



Union WELL, Inc. Budget and Finance Committee  
Wednesday, March 27, 2024  
7:30am, Shoreline Room, The WELL, 2nd floor

### Minutes

1. The meeting was called to order at 7:34 am by Nadeem  
Present: Ivan Yevchenko, Briann Howard, Diana Lynch, Alina Nadeem, Zuhaib Saleem  
Also Present: Bill Olmsted, Jill Farrell, Tori Butler, Amy Jacobsen, and guest Andrew Reddish
2. Public Comment: None.
3. Approval of Budget and Finance Committee Meeting Minutes from March 6, 2024  
**MSP: Lynch, Howard**
4. Reserve Policy Updates: **MSP: Saleem, Lynch; as amended**
  - a. Olmsted presents the proposed reserve policy, which has been updated to reflect the evolution of the organization. Farrell adds that the updates clarify language and enhance the way reserves for repair and replacement are calculated and supported. The changes were made in collaboration with the campus Budget Office.
  - b. Olmsted reviews the changes, including changing the name of the policy to Reserve and Fund Level Policy, clarifying language, removing redundancies, and streamlining. Farrell notes that the current fund level of reserves is based on the capital asset listing. The proposed policy would use both the capitalized asset list and the inventory list, which are reviewed each quarter, tracked, audited, monitored, and physically verified during annual inventory. The proposed policy would lower the level requirement from fifty to twenty-five percent of the current total replacement value. The revised packet sent out was due to the portion highlighted in yellow, allowing the Executive Director to authorize changes up to \$5,000 for emergencies and price changes on an approved project, then notify the Budget & Finance (B&F) committee and the Board of Directors (BOD) at the next meeting. Fund TBU04 for capital improvement projects was also added
    - i. Lynch suggests that rather than specifying "TBU02" or "TBU03" where construction funds are listed, use "TBUXX" instead so that the policy doesn't have to be adjusted if more are added later. Farrell agrees to strike "03" and "02" from construction fund numbers and change to "XX."
    - ii. Howard asks for clarification on each of the funds and what they are for. Farrell explains that fund 1 is part of the operating budget, fund 2 is the repair/replacement fund, which is what is being discussed, and 3 is an art fund.
5. University Union Games Room Fee Structure: **MSP: Howard, Yevchenko**
  - a. Olmsted presents a fee structure proposal for the University Union (UU) Games Room. The proposal is to cease charging students for the use of space, while still allowing the ability to charge special outside groups for reservations. The hope is that the change offers some relief for

students, makes the space more inclusive and accessible, and removes barriers. While some revenue would be lost, some costs would be reduced, such as staffing costs, fees when students use credit cards, soft costs such as UWI and ASI Business Office time, and staff troubleshooting POS machines.

6. Fitness Staff Wage Increase Proposal: **Information**

- a. Olmsted presents the fitness staff wage increase proposal, intended to acknowledge and retain the talent of personal trainers (PT) and group fitness (GF) instructors. This item was discussed with the WELL Advisory Group (WAG) and went to BOD at the last meeting, so it is presented to B&F as an update.
- b. A local market analysis was done, and the wage comparison in the proposal shows that The WELL is on the low end of the scale. The proposal was to increase wages for both positions to remain competitive. The hope is that the investment will translate to greater staff retention, more participants, and higher quality service. He notes that the end user's PT package cost remains the same and is not being impacted.

7. Intramural Sports Semester Pass Fee Proposal: **Information**

- a. Olmsted presents another programmatic change approved by WAG and BOD. In looking at Intramural (IM) models from other campuses, Reddish and staff saw creating a semester pass as another opportunity to engage more students.
- b. Reddish explains that IM provides students, faculty, staff, and alumni with sports recreation, activities, tournaments, and leagues of traditional and non-traditional sports. Teams currently register for \$60 per season per sport, or individuals can sign up for \$10 per sport. The proposal is to sell an individual all-you-can-play semester pass for \$15, where participants pay once and get access to almost all sports. Exceptions include sports such as golf or bowling, which incur a venue fee and may have an additional cost for registration. The semester pass structure is not uncommon in the industry and it is the predominant model in CSUs and UCs.
  - i. Lynch asks if a comparison was done to see the difference in anticipated revenue. Reddish says that program revenue has been around \$20,000 per year. The change can increase revenue to approximately \$40,000, but was not a motivating factor. Farrell adds that, with more offerings, expenses will also increase student wages for officials, event monitors, etc.
  - ii. Howard asks how long the contract with Fusion Play is. Farrell says the contract is five years.
  - iii. Yevchenko asks what portion of people attending The WELL participate in IM. Reddish says IM has around 4,000 participants, which he would love to see increase. Olmsted says the transition will require a concerted effort from the marketing team to inform students about the change happening and the benefits.
  - iv. Jacobsen asks if the North Field project is also expected to increase participation. Reddish says yes, adding that the new surface is not impacted by rain and having lit fields will allow games into evening hours. So there will be space to accommodate the increase in demand.
  - v. Lynch likes the change: she feels it's simpler, more equitable, and a little more fair to a student not already part of a team. Reddish agrees and adds that team captains were responsible for the team fee and had to coordinate recouping the cost. Participants are now acting independently and responsible for paying their fees.

- vi. Howards asks if there are concerns with implementing a new fee structure and new software. Reddish says there will be an education piece. The plan is to do a soft rollout with summer sports to test drive the new software and model and educate members to gain momentum leading into fall. He adds that the new IM coordinator has experience with Fusion Play at their previous institution and is familiar with the software.
- vii. Yevchenko asks if rolling out as students sign up for The WELL has been considered. Reddish says that students will be encouraged to look into the app as they sign up.

**8. 2023–24 TBU01 & TBU04 Updates: Information**

- a. Olmsted reviews updates to the TBU01 and TBU04 project lists, including additional funds for the architecture services for the Relaxation Station (RS) renovations approved by BOD earlier this month. Project cost increased by \$1.2 million, bringing the overall project cost to \$1.38 million. He shares campus form 2-7 for the project that breaks down the direct cost of construction and a series of other fees that are added to reach the final project cost.
  - i. Yevchenko asks how many people the RS can accommodate. Olmsted explains there will be 7 sleeping spaces and 8 massage chairs, so up to 15 people can be served at a time. The RS is currently seeing close to 600 students per week in the temporary space.
  - ii. Jacobsen asks if there is a time limit. Olmsted says massages are limited to 20 minutes and sleeping is limited to 45 minutes.
  - iii. Yevchenko asks if there are plans to expand if the demand increases. Olmsted says this will be the RS permanent home and is confined by the space available as it is the last renovatable space in the building.

**9. 2023–24 Year End Projections: Information**

- a. Olmsted presents the 2023-24 year-end projections (YEP) and discusses significant variances. Revenue variances include membership revenue which projected a 5% increase in alumni memberships and saw a 28% increase. Farrell mentions the biggest expenditure variance is in the accounts related to full-time and student wages and benefits. A tremendous amount of vacancies and advancement within the organization resulted in a net savings of \$1.483 million. Another big revenue variance was in interest income as rates were much higher than anticipated.
  - i. Yevchenko inquires about the \$0 budgeted for federal or state tax that ended up with \$2,560 on YEP. Farrel explains that UWI pays unrelated business income tax (UBIT) on revenue generated from activities not directly related to its mission. Any income generated that isn't directly tied to UWI's exempt status may be subject to UBIT, including income from alumni memberships and space rentals to off-campus organizations.
  - ii. Yevchenko asks if there are plans to offset electricity costs with solar or other mechanisms. Olmsted notes the facilities have solar that only generate a small percentage of the overall electrical usage but there isn't any more space engineered for solar. Olmsted adds that, as part of renovations, most areas of both buildings have transitioned to LED lighting with occupancy sensors for energy savings, and is seeing notable returns.
  - iii. Yevchenko asks what VEBA is. Farrell explains that VEBA stands for Voluntary Employee Beneficiary Association and is a trust that ensures employees receive promised post-retirement benefits. An actuarial is done of University Enterprises, Inc. (UEI) employees, UWI's employer of record, to determine how much to invest to ensure the organization

can fulfill its fiduciary responsibility to provide benefits for people coming up for retirement and currently retired.

- iv. Regarding wages, Lynch asks if UWI budgets on the assumption all positions are filled. Farrell says wages are prorated based on the estimated hiring timeline rather than budgeting in full as if starting on July 1. Olmsted says management forecasts the timing of new positions or filling vacancies as best as possible but hiring is sometimes a guessing game. It also requires working with HR and can be limited by their bandwidth. Lynch asks if vacancies or natural turnovers are factored in. Farrell says the budget only takes into consideration current and upcoming vacancies which are known at that time. However, slight schedule buffers are typically included in recruitment and hiring timelines due to historical delays in the overall hiring process.

**10. 2024–25 Budget: Information**

- a. Capital & Plant Fund (Repair and Replacement)
  - i. Farrell presents a preview of the capital and plant project list being proposed for 2024-25.
    - A. Yevchenko asks if the \$25,000 in trash bins are for compost or landfill. Farrell says they are tri-bin sets with compost, landfill, and recyclables.
- b. Non-Recurring Maintenance and Repair & Capital Improvement (TBU01 & TBU04)
  - i. Olmsted presents the proposed TBU01 and TBU04 project list, which includes new additions and previously approved projects. He notes that some projects are being canceled or done in other ways and funds are being reallocated back into TBU01 and TBU04. The TBU01 list includes the UU HVAC modernization project that has significantly increased in cost as the scope has changed and will need more funding, which is offset by the canceled projects.
    - A. Yevchenko asks if the increased HVAC modernization project cost was from labor cost increases or additions to the project scope. Olmsted says it's mostly labor and materials and adds that the scope has evolved but remained relatively the same. Farrell notes that when the project was approved, it was based on estimates at that time. When the quote is received from the actual vendor, approval on the actual cost is required.

**11. Major Project Updates: Information**

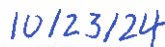
- a. Olmsted says there are no significant changes to report.

12. The meeting was adjourned at 9:09am

Respectfully Submitted:



Authorized Signature



Date