



Union WELL, Inc. Joint Meeting of the;
Budget and Finance Committee
University Union Advisory Group
The WELL Advisory Group

April 17, 2024
7:30am, The WELL Terrace Suite

Minutes

1. The meeting was called to order at 7:35am by Nadeem, Budget & Finance Committee Chairperson
 - a. Present: Gloria Coss, Madeleine Church, Briann Howard, Daisy Garcia, Diana Lynch, Ariana Ochoa, Marina De La Cruz Ramirez, Wayne Linklater, Rosa Colin Vasquez, Zuhaib Saleem, Drew Harris, Manuel Lopez, Elena Larson, Deborah Williams, Alina Nadeem,
 - b. Also Present: Bill Olmsted, Jill Farrell, Zenia LaPorte, Andrew Reddish, Amy Jacobsen, Tori Butler
2. Public Comment: None
3. 2024–25 Budget: **Action Requested**
 - a. 2024–25 Operating Budget, including Capital, Repair and Replacement, and Art Expenditures
MSP: Coss, Harris
 - i. Olmsted presents the proposed operating budget for 2024-25, outlining projected revenue and expenses for the coming year, including a comparison to 2023-24 budget. He discusses significant revenue variances including recreation rental and the recreational sports fee, both of which have proposed program changes as part of the budget. Recreation rental revenue proposed change is from the Games Room (GR), which has historically charged users. Last year, a Board of Directors (BOD) member inquired why there is still a charge in the GR while the Relaxation Station (RS) and group fitness (GF) classes are no charge. If the proposed budget is approved, starting July 1 students will no longer be charged to use GR. The recreational sports fee is one of the campus mandatory student fees which primarily supports WELL Intramural Sports (IM) and Sports Clubs (SC,) which receive 23.5% of the current fee revenue. The budget proposes increasing SC share and changing the split to 60/40; this increase will help SC to pay for new mandates and program growth. Another change is in return of surplus, which are funds from mandatory student fees that are held in a stateside account and withdrawn based on what is needed to fund the budget each year. In 2024-25 a greater amount will be withdrawn than the current year to restore the fund after a strategic decision to maintain a balance in the stateside account to fund large upcoming projects this year.
 - ii. Farrell adds that last year was when the real change occurred; with large projects such as the North Field project and TBU01 and TBU04 projects on the docket, more money was needed to remain stateside. Decreasing the typical return of surplus allowed more money to remain stateside to fund them. This budget is going back to typical levels.
 - iii. Olmsted discusses significant variances in expenditures such as events, insurance, custodial, and utilities. An increase in wages and benefits is projected based on positions being added in the coming year and increases in PERS and benefit rates. Farrell notes that the 11% increase in benefits is estimated, but is not certain what it will be. Also, an increase of minimum wage to \$18 per hour will be on the November ballot. Depending on the vote, the increase would start January 1 and would have an impact of \$250,000 in part-time and student wages and taxes for six months. This is not included in the budget but calculated to ensure reserves would be available.

iv. Olmsted continues to campus cost allocations, which are fees paid to campus for services such as mail delivery, public safety, IRT, etc. Those fees are set to increase. More professional development opportunities are planned so increases in travel, conferences, etc. for staff are projected. Total expenses are projected at \$18.6 million and revenue is \$18.9 million, resulting in a modest projected surplus of \$282,000.

b. 2024–25 TBU01 and TBU04 Expenditures **MSP: Saleem, Linklater**

i. Olmsted presents the 2024–25 TBU01 and TBU04 project list, which includes projects already approved by BOD that are rolling over. The only new additions are a boiler replacement in the WELL and carpet installation in the UU, allowing the team to focus on the already approved projects. New projects total \$600,000. Three previously approved projects are being removed due to changing priorities. Credit from canceled projects totals \$2,035,302, which will help offset other project funding needs. Additional funds are requested for the existing HVAC modernization project in the UU, which includes replacement of 40-year old air handlers. The project has been on the list for a long time, and as the combined scope continues to evolve, the overall cost has increased by \$2.2 million.

c. 2024–25 Long Range Plan **MSP: Harris, Garcia (Daisy)**

i. Olmsted presents the long-range plan proforma, which goes out several years, but he shares a snapshot that focuses on a few years of history and a few in the future. He explains the revenue fund, referred to as “above the line,” and then shares a guide that illustrates how the revenue fund flows to return of surplus, then into campus operations, or a “local” account. Above the line revenue fund reflects an \$11.5 million ending balance, the ending balance below the line is \$18.8 million in local reserves, for a total of \$30.4 million working capital, before reserve policy requirements.

d. 2024–25 Reserve and Fund Levels **MSP: Colin Vasquez, Larson**

i. Olmsted reviews the BOD-approved reserve policy, which requires Union WELL, Inc. (UWI) to maintain six months of total operating cost and one year of debt service coverage at all times. Out of the \$30 million in total undesignated reserves, \$16.9 million is allocated to fulfil this requirement, leaving \$13.4 million in available undesignated reserves. Other fund levels maintain reserve dollars for other areas such as \$2.3 million for repair & replacement (R&R), \$46,553 in art funds to buy student artwork, and funds in TBU01 and TBU04 in case of project cost increases.

1. Colin Vasquez inquired about the potential increase to minimum wage in 2025 and its effect on UWI’s budget and student positions. Olmsted responds that the proposed increase would impact six months of the budget if enacted, but the organization is positioned to manage the change. He adds that UWI employs 50 full-time staff and approximately 325 student staff, with natural turnover throughout the year. Typically, there are savings in areas like wages and benefits, though these savings are difficult to predict. Farrell added that reserves would be utilized to address the wage increase.
2. Lopez asks if UWI could consider raising student wages without the mandate, to potentially address challenges hiring students, and competition with other employment opportunities. Olmsted explains the student wage scale’s tier systems, which allows ability for students to advance. Modifications to the wage scale can be made without mandate. Farrell noted that any changes to student wages would also need to consider the impact on full-time staff, including issues related to wage compression and alignment with campus-wide practices.

4. The meeting was adjourned at 8:34am

Respectfully Submitted:



Authorized Signature

9/11/2024

Date