</u>
Total Undesignated Reserves	\$22,712,693

BOD Policy Requires: 1 yr. debt coverage =	\$ 4,779,414 and
6 Mo. Operating =	<u>\$ 5,677,867</u>
Total BOD Policy Requirement:	\$10,457,281
Avail Undesignated Reserves:	\$12,255,412

Designated Reserves

Repair and Replacement Fund (Projected, Local)	\$ 2,428,072
Capital Repair and Replacement (Projected, TBU01)	\$ 2,083,438

*Represents a debit of \$5,500,000 for capital expansion

Approval Operating Budget 2017-2018: (MSP: Trejo, Sun)

Approval Capital and Plant Fund 2017-2018: (MSP: Sun, Hayano)

Approval Capital Repair and Replacement 2017-2018 (TBU01): (MSP: Anapolsky, Trejo)

Approval Long Range Plan 2017-2018: (MSP: Anapolsky, Hayano)
Approval Reserve Levels 2017-2018: (MSP: Trejo, Anapolsky)

8. The meeting was adjourned at 8:48am

Respectfully submitted:

Kisembor
Name

10/18/17
Date