



Board of Directors Meeting Minutes
September 14, 2016
Foothill Suite, 3rd floor: University Union

1. **Call to Order, Chair - 7:41 a.m. Alyssa Trejo**
Present: Alyssa Trejo, Bill Macriss, David Rolloff, Ed Mills, Juan Arroyo, Kisanet Woldeyohannes, Missy Anapolsky, Stacy Hayano.
Also Present: Bill Olmsted, Dean Sorensen, Jill Farrell, Kate Smith, Krista Knifsend, Leslie Davis, Tori Butler
Absent: Karen Dhillon, Lindsay Ruth Vampola.
2. **Public Comment: None**
3. **Time Certain: 7:35 a.m.**
 - A. **Audit Presentation, CPA: K Coe Isom, Christy Norton, Shareholder**
 - i. Norton begins with the 2015 through 2016 Income Statement found in the "Independent Auditors' Report, Financial Statements and Supplemental Information" booklet handed out to everyone.
 - a. Norton states there was approximately a two million dollar revenue increase from 2015 to 2016. This was largely due to an increase in membership fees, contract and lease payments, and program service fees.
 - b. Expenses have increased approximately five hundred thousand dollars. Norton explains this is primarily due to wages and benefits, particularly caused by the rise in minimum wage and the Fair Labor Standards Act.
 - c. Overall, there was a net increase of approximately one million, five-hundred thousand dollars.
 - ii. Norton then discusses the second booklet, "Report to the Board of Directors."
 - a. Page one discusses K. Coe Isom's responsibility in relation to the Financial Statement Audit. Norton explains they are independent and can offer recommendations to Union WELL Inc. as needed. She states there were no journal entries or adjustments stated in the report and credits Union WELL Inc.'s management team for this. This allowed for a smooth financial audit.
 - iii. **Audit: Acceptance of 2015-16 Audit (MSP: Anapolsky, Hayano)**
4. **Seating Board New Members:**
 - A. **WELL Advisory Group: Karen Dhillon (MSP: Hayano, Anapolsky)**
 - B. **ASI Appointee: Anthony Malouf**
 - i. Davis states Malouf has a scheduling conflict and will no longer be able to serve on the Board of Directors. They are actively seeking a substitute. (*Motion postponed indefinitely*).

5. **Consent Calendar:**

- A. **Approval of Board of Directors Minutes – April 20, 2016 (Consensus of approval of these minutes as written: Passed)**
- B. **Approval of Summer Operating Committee Minutes – June 1, 2016 (Consensus for approval of these minutes as written: Passed)**

6. **Old Business:**

A. **Conflict of Interest and Grade Verification Forms: Trejo**

- i. Each member has been given a Conflict of Interest form. In addition, each student member has been given a Grade Verification form. Davis asks that both forms be signed and returned by the end of this meeting.

B. **Summer Operating Committee Update: Davis**

- i. Davis explains members were appointed to the Summer Operating Committee to cover any unforeseen circumstances during the break in Board of Directors meetings in the summer.
 - a. Davis reviews the three items discussed during the Summer Operating Committee meeting.
 - 1. The first item discussed in this meeting was that the 2-7s submitted for the expansion project were incorrect.
 - 2. The second item discussed was the addition of twelve million dollars to the expansion budget for additional renovations on the third floor of the Union, which was previously approved by the Board of Directors.
 - 3. The last item discussed was the State Fire Marshall requirement for the University Union to add sprinklers throughout the entire building.
 - b. Davis states the actions taken for each of the items.
 - 1. The 2-7s were corrected.
 - 2. The twelve million dollars for the additions to the third floor of the Union was previously voted on and approved. No further actions were taken.
 - 3. Five scenarios were reviewed and two recommendations were proposed for the unforeseen addition of sprinklers. Initially, it was discussed to spread this project out during the summer for five years. However, after the evaluation, it was decided it was better to keep the impact more succinct. The goal was then to complete the sprinklers in one year. Two recommendations were proposed to the committee.
 - (a). Recommendation A was to do the sprinklers at one-time, with the budget timeline remaining the same, and to dip below the reserve level that the policy required. Pros to this recommendation were that Union WELL Inc. is well-reserved (despite dipping below the policy limit) and the construction impact would happen all at once. The cons were that it would dip below reserve levels for five years, which would have limited contingency funds for the project.
 - (b). Recommendation B was to do the sprinklers at onetime, change the budget timeline, and delay the Satellite Ballroom. Pros to this recommendation were that the construction impact would happen at once, the project would not dip below reserve levels,

and financial flexibility would be maintained. The only con was the delay of the Satellite Ballroom project.

(c). Both recommendations were reviewed and Recommendation B was approved.

C. Expansion Update: Olmsted

- i. Olmsted states the construction and design teams have been working since January on a schematic design for the Union. They also have been reviewing program plans created in the last two years. Currently, they are moving into the design and development phase of the project. Once this is complete, this package will be taken down to the Board of Trustees at the CSU Chancellor's office to present the final design of the project. If passed, it would be formally approved. It will then move into the next phase, to work on the construction documents.
- ii. Demolition is expected in the spring during the week of Spring Break. Multiple crews will work all hours of the day to complete the demolition in seven days. This is to minimize the disruption to students and building users.
- iii. In January, tenants will be moving out of spaces impacted by construction and into new spaces designated in Sequoia Hall, Folsom Hall, Library, and The WELL Café.
- iv. Olmsted states the possibility of a need for accessibility improvements in the Union. The new space in the expansion will reflect this. However, since the building is now being seen as one unit, as evidenced by the State Fire Marshall's requirement of the sprinkler additions, there may be some updates needed to the current building. This may affect restrooms and updates to pathways that were not previously on the radar. Currently, the cost is being reviewed and there is a potential of this coming to the Board of Directors for approval in the event it cannot be covered as part of the project budget.
- v. The WELL expansion is currently in the planning phase and will include additions to the fitness floor, Health Center, and locker rooms.
- vi. Olmsted shows animations from the architects for the Union. Animations are expected to be available shortly on the expansion website and will include an avatar that users can walk around the Union.
- vii. One of the challenges that occurred was facilities had incorrectly located a high-powered gas line that is in front of the Union. When the correct location was discovered, plans had to adjust. They were able to adapt the plans without losing too many of the important aspects of the project, such as public and meeting space. In result, the café in the Union will be more intimate.
- viii. Davis adds that she is commonly asked how the new and current building will flow together into one cohesive whole. She states they will paint the exterior and there will be elements from the current building exterior incorporated into the new addition. Olmsted adds that they are also looking for ways to tie the interior together with lighting, paint, and floor elements.

Questions/Comments: Anapolsky asks if there are patios included in the Union expansion. Olmsted answers that they originally were looking into patios, similar to the Terrace Suite at The WELL, but there were some design challenges, so it was decided to forego patios. Davis adds that more meeting space and functional space can be captured by not having patios. Hayano asks if there will be adequate drainage. Olmsted confirms that there will be and that this was a high priority agenda item from the beginning when discussing plans.

D. Art Fund: Farrell

- i. Farrell begins with a review of the approval of additional money to be spent in the permanent art fund last year. She reviews the amount approved and the actual amount spent.
- ii. Farrell shows some before and after pictures to illustrate the improvements that were made to art in the building because of these extra funds.
- iii. She recognizes the Design, Identity, and Studio Manager, Rebecca Voorhees, for her outstanding work on updating these pieces as well as her commitment to researching the best deal and remaining within budget.
- iv. Farrell reviews page 10 in the Agenda packet, which illustrates estimated versus actual costs. The total estimated was \$16,140 and the total actual cost was \$12,076.06. Savings were \$4,063.94. She emphasizes one art piece that was deemed damaged beyond repair that resulted in a savings of \$1,500.

Questions/Comments: Anapolsky expresses her thanks for the hard work on the restoration of all this art.

E. Meeting Dates: Information

- i. Trejo reviews the meeting dates for the Board of Directors this year found on page 11 of the Agenda packet.

F. Executive Director Search Update: Mills

- i. Mills states there have been a couple delays in the Executive Director search. Currently, they are working on setting up a date for the recruitment meeting and will get the search committee together after this meeting occurs.
- ii. The position is currently posted with last week being the priority deadline.

7. New Business:

A. Authorizing Resolution 2016-17, Resolution 16-01

- i. Davis refers to page 12 of the Agenda packet, which shows for the 2016 through 2017 fiscal year the following may sign contracts, agreements, bank signature cards, and other legal documents: The Executive Director of Union WELL Inc., Chair of the University Union Operation of CSUS Inc. Board of Directors, Vice Chair of the Union Board of Directors, Secretary of the Union Board of Directors, Associate Executive Director, Director of the University Union, Director of The WELL, and Executive Director OR Director of Finance and Administration of ASI. *(MSP: Anapolsky, Hayano)*

B. Appointment of Legal Counsel 2016-17, Resolution 16-02

- i. This resolution appoints Law Offices of Gregory D. Thatch as legal counsel for the 2016 through 2017 fiscal year as the Attorney of Record. *(MSP: Hayano, Anapolsky)*

C. Appointment of Auditor 2016-17, Resolution 16-03

- i. This resolution appoints CPA K Coe Isom as Auditors for the 2016 through 2017 fiscal year. *(MSP: Anapolsky, Hayano)*

D. Election of Officers 2016-17

- i. Nomination and election of the Vice Chair, (Officer will also serve on the Executive Committee)

- a. No nominations at this time. Vice chair nomination postponed definitely until next meeting.
- ii. Nomination and election of the Secretary Treasurer, (Officer will also serve on the Executive Committee)
 - a. Woldeyohannes nominates herself for the Secretary Treasurer position. She states her willingness to learn, how much she appreciates serving on the Board of Directors, and that she would like to take on a higher role. (MSP: Anapolsky, Hayano)

E. Committee Assignments

- i. Davis refers to page 13 of the Agenda packet to cover the "Committee Assignments: 2016-17 Proposed." (MSP: Macriss, Mills)

F. Expansion Update and Funding Request: Davis

- i. Davis begins by saying the Board of Directors Retreat was positive and well-received. She also attended the ASI Board Retreat and delivered a workshop on governance.
- ii. Expansion of the Union is in progress with tenant movements occurring in January and demolition in March. They are meeting with tenants to receive feedback on their new space, so they can work within their needs. It has been agreed that if they are being asked to move then their furniture will be paid for. However, if the tenant is asking for additional space then they are responsible to furnish that space.
- iii. Financial audit is complete. The WELL has been refinanced which saved approximately two hundred thousand dollars a year. This was an enormous help with challenges such as minimum wage and Fair Labor Standards Act that were putting pressure on the budget.
- iv. Board of Trustee meeting is next week. They are hopeful the project will be approved during this meeting. However, the construction project will not be bonded until next spring. This means money will have to be fronted to carry through until September when the bond comes through. Once this happens, a credit will come back.
- v. Davis states she is teaching the First Year Experience class again.
- vi. The Strategic Plan for 2016 through 2017 is close to being published on the website.

B. Information: Activity Reports

A. The WELL: Smith

- i. Smith states the first week of school at The WELL was a huge success, breaking their record with the highest number of check-ins on Monday with four thousand and seventy two. The average Monday through Thursday is, usually around three thousand.
- ii. Fitness equipment was replaced in August, which included all new spin bikes and strength equipment. This included ADA equipment with removable seats. The outdoor sunken area has been turfed for additional workout space and will be staffed.
- iii. Tomorrow, September 15th, is the WELLcome Back event at The WELL from 1 p.m. to 4 p.m.

B. University Union: Sorensen

- i. Spencer Clemmer has started at the Union as the new Event Services Manager, Operation.
- ii. Phlagleblast 'Burst of Color' was a huge success with an increase of twenty-six cards filled out from last year. Typical Monday through Thursday traffic per day at the Union is eighteen thousand people. On the day of Phlagleblast, the Union saw thirty-six thousand, four hundred and twenty-four people this year.

- iii. This summer there were a couple substantial leaves from management staff for personal reasons. The staff was able to come together and make it work.

Questions/Comments: Rolloff commends the addition of RPTAs to The WELL. Smith shares that Paul Polis, Certified Recreation Therapist, started in August. He is working part-time with The WELL and is shared faculty with the RPTA department, which has fostered a wonderful partnership between the two.

9. Adjournment 8:43 a.m.

Respectfully Submitted:



Authorized Signature



Date