

Union WELL Inc. Budget and Finance Committee

Minutes

October 19, 2022

7:30am, WELL Shoreline Room (2nd floor)

1. The meeting was called to order at 7:30 am, by Mehrotra
 - a. Present: Maanvee Mehrotra, Briemann Howard, Brian Vela Pasillas
 - b. Also Present: Jill Farrell, Bill Olmsted, Amy Jacobsen, Tori Butler
2. Public Comment: None
3. Review Charge of Budget and Finance Committee, Farrell:
 - a. Everyone introduces themselves and Farrell reviews the charge of the Budget & Finance (B&F) Committee.
 - b. Olmsted adds that there are usually a lot of discussions regarding capital and plant, TBU01 and TBU03 accounts. The committee is updated throughout the year regarding adjustments as things change or priorities shift.
4. Conflict of Interest forms, Farrell:
 - a. Farrell notes that the conflict of interest form was sent out and digitally signed via Adobe Sign by all.
5. Approval of Minutes of March 30, 2022: **MSP: Howard, Vela Pasillas**
6. Project Lists and Budget Timeline 2023-2024, Olmsted:
 - a. Olmsted reviews the annual project list and budget timeline.
 - b. Farrell adds that the Union WELL Inc. annual budget is voted on by B&F along with both University Union (UU) and WELL Advisory Groups at the April meeting for recommendation to the Board of Directors (BOD). Preliminary and voluntary training on how the budget will be presented will be offered prior to that meeting, to ensure all are comfortable with voting.
7. Proposed Student Wage Scale Effective January 1, 2023, Farrell: **MSP: Vela Pasillas, Howard**
 - a. Farrell reviews the 2023 wage scale where the only change is minimum wage increasing by \$0.50 per hour as of January 1, 2023. She notes that wages of some positions are based on the market, such as aquatics. Those categories may have changes made based on market research currently being done. If so, the change will be presented to B&F.
8. 2022-2023 Cap and Plant Updates, Olmsted/Farrell: **MSP: Howard, Vela Pasillas**
 - a. Farrell presents the capital and repair & replacement project lists and explains that projects in black font were approved in April, green projects are carryovers from last fiscal year, and blue projects are new or have changed.

- b. Olmsted discusses local repair and replacement account projects. Improvements to the Relaxation Station in the UU, which is currently operating in a temporary space while a permanent space is being renovated, were originally approved with a \$40,000 budget, with \$5,562 carrying over. Quotes are coming in higher than anticipated for remediation and with other utilities needing to be rerouted the project increased to \$61,619, so approval for an additional \$16,057 for the project is requested. The organization worked with dining services to renovate the space that is now Chando's Tacos, which was completed late summer with some extra dollars remaining. The \$38,621 UU Ballroom plumbing repair project is a great example of items that come up throughout the year that nobody can control and becomes a priority. He explains that upon beginning work on the infrastructure, crews identified more damage than was realized, and part of the flooring in an adjacent room needed to be opened up. This is considered an emergency repair and approval is requested.
- c. Farrell clarifies that the committee is voting for items with notes in red, which explain the change. Then points out that the carryover funds total \$59,257, and new items total \$59,976. Olmsted adds that items in green had funds that fell to surplus, to illustrate that funds for the additions have been identified and are available.

9. 2022-2023 TBU01 & TBU04 updates, Olmsted/Farrell:

- a. Olmsted shares the TBU01 and TBU04 project list, which reflects what has been budgeted for in the coming year. Items in the shaded area were approved by BOD in previous years. He explains that the project list is constantly in flux but, for a variety of reasons, the projects couldn't be started as planned. Some due to changes in priorities, pandemic impacts, supply chain issues, etc. He adds that, when a project is funded from our campus-side accounts, our organization must work with the university procurement and contracting office, which can take a long time.
- b. Farrell adds that when items are presented for approval, the monies are pulled out of the revenue fund at that point and put into the TBU01 or TBU04 fund balance as a reserve. The funds are no longer of use for any other purpose. The projects have been approved and funded, just haven't been started.
- c. Olmsted discusses TBU01 and TBU04 projects, which were approved as part of the budget package in the spring. The Serna Plaza seating and shade structure project is a new project and was approved by the BOD on 9/14/22. The project was originally going to be a campus project, but they went over budget on other outdoor seating projects. The organization was very interested in the project and was approved to contribute \$1 million towards the \$6 million total.

10. 1st Quarter Budget to Actual Variance Review, Olmsted/Farrell:

- a. Farrell discusses the 1st quarter budget summary, including variances. Revenue is looking good compared to budget. The variance in facility use fees for room reservations in both facilities is due to bookings starting out slow with no big events. Contracted lease revenue is underbudget due to UEI closures, delays in the opening of Chando's and the increased square footage of the SHCS. She adds that the expanded space on SHCS side of The WELL was in the process of a square footage assessment at the time of budgeting. The lease was based on estimates with information available at the time, and the adjustment is based on verified square footage. Donations reflect co-sponsorships for events such as WELLcome Back and 5k. Membership revenue is better than expected as membership bounced back wonderfully. Farrell explains that revenue includes alumni, recent grads, and students who were not enrolled in summer classes and were paying to continue their WELL membership. Guest passes are also back, which were not offered during COVID.
 - i. Mehrotra asks how revenue from students who are not enrolled during summer classes (who have to purchase a separate summer pass) impacts the budget and how much it

increases. Farrell explains that it's not a significant impact, and The WELL has tried to keep that charge as low as possible in order to make it equitable to those students, and fair to the ones who have registered for classes. In fact, there are even greater financial incentives for those who purchase by a certain date. And for those students who are enrolled in summer school, the Union/WELL fee has actually been reduced in recent years due to the campus asking those organizations receiving a fee to lower them in an effort to increase enrollment. And over the past five years, this has worked. Campus has increased summer enrollment beyond expectations due to these efforts. Mehrotra states that she had initially wanted to advocate for reducing the Union WELL, Inc. fee, but understands now and agrees that equity is important.

- b. Farrell explains that the referendum fee is also part of the student fee and is received from campus during the year as it's paid. Total revenue currently reflects \$113,000 below the budget, but this is due to a delay in receiving the Fall referendum fee.
- c. Farrell then discusses variances in expenditures. Event contracts, rentals, and supplies are mostly related to UNIQUE events, in which it is not known which artists will be booked and what expenses will be when predicting the budget but is always within budget at the end of the year. The tax expense variance is due to a tax refund. Custodial supplies for both buildings are running under budget due to difficulties predicting the number of products and supplies needed with expanded spaces. Farrell believes that \$24,000 will remain as savings. Maintenance supplies, which are also difficult to predict, reflect savings but will be spent on miscellaneous supplies, parts, chemicals, etc., at some point. Program supplies for programming in every department are typically a heavy expenditure, but there are many delays in purchasing, so the savings is primarily due to timing issues and will be spent. Advertising, which is used for posting open positions and advertising programming, reflects savings due to timing. The repair and maintenance contract account is showing savings; however, the organization is expecting a \$22,000 invoice from TK Elevator that will wipe out what appears to be savings. Repair and maintenance parts, which is for repairs on items like projectors, vacuum repairs, etc., is not counted as savings. Accounts related to wages are running under budget, which is actual savings due to vacancies in full-time and student staff positions. Budget conference registration and travel are budgeted for, and expenses are forthcoming and the money will be spent. The balance of revenues over expenditures reflects a loss of \$513,000. With adjustments, we are estimating revenue over expenditures to be \$446,000

11. The meeting was adjourned at 8:35am

Respectfully Submitted:

 <u>Maanvee Mehrotra (Jan 26, 2023 13:42 PST)</u>	Jan 26, 2023
Authorized Signature	Date