



**Union WELL Inc. Board of Directors Meeting**  
**Wednesday, April 27, 2022, 7:30am**  
Zoom Meeting

**Minutes**

1. **The meeting was called to order at 7:33a.m. by Shubh Kaur, Chairperson**
  - a. Present: Shubh Kaur, Missy Anapolsky, Ed Mills, Amanda Visger, Debbie Bruffett, Bill Macriss, Jamie Hoffman, Rose McAuliffe, Franky De La Torre, Lovepreet Kaur, Joy Stewart-James
  - b. Also Present: Bill Olmsted, Jill Farrell, Amy Jacobsen, Tori Butler, Kate Smith, Andrew Singletary
  
2. **Public Comment:** None.
  
3. **Consent Calendar: (MSP: Anapolsky, L. Kaur)**
  - a. Approval of Board of Directors Meeting Minutes, March 16, 2022
  - b. Board of Directors Meeting Dates for 2022–23
  
4. **Old Business:**
  - a. Union WELL Inc. Cell Phone Policy Update: **(MSP: Anapolsky, L. Kaur)**
    - i. An updated cell phone policy was presented at the last board meeting, increasing the reimbursement amount that staff can claim for a cell phone purchase from \$200 to \$500. A question came up of whether staff should be required to pay the organization back if they separate soon after reimbursement for a cell phone purchase. Olmsted states that he and staff reviewed the policy again and chose not to implement a change. The company has never charged back employees if they separate soon after receiving other benefits such as travel, attending conferences, retreats, etc. He reiterates that it is a one-time reimbursement for a portion of the hardware cost every two years. Since few staff replace their phones every two years, the benefit won't be used often and there is no concern that the policy will be abused. Therefore, Olmsted and the directors feel that the policy is solid and recommend leaving it as written.
      1. Hoffman asks if only a specific level of employees can be reimbursed. Olmsted states that all full-time staff are eligible, not student or part-time staff. He adds that the current policy is vague and only mentioned "certain staff, with supervisor approval," which needed to be clarified.
      2. McAuliffe states that the information presented is well thought out and the policy seems solid. She agrees with the recommendation to move forward with the updated policy.
  
5. **New Business:**
  - a. Election of Board Chairperson for 2022–23: **(MSP: Mills, Anapolsky)**
    - i. Olmsted reminds the group that Jasmine Lopez nominated herself for the Board Chairperson position at the previous meeting, and the board supported the nomination. Olmsted asks for a vote, then officially appoints Lopez as chairperson for 22-23.
  - b. Delegation of Authority to Executive Committee: **(MSP: Visger, Bruffett)**
    - i. Olmsted asks the Board to empower the Executive Committee to make decisions if anything comes up between now and September, which would usually be presented to the larger group. The Executive Committee consist of the Board Chairperson, Vice-Chair, and Secretary/Treasurer. If a student is not available to serve, Mills would substitute on the committee.

c. 2022–23 Budget:

i. 2022–23 Operating Budget, including Capital and Plant Fund Expenditures (MSP: Visger, L Kaur.

**Abstention: Stewart-James)**

1. Olmsted acknowledges the amount of staff time and effort that goes into preparing the budget, with special thanks to Farrell and Jacobsen in the Business Office. He notes that the budget has been approved by the Budget & Finance Committee and both University Union and WELL Advisory Groups. The Board is then the last approval required before the budget is sent to the University CFO and to the President.
2. Farrell presents year-end projections (YEP) for 21-22 which reflects a \$1.7 million savings in expenditures and \$145,000 variance in revenue, for a total variance of \$1.6 million. The biggest expense variance is in personnel at \$1.4 million, caused by staff turnover, difficulties in hiring, and student staffing challenges. Program supplies also had significant savings since there was not as much usage or supplies needed.
3. Olmsted shares a 21-22 to 22-23 budget to budget comparison, which reflects an increase of \$5 million for revenue and an increase in expenses of \$1.3 million, and discusses the variance. He also shares the current year's original budget and YEP compared to the proposed 22-23 budget. Farrell notes that the organization was planning for a \$4 million budget deficit this year, however the \$1.6 million variance changed the deficit to \$2.39 million. The organization is looking to break-even for 22-23 but the proposed budget reflects a deficit of \$253,000, and a \$3.6 million budget to budget variance. Olmsted discusses the budget complexities including the current year's staffing and resource struggles in both buildings, and uncertainty as to what degree events will return. The largest portion of the revenue variance is an increased return of surplus, which are student fees from campus, and dining operations will be back open and serving students. He notes that YEPs are very different from what was budgeted because there were a lot of unknowns when the budget for this year was forecasted.
  - a. Mills asks if the lease for expanded spaces in The WELL have been finalized, and what the process is for renewing leases and reviewing cost. Olmsted explains that leases for most spaces have stayed constant through the last couple years with no change. The most recent change in lease revenue was due to the reduction in the Dining Services lease and The Store lease (in the UU). Mills notes that lease revenue is presented as one figure on the budget and suggests expanding on that area in future meetings, and explaining how leases are renewed, how cost is determined, etc. He adds that he has been asked about this by cabinet but didn't have an answer for them. Olmsted states he is willing to will present more detail in this area in the future.
4. Olmsted discusses expense variance factors, a big part of which is personnel. The total increase for wages and benefit is \$690,000 including taxes and the UEI 10% fee, which accounts for cost of living increases, continued and new vacancies, the impact of a recent compensation study, etc. A potential salary increase of 4% is estimated for the coming year, although the actual figure will be determined by UEI at their board meeting in May. Student wages will increase roughly \$321,000 as many student positions are filled. For benefits, medical, dental and vision rates are remaining the same. However, there is an increase in the PERS contribution and post medical benefits for retirees. The result is an overall decrease of over \$41,000 with all benefit totals combined. The total impact of wages and benefits, including vacant and new positions, salary variances, adjustments and increases, student wages, and benefits, is almost \$1.2 million.
5. Campus cost allocations, which accounts for services provided by campus such as IRT, public safety, fees for financial and business services, mail, etc., have only slight adjustments. Utilities have historically been a volatile area from year to year, and are difficult to predict with any degree of certainty. Natural gas will

see a significant uptick in fees while most others should remain fairly flat. The \$32,000 total decrease in Union electricity has a lot to do with lighting retrofits done during, and post, expansion, and the building is only now seeing the benefits of the upfront costs. The increase in WELL electricity is attributed to a full year of a larger building. The custodial contract, which is the biggest contract the organization has, is reevaluated every five years and just went through the RFP (request for proposal) process, which ensures the organization is still getting best service for its money. CSG, the current vendor, won the bid at \$1.5 million, which is a \$79,000 increase. The total impact of campus and outside services from the current year to next is \$165,000. The summary of major expense variances totals \$1.348 million, which is actually \$1.304 million after considering \$43,000 in savings that are not in this presentation, but Olmsted shares a summary. Increased property insurance of \$131,000 was a surprise in the current year's budget. Insurance rates do increase, but insurance is bundled with campus and those costs are usually offset through mitigation for certain services provided to campus. A big part of mitigation is events like orientation, which hasn't been in person, and with a long period of no events the organization has been unable to mitigate its annual insurance cost. Hopefully, there will be more mitigation opportunities in the future to once again help offset insurance costs.

a. S. Kaur asks what department 68 is. Olmsted explains it's an account area that was created when University Union expansion started. This budget covers items not budgeted for in the operations or expansion budget, but are related to expansion. As things come up during projects and throughout the year, this budget helps fund these items. Now that both expansions are complete, this account is no longer needed and will not carry through into next year.

6. Olmsted shares the executive summary of the 22-23 budget, which reflects revenue at \$15.94 million and expenses that total \$16.193 million, which is a \$253,000 variance.

a. McAuliffe acknowledges the good breakdown on expenses. Regarding revenue, she asks if the increase takes into consideration the revised lease amounts after The WELL expansion? Or is it a general variance? Farrell states that the SHCS lease has been projected and, while changes still have to be executed, it has been estimated based on the square footage increase.. Olmsted adds that the documents regarding square footage were somewhat vague, so the team contracted with the architects to go back through to confirm the square footage of each space in the building to ensure there was an accurate floor plan, which can be referenced for any lease. Those documents are still being finalized.

b. Mill's feedback is that the presentation goes through a lot of detail on expenses, but not so much on revenue. He feels it should be equal treatment on the particular slide with detail for expenses and a lump sum for revenue, and recommends breaking down both. Olmsted says he can make it part of the presentation in the future.

7. Olmsted states that the capital and plant expenditures total \$589,000. Repair and replacement projects total \$552,000, plus a total of \$37,000 in capital projects.

ii. 2022–23 TBU01 and TBU04 Expenditures (**MSP: L. Kaur, Bruffet**)

1. Olmsted reviews additional projects to TBU01 totaling \$1.4 million which includes sanding and re-stripping gym floor, re-carpeting half of the WELL's building, and air handler replacement in the University Union. Additional TBU04 projects total \$625,000, including maintenance shop remodel in the WELL, and WELL loading dock gates. The grand total of both funds is just over \$2 million.

iii. 2022–23 Long Range Plan (**MSP: L. Kaur, Bruffett. Abstention: Stewart-James**)

1. Farrell presents the Long Range Plan and explains the flow of funds, which starts with campus's estimated headcount of 30,250 annualized for 2022-23, and notes that YEP have been adjusted for 21-

22. She explains that the plan starts with reserves; above the line in the middle of the form reflects revenue funds on campus, and below the line is operating budget. Lines 2a, b, and c are based on headcount and create revenue for year. Line 3 reflects interest on revenue fund on campus. Line 6a is the return of surplus, with \$12.25 million proposed to pull down from revenue fund. Line 7 reflects payment on loans for expansion in both facilities and is removed from revenue fund, for a total of \$8 million. Lines 8a and b are for TBU01 and TBU04 projects, and are funded into particular accounts. TBU04 totals \$3.3 million, of which the biggest amount is towards the roofing project for 23-24 in the amount of \$2 million. Farrell explains that products need to be ordered in order to do the project on time. Line 10a includes the north field project's \$3 million down payment. The total of \$13.3 million on line 12 reflects the ending fund balance. Below line, which is the operating budget, begins at line 13 with return of surplus brought down from above the line, and the revenue from the recreational sports fee based on headcount. Line 14 reflects revenue expected from operations such as room rentals, lease revenue, programming, member services, etc. Line 16 reflects the total operations revenue of \$15.94 million. Lines 17-19 include expenses totaling \$16.1 million. The net from operations reflects a \$253,000 deficit on line 21. After entries needed at year end on lines 22 and 23, the total is a \$16.5 million operations ending fund balance. Combined with campus, the total is \$29.846 million. Figures in yellow are tied to the board policy which requires at least 1.1 debt coverage ratio. Farrell explains calculations which result in 1.73 debt coverage ratio, which is within the acceptable range of policy.

iv. 2022–23 Reserve Levels (MSP: Macriss, L. Kaur)

1. Farrell discusses reserve levels beginning with the revenue fund of \$13.3 million, local reserves of \$16.5 million, for a total \$29.8 million. Board policy requires one year of debt coverage and 6 months of operating budget, which totals \$16.1 million. Therefore, the corporation has \$13.7 million in undesignated reserves, which is within board policy. She notes that the cost is unknown for the proposed north field project, as well as where campus looking for added sustainability measures by mandating natural gas equipment be converted to electric. Reserves are needed for surprises and items as they come up. Designated reserves for Repair & Replacement total are \$2.7 million, Non-Recurring Maintenance and Repair (NRMR) \$2.577 million, and Capital Improvement (CIMP) is \$3.7 million.

a. Regarding designated reserves for TBU01, S. Kaur notes a previous slide is budgeting a separate amount and asks if there are two amounts. Farrell explains that planned projects are already removed from the fund, but the organization also needs monies in the account in case anything comes up. She adds that a lot of projects roll forward and, as those budgets come to fruition, they sometimes need more funds. Singletary adds that projects take multiple years and have been greatly affected by supply chain issues. Farrell notes that the projects called out specifically were new jobs, but there are jobs carrying forward as well. Any changes would be brought to the board, which would come out of reserves.

6. Reports and Comment

a. Facilities & IT

i. Singletary discusses LED upgrade projects in the University Union Redwood Room, in SHCS hallways and The WELL's Terrace Suite. Carpet upgrades for existing areas in the WELL. Chillers project at the WELL is delayed due to supply chain issues. It was budgeted to start replacing one late winter-early spring, but is pushing into summer. Union west bathrooms have had a couple modifications to plans, but can go out to bid once construction documents are received. Union's south and west elevator cabs will hopefully be updated over the summer. Preliminary meeting with architects for Union's south HVAC study has been completed. Reports

show the areas to focus on, which are south hallways, south atrium, Pride Center and restaurant all have undersized HVAC units. Hoping to have a finalized study this summer.

b. The WELL

- i. Smith goes back to the SHCS lease question, noting that she has been working with HMC Architects to verify all square footage numbers in that area and expects to have results soon.
- ii. WELL membership is steadily increasing, with 16,302 active students and 900 non-student members. Intramurals (IM) has resumed with modified programs, and has had 529 participants. Group Fit Club incentive program continues. The Sac State 5k Fun Run is in two days with 800 registered participants, and is still accepting volunteers. For personnel, Clarissa Jimenez, who is the current exercise physiologist, accepted the Assistant Director of Fitness and Wellness role. Once she transitions, will need to hire a new Exercise Physiologist. A new Marketing Coordinator will start soon in The WELL. She recently found out that the WELL's IM Coordinator will be leaving and will need to be replaced. Smith acknowledges the recent State Hornet article regarding the WELL app, and wished she had had an opportunity to comment. The app was created as facility access tool to replace the use of handprints as a secure point of entry, due to COVID guidelines. Now members just show their app barcode when entering the facility. She notes that The WELL was requiring reservations when more COVID mitigation strategies were in place, but are not requiring them any longer.
  1. S. Kaur thanks Smith for covering the issue and appreciates the update. Students are saying it's been super slow and are getting discouraged. Smith uses the app herself and acknowledges the barcode reader does have to be at a certain angle and needs a certain brightness, so she admits its kind of clunky.

c. Executive Director


- i. Olmsted thanks everyone's participation on the board. He thanks Chairperson, S. Kaur, and wishes the best moving forward.

d. Board Members

- i. None

7. The meeting was adjourned at 9:07a.m.

Respectfully Submitted:

  
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Authorized Signature

9/14/22  
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Date