



**Union WELL Inc.**  
**Board of Directors Meeting Minutes**  
**April 18, 2018**

- 1. The meeting was called to order at 7:34 a.m. by Alyssa Trejo, Chairperson**  
Members present: Kindra Begley, Missy Anapolsky, Kisanet Woldeyohannes, Alyssa Trejo, Kyle Shallcross, Ed Mills, Bill Macriss, Mark Anthony Sohl, Justin Reginato, Ana Lopez  
Also present: Bill Olmsted, Jill Farrell, Dean Sorensen, Andrew Singletary, Kate Smith, Tori Butler  
Absent: David Rolloff
- 2. Public Comment: None**
- 3. Consent Calendar:**
  - A. Approval of Board of Directors Minutes – March 14, 2018**  
**MSP: Shallcross, Anapolsky**
- 4. New Business:**
  - A. 2018-19 Budget: Olmsted/Farrell**
    - 1. Operating Budget**
      - a. Olmsted shows a slide of a budget worksheet and explains that each budget account has a worksheet which details each expenditure and the target expenditure timelines. He adds that all of the worksheets are stored in a budget binder, which is open for anyone to review at any time in the spirit of true transparency.
      - b. Olmsted reviews the year-end projections (YEP) for the 17-18 fiscal year noting that revenue increased and expenses were flat. He then shows a comparison of the 17-18 and 18-19 budgets and the variance noting expenses will increase about \$1,734,350.
      - c. Olmsted continues to show a comparison of the 17-18 budget and the 17-18 YEP, against the 18-19 budget. Farrell discusses the complexities that went into the budget, such as the Union not having revenue for the first six months of the year due to closures from renovation and expansion and the sprinkler project causing a ripple effect with additional closures required.
      - d. Farrell then explains variance factors for revenue and expenses for the 18-19 budget. She discusses five new positions and the filling of a vacant position. The budget also allows for a potential 3% wage increase in salaries, benefits increases and an estimated increase from the minimum wage. Olmsted discusses the need for a compression study stemming from the California minimum wage changes. The corporation will be working with UEI to perform a study. The total personnel impact is \$715,240.
      - e. Olmsted continues to the Campus and Outside Services budget noting that only IRT is an actual number, the rest are estimates based on a projection of a 5% increase. Farrell adds that Public Safety is charged based on square footage, and square footage has changed in the Union and will be changing in the WELL. She states that these square footage changes were accounted for in the estimation.
      - f. Olmsted then discusses utilities and outside services. There was an increase in electricity this year mostly due to the construction site, and will be increasing next year in relation to expansion. Custodial services, which are fully contracted through an outside service, had adjustments made to service levels and deficient areas have added services. In addition, he states that the fitness equipment is maintained by an outside service, Gym Doctors, and that there will be added service hours. There is a plan to evaluate whether it makes sense to hire a

full-time maintenance staff solely for the fitness equipment. In summary, the total impact of campus and outside services is \$344,592.

2. Capital and Plant Fund expenditures
  - a. Olmsted continues to discuss the 18-19 capital fund budget highlights, noting that department 70 consists of new capital purchases and he then highlights a few projects. Olmsted summarizes that the total budget for capital fund is \$199,610.
  - b. Olmsted discusses department 80, which is for repair and replacement projects on existing equipment, noting that one of biggest expenses is fitness equipment. The total budget for repair and replacement is \$824,873.
3. Non-Recurring Maintenance and Repair, Capital Improvements (TBU01 and T8U04)
  - a. Olmsted discusses TBU01 projects, which are non-recurring maintenance and repairs (NRM). He notes that the Union's air wall project moved from 17-18 to 18-19 to make room for other projects this year. Farrell adds that the floor box reconfiguration in the WELL cardio suite is a project that may end up being funded through the expansion but has been included just in case.
  - b. Olmsted then shows the TBU04 capital improvement project (CIMP) list. He explains that some of the projects may be able to be included in the WELL expansion project. The list also includes a change order to the fire sprinkler project in the Union, which was originally approved at \$7.1 million. The project now includes adding LED lighting retrofit to the older side of the building. This increases the cost by \$2.7 million, but it will yield savings in electricity in the end, combined with costs savings of doing concurrently with the sprinkler project. The total anticipated cost of the project increased to \$9.8 million.
  - c. Olmsted summarizes that the additional budget request for TBU01 and TBU04 combined is \$4,630,090 as a "not to exceed" as it may be necessary to change a project from one account to the other.
4. Long Range Financial Plan
  - a. Farrell discusses general expenses by major category and refers to the summary that was included as an attachment to the handout, as well as the reserves outline. She then presents the Long Range Financial Plan and then discusses, in detail, the Revenue Fund income and expenditures budgeted for fiscal year 2018-2019.
5. Reserve Levels
  - a. Farrell reviews reserve levels and discusses reserve policy requirements. She also discusses designated reserve projections for NRM, CIMP and Repair and Replacement fund (local). She states that there will be additional reserves if projects are funded through expansion.
  - b. Farrell shows reserve projections slides that illustrate the verification of reserve levels for BOD compliance with comparison over 16-17 and 17-18 including the current reserve level.

**Budget 2018-2019**

Events	\$232,900
Insurance	\$50,026
Supplies	\$1,199,502
Services	\$40,944
Contracts	\$1,703,701
Utilities	\$826,679
Travel	\$106,250
Wages & Benefits	\$6,600,732 (includes \$75,664 for VEBA & retirement medical benefits funding)
Capital & Repair and Replace	\$1,024,483
UEI (HR fee)	\$649,788
ASI (accounting fee)	\$125,790
Campus (services and cost allocations)	\$529,290

### Undesignated Reserves

Revenue Fund (Projected):	\$ 9,360,298
Local Reserves (Projected):	<u>\$ 11,160,359</u>
Total Undesignated Reserves:	\$ 20,520,657

BOD Policy Requires:	1 yr. debt coverage =	\$ 5,737,114
	6 Mo. Operating =	<u>\$ 6,545,042</u>
	Total 80D Policy Requirement:	\$ 12,282,156
	Available Undesignated Reserves:	\$ 8,238,501

### Designated Reserves

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

Approval of Operating Budget 2018-2019: (MSP: Anapolsky, Begley)

Approval of Capital & Plant Fund 2018-2019: (MSP: Begley, Sohl)

Approval of Transfer to NRMR (TBU01) and CIMP (TBU04) 2018-2019: (MSP: Anapolsky, Begley)

Approval of Long Range Plan 2018-2019: (MSP: Begley, Woldeyohannes)

Approval of Reserve Levels 2018-2019: (MSP: Begley, Woldeyohannes)

**B. Funding Request for University Union Expansion: (MSP: Anapolsky, Begley)**

1. Olmsted refers to the funding request letter for the Union expansion project that is included in the handout and explains that campus is requesting the final amount of \$990,000 to complete the corporation's contribution of \$10,690,000.

**C. Funding Request for WELL Expansion: (Motion to postpone: Shallcross, Mills)**

1. Olmsted refers to the memo included in the handout, which explains that the corporation's potential total cash contribution to the WELL expansion project is expected to be \$6.5 million. He states that this topic will need to be addressed at a future meeting when the project scope and budget are firmly established.

**D. Election for Chair of the Board, 2018-19: (MSP: Begley, Shallcross)**

1. Olmsted explains that the chair of the board for the coming year is elected at the April meeting. Then in September the vice chair and secretary treasurer are elected. Olmsted calls for nominations for board chair. Begley nominates Trejo.

**E. Executive Committee: (MSP: Shallcross, Anapolsky)**

1. Olmsted explains that the Executive Committee consists of the Board chair, vice chair and secretary treasurer. The executive committee comes together over summer to make decisions as needed.

**F. Audit Committee: (Motion to postpone: Mills, Shallcross)**

1. Farrell explains that the audit committee meets once per year to receive the financial presentation from auditors. Farrell states the committee members are still being determined at this time and requests to postpone the item.

**G. 2018-19 Board of Directors meeting dates: (MSP: Anapolsky, Begley)**

1. Olmsted refers to the board dates listed in the packet.

**5. Old Business:**

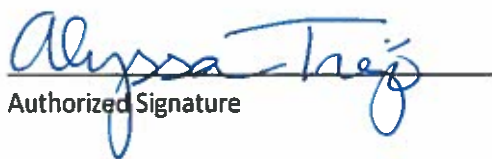
**A. Executive Director Search update: (information)**

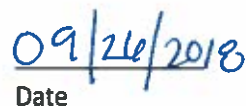
1. Mills states that the team is still reviewing issues with whether the position should remain a campus position or transition to an auxiliary position. Therefore, the search is on hold at the moment.

**B. Expansion updates: (information)**

1. Olmsted states that there are many updates but he would like to take the board members on a tour of the space, as he would rather show the progress than discuss it. He then shows pictures comparing the building one year ago today with its state today.
- C. Other UU project updates: Singletary (information)
  1. Singletary provides an update on the Union projects. Waterproofing of the building's exterior was completed April 9. The boiler project is set for commissioning and startup on April 24. The ballroom project is mostly complete, crews are just working on minor closing of loops but the room is back open.
6. Reports and Comments (corrected number sequence from Agenda)
  - A. Board Members
    1. Sohl thanks Olmsted and Farrell for the preparation of the budget. He also thanks the Budget & Finance committee and the staff involved with creating the budget. He then states that he attended the ACUI conference with other board members and staff and that he really enjoyed attending. He adds that he mostly enjoyed the presentation on the first amendment and free speech on college campuses. He urges other students to continue attending the conference as he learned a lot and feels it is a great opportunity. Begley, who also attended, agrees and states that it is not just applicable to University Unions, but also to other areas of campus, noting that she enjoyed the presentation on marketing and media. Trejo attended as well and agrees with the others. She states that she enjoyed the presentation on mental health and wellness. Farrell adds that there is money budgeted to send student members of the board to this conference in the 18-19 budget.
  - B. Interim Executive Director: Olmsted
    1. Olmsted states that the current focus is on projects and posting positions for new staff members with the goal of having them start over summer to early fall.
7. Information: Activity Reports
  - A. The WELL: Smith
    1. Smith mentions program highlights and upcoming events for the WELL.
  - B. University Union: Sorensen
    1. Sorensen mentions program highlights and upcoming events for the WELL.
8. The meeting was adjourned at 9:33am

Respectfully submitted:

  
Authorized Signature

  
Date