



Joint Meeting of:
Union WELL, Inc Budget and Finance Committee
University Union Advisory Group
The WELL Advisory Group

Wednesday, April 16, 2025
Green and Gold Boardroom, University Union, 3rd Floor

Minutes

1. This meeting was called to order at 7:36am by Nadeem.
 - a. Present: Rosa Colin Vasquez, Omar Gomez, Brieann Howard, Manuel Lopez, Deborah Williams, Alina Nadeem, Marina De La Cruz Ramirez, Rene Nevarez, Drew Harris, Stephanie Reyes Alcala, Edyyt Mauricio, Elena Larson, Gabriel Conejo Gallegos, Michael Love, Lisset Cruz
 - b. Also Present: Bill Olmsted, Amy Jacobsen, Jill Farrell, Rina Chhong, Scott Palmer, Andrew Reddish
2. Public Comment
 - a. None
3. 2025-26 Budget: Action Requested

Olmsted reviews the budget approval process and gives a brief overview of the 2025–26 documents.

 - a. 2025–26 Operating Budget, including Capital, Repair and Replacement, and Art Expenditures
MSP: Howard, Gallegos.
 - i. Olmsted reviews the proposed 2025–26 operating budget and explains the current year to proposed year variances in the revenue categories listed on the executive summary document. Olmsted also reviews the Rec Sports Fee increased which was approved through the alternative consultation process last summer, and which will start to be phased in this fall and over the next three years.
 1. Expenditures:
 - a. There are three accounts related to events (3110, 3120, 3130), some of which have been recategorized for the upcoming year. Events spending is going down, although all costs related to putting on events are increasing. Estimating future utility costs is difficult due to fluctuating costs from the perpetual mode of construction over the last several years. But as construction slows down, patterns are beginning to form thus causing improvement in making predictions. Wages and benefits will increase due to a 9% increase in medical costs as well as the need for additional staff to take on the increased responsibilities of more programs and services. UEI HR is the cost of contracting UEI for HR services and is 10% of the cost of all wages and benefits. As wages and benefits increase, so does the UEI fee. Cost allocations is the fee to do business on campus and includes Public Safety, IRT for network services, mail services, etc. All cost allocations have increased due to the state budget cuts. Travel expenditures have increased due to the need to train staff on new software.
 - b. Expenditures add up to a total of \$20 million, with a projected surplus of \$467,000. This surplus will be used for projects/expenses anticipated to occur and any remaining amount will be stored in local reserves. All expenditures are tracked closely by Union WELL, Inc. staff and by campus, and are not made without having

first received approval from either the Budget and Finance Committee and/or the Board of Directors.

- c. Gallegos asks, "For the Round Table Patio Network Upgrades for \$7,000, what is it and how is it that amount?" Olmsted responds that although the previous football watch parties have been hosted on the Round Table patio, the patio is not equipped with adequate networking capacity. This project will address that issue as it is expected that there will be more football watch parties in the future.
- b. 2025–26 TBU01 and TBU04 Expenditures **MSP: Larson, Gallegos.**
 - i. Olmsted reviews the proposed 2025–26 TBU01 and TBU04 additional Expenditures. He explains that previously existing items on this list have already been approved and are awaiting either a start or a completion. Many are delayed due to bottleneck and bandwidth issues. If active or pending projects need additional funding, the justification is presented to the Budget and Finance Committee and/or the Board of Directors for why additional funds are needed. The new items proposed for TBU01 are related to air conditioning. AHU6, an air handler that services a significant area of the Union is down and investigations on whether the unit needs to be replaced or can be repaired are currently underway. DXAC units are singular air units for specific areas that need increased air, and two at The WELL need to be replaced. The new item for TBU04 is the last remaining bathroom in the Union that needs to be updated, located on the first floor next to Round Table and Engrained Restaurant.
- c. 2025–26 Long Range Plan **MSP: Harris, Gallegos.**
 - i. Olmsted reviews the 2025–26 Long Range Plan. He explains that the top portion, the Revenue Fund, is money that goes into the campus account (TBU01) from fees. Money "above the line" are funds located in campus accounts and money "below the line" are funds located in local accounts. Farrell clarifies that TBU01 and TBU04 are "above the line" and Capital, Repair and Replacement, and Art is "below the line." Olmsted states that depending on the projects anticipated to begin, funds are either left in the campus account or moved "below the line" to be made available for use.
- d. 2025–26 Reserve and Fund Levels **MSP: Nevarez, Gallegos.**
 - i. Olmsted reviews the 2025–26 Reserve and Fund Levels which shows a projected \$13 million "above the line" and \$21 million "below the line" for a total of \$35 million. Policy states that reserves must contain at least six months of operating costs and one year of debt coverage at all times. This leaves \$17 million in undesignated reserves to cover expenses such as decreased headcount, minimum wage increases, campus cost allocation increases, Chancellor's Office mandates, or project cost overruns and escalation. Capital Repair and Replacement has its own designated fund as policy dictates maintaining 25% of the estimated cost of inventory items and capital assets. For 2025-26, we are proposing transferring \$700,000 into TBU01 and \$2 million into TBU04. If project costs do not increase, the remaining funds will remain in reserves reducing the amount needed to be added the following year. The anticipated fund balance figure comes from the ending balance that has been tracked throughout the year with the Board of Directors and the Budget and Finance Committee.
- e. Questions:
 - i. Larson asks, "The fact that UEL does HR for you, are you required to use another campus entity to do it?" Olmsted responds no, explaining that it was out of necessity decades ago when the partnership started, and has remained in effect for financial reasons and because UWI employees receive similar benefits and retirement as those of campus employees.

ii. Nevarez requests updates on TBU01 and TBU04 projects. Olmsted gives the following updates:

1. WELL Domestic Boiler Replacement: Anticipated to start Summer or Fall
2. UU South Corridor Lounge Carpet: Will be done late Summer
3. Carpet WELL Rec Side: Complete
4. UU HVAC Modernization: Starting next week
5. Lobby Suite Flooring: TBD
6. Habit Burger Grease Trap: Complete
7. UU West Bathrooms: Anticipated completion in June
8. UU Relaxation Station: Awaiting Fire Marshal approval
9. West Walkway: Waiting until East Walkway is complete
10. UU Redwood Room LED Lighting: Project has changed to a full Redwood Room renovation
11. WELL Maintenance Shop Remodel: On hold pending further information

4. This meeting was adjourned at 8:41am.

Respectfully Submitted,

Phyllis Kohn 9/10/2023

Authorized Signature

Date