



Union WELL Inc. Board of Directors
Wednesday, September 14, 2022, 7:30 am
Green & Gold Boardroom, University Union, 3rd Floor

Minutes

1. The meeting was called to order at 7:36 a.m. by Jasmine Lopez, Chairperson

Members present: Ed Mills, Lexa Estrella, Diana Lynch, Monique Curayag, Jasmine Lopez, Bill Hébert, Maanvee Mehrotra, Sebastian Raya, and Joy Stewart-James

Guests: From ASI Humberto Perez, Mark Montalvo, Elvia Felix, and Michael Eldridge; Christy Norton (via Zoom)

Also present: Bill Olmsted, Kate Smith, Andrew Singletary, Jill Farrell, and Tori Butler

2. Public Comment: None

3. Seat New Members: (MSP: Mills, Stewart-James)

- a. Everyone introduces themselves and Olmsted welcomes new members to the Board.

4. Consent Calendar: (MSP: Curayag, Mehrotra. Lynch abstains, was not present for meetings)

- a. Approval of Joint Advisory Group/Budget & Finance Committee Minutes — April 20, 2022
- b. Approval of Board of Directors Meeting Minutes — April 27, 2022
- c. Approval of Audit Committee Meeting Minutes — September 7, 2022

5. Audit Presentation: Christy Norton, Principal, K Coe Isom

a. Acceptance of 2021–22 Audit: (MSP: Lynch, Mehrotra)

- i. Auditor Christy Norton, from K Coe Isom, announces that the audit report for 2021–22 were fairly presented and received an unmodified opinion, which is the highest opinion that an audit can receive. She presents the Statement of Activities and discusses changes in activities within the organization, and the financial impacts. Overall operating revenues decreased by just under \$3 million, primarily due to management’s strategic plan to utilize a lesser amount of student activity fees. Contract and lease revenue increased by almost \$450,000, which was driven by contract fees as rentals in buildings picked back up since campus reopened. Also, as a result of returning to pre-pandemic operations, expenses for supplies, utilities, maintenance, cleaning fees, etc. increased \$3.5 million. Norton shares the Statement of Functional Expenses. Key fluctuations include outside services that totaled \$7.8 million, which accounts for personnel costs as the organization uses an outside service, UEI (University Enterprises, Inc.). The cost of wages, salaries, and benefits increased \$2.1 million over the prior year as campus reopening allowed the rehiring of students and filling vacant full time positions. Repairs and maintenance totaled \$2.3 million, which was a half-million increase, mostly due to the increase in custodial and maintenance supplies caused by pandemic cleaning protocols, and additional space from expansions. Utilities increased approximately \$284,000 as facilities reopened and increased operations. The result is a \$1.7 million overall net decrease in assets in 2022. She notes that the main component was management’s plan to utilize a lesser amount of student fees and increased expenses from returning to full operations in both facilities. The organization’s overall position is \$22.7 million in net assets, most of which are held in a Local Agency Investment Fund (LAIF).

- ii. Norton shares the Report to the Board of Directors and notes that there was an adjustment that was not reported, which the firm discussed with management. She explains that the LAIF valuation fluctuates, and this year was more significant than usual. LAIF dropped fair value of calculation resulting in a \$288,000 value change for the organization. This was not reflected in the financial statement, which shows \$22.6 million in overall cash and cash equivalents that, if adjusted, should have been \$288,000 less. However, management does not build in the market volatility, which is consistent with the decision not to record gains in the previous year. A significant amount would need to be reported, but \$288,000 out of a \$22.6 million balance is low enough that the firm agreed to pass on making the adjustment.
 1. Mehrotra asks if the \$288,000 will be part of the operating budget and carry forward. Olmsted explains that money is kept in an investment fund that the organization pulls from when funds are needed. Fair market value at the time of the audit was slightly down, whereas the previous year was slightly up. Fair market value will fluctuate again and is not something management wanted to reflect in the statements. It has been acknowledged but does not reflect as a loss.
- iii. Norton states that the management team does a great job and she appreciates working with them. Olmsted acknowledges Norton and team, Farrell and the Business Office, and the ASI Business Office. Farrell also expresses appreciation and thanks Norton for the team's efforts.

6. Old Business:

- a. 2022–23 Capital & Plant Fund Updates: **(MSP: Curayag, Raya)**
 - i. Olmsted shares the 2022–23 Capital and Repair & Replacement (R&R) project lists. Projects in green were approved last fiscal year but were not completed for multiple reasons, including unavoidable shipping and material delays. These projects total a little over \$53,000. The new request for approval is in blue for approximately \$5,000 due to the increased cost of fitness equipment in the R&R category. The project was initially approved for \$22,557 but has increased to \$27,630. The grand total of capital and R&R projects is \$648,624.58, an increase of almost \$59,000.
- b. 2022–23 TBU01 & 04 Updates: **(MSP: Raya, Lynch)**
 - i. Olmsted presents the TBU01 and TBU04 project lists. He explains that these funds, held in stateside accounts, are for bigger capital projects that are not tied to a fiscal year and may not be expensed for a year or two. Projects in the shaded box were approved in past years but are either in progress or haven't started, and projects at the top of the page were approved for the current year. The project for approval is in red font for upgrades to Serna Plaza. He explains that the university received HEERF funds (Higher Education Emergency Relief Funds) designated to create more outdoor spaces on campus. Serna Plaza was identified as an ideal candidate for adding tiered seating and shade structures. As funds were spent on projects around campus, the contract amount increased, and other projects required more funds, resulting in fewer funds for this project. Campus asked if Union WELL, Inc. could cover the shortfall. The Board is asked for approval to contribute \$1 million towards the \$2.6 million project, with campus still funding the rest. Olmsted notes that the fire sprinkler retrofit and upper roof replacement projects, which were part of University Union Expansion, have \$875,000 coming back now that they're finally complete. Those funds will be applied towards Serna Plaza, plus an additional \$124,000.
 1. Mehrotra asks if the \$45,000 project on the R&R project list for supplemental shade structure on Serna Plaza stage is included in those funds. Olmsted explains that is a different project to add

shade to cover more of the stage, for performers. This project is for shading over the new seating being built in.

c. Meeting Dates for 2022–23:

- i. Olmsted reviews Board of Directors meeting dates for the 2022–23 academic year.

7. New Business:

a. Conflict of Interest & Academic Release Forms:

- i. Olmsted notes that all conflict of interest forms have been received, and students also signed authorization for academic information release forms.

b. Authorizing Resolution for 2022–23, Resolution 22-01: **(MSP: Curayag, Mehrotra)**

- i. Olmsted explains that resolutions are done at the beginning of each academic year and typically include an authorizing resolution, appointment of legal counsel, and appointment of audit firm. There is no audit firm resolution this year, as the organization is participating in an RFP (request for proposal) for a new auditor since K Coe Isom elected to end their agreement with auxiliaries at Sacramento State.

c. Appointment of Legal Counsel for 2022–23, Resolution 22-02: **(MSP: Curayag, Mehrotra)**

- i. Olmsted states that legal counsel typically remains the same unless there is reason to change. He explains that Union WELL, Inc. is a non-profit 501(c)(3) auxiliary, which is a separate legal entity from the University. It doesn't benefit from the Office of General Counsel in the Chancellor's Office and is required to have its own legal counsel. The Law Office of Gregory Thatch has been the Attorney of Record for years and has been a good guide, so the corporation wants to continue working with them for the 2022–23 academic year.

d. Election of Officers for 2022–23:

i. Nomination and Election of Vice Chair **(MSP: Mills, Mehrotra)**

1. Olmsted explains that Lopez was seated as Board Chair in April. Positions for the other two officers that make up the Executive Committee are open for nominations, including self-nominations.
2. Curayag self-nominates as Vice Chair, noting that she has experience on other boards on campus and thinks it would be a great opportunity.

ii. Nomination and Election of Secretary/Treasurer **(MSP: Mills, Estrella)**

1. Farrell explains that Secretary-Treasurer is also Chair of the Budget & Finance Committee. Mehrotra self-nominates, adding that she has served on several campus committees and has experience but wants to grow in a position on a board level.

e. Committee and Advisory Group Charges: **(MSP: Curayag, Mehrotra)**

- i. Olmsted reviews the committee and advisory group assignments, which include advisory groups for The WELL and University Union, Board of Directors, Budget & Finance Committee, Audit Committee, and Executive Committee.

8. Reports and Comments

a. Board Members

- i. Stewart-James states that the SHCS expansion has been wonderful, especially with students back on campus. The Cove, the cooking demo area, was expanded, allowing them to hold larger trainings. There have been challenges with dental service construction, but she hopes it will be open next month. SHCS offers telehealth and counseling, as well as in-person. SHCS always had an athletic trainer serving clubs and organizations and began to oversee sports medicine for athletics during COVID. A

sports medicine physician and an associate director have been hired. California SB24 goes into effect January 2023 and requires all CSU and UC health centers to provide medication abortion services. SHCS is prepared and will likely implement this fall, ahead of time.

- ii. Olmsted asks if SHCS is starting to offer flu shots. Stewart-James states that flu clinics will be scheduled in various locations on campus. Also, SHCS now has a room adjacent to the pharmacy that allows for immunizations to be done frequently on-site, in addition to the campus clinics.
 1. Mehrotra asks if the flu shot or new COVID shot is recommended or both. Stewart-James recommends both the new booster and flu shot.
 - iii. Estrella announces a block party at the residence halls on Thursday, offering food, games, a mechanical bull, and department tabling. There are also other events on the ASI calendar.
- b. Executive Director: Olmsted
- i. Olmsted explains that the corporation provides t-shirts for staff to wear for Spirit Fridays. This year's shirt has President Nelsen's catchphrase, "Stingers Up." He then offered a shirt to all members of the Board and instructed everyone to email shirt sizes to Butler.
 - ii. Olmsted discusses the landscaping in the back of The WELL building. The space will include a planting area, pathways, benches, and trees. He shares a diagram of the plan and then an image as of yesterday. Smith points out that spaces are cut out for ADA-accessible garden beds and that the Rec Therapy department, which works with students with physical and intellectual disabilities, plans to offer horticulture therapy. Students can plant their own plants to be used in The Cove or elsewhere.
 - iii. Olmsted recaps Phlagleblast, the University Union's open house. About 1,300 people completed cards, and 96 prizes were given away, some of which are available for board members. He also offers a Phlagleblast shirt to members. UNIQUE Programs' WeUsI Festival is coming up (We Us I) on Saturday, October 24, noon-7 pm, to create "unity in the Sac State Community." There will be live bands on Serna plaza, booths, and food trucks.
- c. IT and Facilities: Singletary
- i. There are three vacant full-time positions within the IT and Facilities department; Maintenance Manager, Facilities Services Coordinator, and an IT Support position. Due to the heat wave, SMUD asked the university to cut power where possible. The organization shed electrical load by raising the temperature of chillers a few degrees and lowering most lights to 90%, and hallways and lesser used areas to 60-70%. Singletary provides project updates. The ten-year chiller overhaul at WELL is delayed due to supply chain issues. The HVAC study on the south side of the Union is completed and is now in the field study phase. Esthetic elevator upgrades are being done in the Union's south and west elevators to bring up to date. All exhaust fans in elevator cabs have been upgraded for better airflow. Flooring projects in The WELL include replacing the original carpet, which is aged and very obvious compared to expansion areas, and the ten-year maintenance on Gym Box floors requiring sanding down the entire surface, re-sealing, and repainting lines. Waiting on final construction documents from architects for the University Union west bathrooms, then the project will go out to bid. A study will be done for the east and west doors of the University Union to bring them up to date to meet today's accessibility standards. A study will also be done to add gate arms for The WELL loading dock to control traffic and protect the building. Composting in both buildings is 75-80% implemented, including Union food courts, public areas, and private rooms, and 90-gallon bins at The WELL. Union WELL, Inc. is partnering with campus Sustainability to help educate students on where things go. A committee is working on a new website to bring Union, WELL, and corporate websites together and is gaining momentum on the project.

d. University Union: Staff

i. Updates provided by Olmsted with his corporate report.

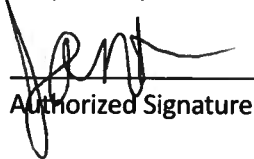
e. The WELL: Smith

i. All-Staff training was held before fall memberships started, involving teambuilding and content-related sessions to rotate through. This year included self-defense, active shooter, and customer service training. Teambuilding involved filming a "one-take video," which Olmsted shared with the group. Membership numbers are higher than the last two years. In the first week, 1,659 new membership contracts were signed, including students and non-students. There are now 17,362 active members, 16,235 being student members, which is 93% of the membership population. Intramurals (IM) are back with fantasy football, the annual Aaron Rehman tournament, a dodgeball throwdown, 5-on-5 basketball, volleyball, and badminton. Group Fitness is offering 60+ classes per week, including five virtual ones. Climbing clinics are held throughout the semester, and Family Climb on Saturdays is back. The WELL is still hiring IM officials and climbing wall staff. WELLcome Back, The WELL's open house, is next Friday, September 23rd, from 1-4 pm with a music festival theme and silent disco. Indoor soccer registration is open. Semester Prep Workshops, self-defense, and Koru meditation are being offered. Smith also mentions the added showers, restrooms, lockers, and fitness equipment.

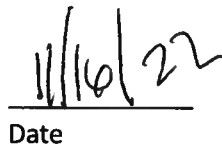
1. Mehrotra says that, out of all student marketing teams on campus, The WELL team is elite and does amazing work. Smith notes that marketing takes a strong skillset, and The WELL got lucky with two great students and recently hired a dedicated full-time marketing staff member.

9. The meeting was adjourned at 9:10 am

Respectfully Submitted:



Authorized Signature



Date