



**SACRAMENTO
STATE**

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**Union WELL Inc.
Budget and Finance Committee, Union Advisory Group and WELL Advisory Group
April 17, 2019**

Minutes

1. **The meeting was called to order at 7:40 am, by Kisanet Woldeyohannes**
 - a. Present: Kisanet Woldeyohannes, Trinity Jackson, Breyanna Hillyard, Christa Paul, Stacy Hayano, Ethan Shaw, Jamie Hoffman, Tony Lucas, Arjelia Rubio, Jennifer Moran, Tamara Franklin, Jonny Cervantes, Mark Sohl, Serena Lee, Dominique Rosete, Kristen Lopez, Mary Ann Wong, Elena Larson
 - b. Also present: Bill Olmsted, Kate Smith, Jill Farrell, Dean Sorensen, Tori Butler, Rina Chhong, Amy Jacobsen, Rebecca Dietzler, Zenia LaPorte, Norma Sanchez
2. **Public Comment: None**
3. **2019-20 Budget: Action Requested**
 - a. **General Revenue**
 - i. Olmsted begins the budget presentation by reviewing the 2018-19 YEP (year-end projections) and a comparison of the 2018-19 to 2019-20 revenue and expense budgets, and discusses the variances. The variance between the two years is almost \$1.9 million. Farrell explains that the corporation ran at a deficit for a few years, purposefully, to save for this particular year. Olmsted shows a comparison of the 18-19 budget, 18-19 YEP, and 19-20 budget. Farrell discusses the budget complexities for 19-20, and variance factors for revenue and expenses.
 - b. **General Expenses**
 - i. Farrell shows a comparison of the 18-19 campus cost allocations budget and YEP, against the 19-20 budget, and discusses the variance, explaining that the \$127,000 savings is mostly caused by a correction in the way that Public Safety charges. Farrell shows a comparison of utilities and custodial from the 18-19 budget, to 18-19 YEP, and 19-20 budget, and discusses the variances. The total impact of campus and outside services is \$49,718. Farrell then presents the proposed general expenses budget by major category and discusses each.
 - c. **Personnel**
 - i. Farrell reviews the budgetary impact of personnel changes, a 4% salary pool, and the California minimum wage increase. She also reviews benefit rate increases, noting that health and dental increases are estimates, but PERS is confirmed and actual. The delayed compression study is also budgeted to take place in 19-20. The total personnel impact is \$773,773.
 - d. **Capital**
 - e. **Plant Fund (Repair and Replacement)**

- i. Olmsted reviews the 19-20 capital and plant project lists and mentions highlights. The proposed budget for capital projects is \$135,250, and \$698,976 in R&R (repair & replacement). The total proposed budget for capital and plant projects is \$ 834,226.
- f. **Non-Recurring Maintenance and Repair & Capital Improvement (TBU01 &TBU04)**
 - i. Olmsted discusses the TBU01 (NRMR) and TBU04 (CIMP) project lists, both of which include projects that will carryover from 18-19. The total for TBU01 projects is \$37,460, and the TBU04 (CIMP) projects total \$310,000, for a combined total of \$347,460.
- g. **Long Range Plan**
 - i. Farrell reviews the long-range financial plan, which is the large spreadsheet attached to the packet, and explains the process. She discusses the long-range plan reserve policy and explains that it must cover one-year of debt coverage and six months of operating expenses, which total \$15,607,155. The corporation's total undesignated reserves is \$24,657,074, leaving \$9,049,919 in available undesignated reserves. She discusses the funds coming out of designated reserves for R&R, NRMR and CIMP. She also discusses the debt coverage ratio and explains how it is calculated, noting that the corporation is required to provide a ratio of 1.1 or higher, and is able to provide a ratio of 1.52.
- h. **Reserve Levels**
 - i. Farrell recaps the reserve levels with a slide that breaks down reserves for operations, property & equipment, repair & replacement, and art acquisition back to 2015-16. She shows a graph that charts reserve projections from 17-18 through 19-20, illustrating that the organization is well above the required reserve level.

Budget 2019-2020

Events	\$211,800
Insurance	\$53,278
Supplies	\$1,217,579
Services	\$40,237
Contracts	\$1,642,727
Utilities	\$910,260
Travel	\$138,364
Wages & Benefits	\$7,436,336 (includes \$97,482 for VEBA & retirement medical benefits funding)
Capital & Repair and Replacement	\$834,226
UEI (HR fee)	\$736,134
ASI (accounting fee)	\$130,004
Campus (services and cost allocations)	\$386,687

Undesignated Reserves

Revenue Fund (Projected):	\$ 11,447,666
Local Reserves (Projected):	<u>\$ 13,209,408</u>
Total Undesignated Reserves:	\$ 24,657,074

BOD Policy Requires: 1 yr. debt coverage =	\$ 8,738,339
6 Mo. Operating =	<u>\$ 6,868,816</u>
Total BOD Policy Requirement:	\$ 15,607,155

Available Undesignated Reserves: \$ 9,049,919

Designated Reserves

Repair and Replacement Fund (Projected, Local):	\$ 2,359,281
NRMR Fund (Projected, TBU01):	\$ 2,379,983
CIMP Fund (Projected, TBU04):	\$ 233,811

Approval Operating Budget 2019-2020: (MSP: Hayano, Sohl)

Approval Capital & Plant Fund Expenditures 2019-2020: (MSP: Shaw, Lucas)

Approval NRMR & CIMP Expenditures 2019-2020: (TBU01 & TBU04): (MSP: Hayano, Wong)

Approval Long Range Financial Plan 2019-2020: (MSP: Lee, Larson)

Approval Reserve Levels 2019-2020: (MSP: Lucas, Lee)

4. The meeting was adjourned at 8:31 am

Respectfully Submitted:



Authorized Signature

9/18/19