



California State University, Sacramento
University Union Operation of CSUS Inc.
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Board of Directors Meeting
October 16, 2013
FOOTHILL Suite, University Union, CSUS

Minutes

1. Call to Order:

Chair, Caleb Fountain called the meeting to order at 7:31 a.m. Members Present: Missy Anapolsky, Caleb Fountain, Alisha Garcia, Rosalyn Klein, Mike Lee, Jim Reinhart, David Rolloff, Sara Tulane, Lori Varlotta, Darsey Varnedoe, and Diljeet Virk. Also Present: Leslie Davis, Jill Farrell, Mirjana Gavric, Suzanne Green, Bill Olmsted, Dean Sorensen and Darcey Hopkins. Audience members included: Gina Curry, Ali Izadian, Denise Fernandez, Eddie Triste, Victoria Ordorica Yanez, Mayra Villarreal, Erica Zamora, and Santos Pacheco.

2. Public Comment:

There were 3 members from the audience that wished to address the Board of Directors on the Union WELL Expansion Project.

- I. Mayra Villarreal: In the 7 years she has been attending Sac State she has seen the tuition increased while there has been a decrease in faculty and the classes offered. There continues to be an increase in class size with a decrease in education quality. She feels that fees are said to be a necessary evil, so why is there not enough time and money to create the "façade", by expanding student facilities, that the campus is doing well? "We [students] struggle more, work harder for less, and because of that great minds are terminating their education and not finishing. Sac State has a slogan that 'leadership begins here', so it is time to live up to this slogan and demonstrate you [the University] have our best interests at heart. We're overburdened with fees. . If the fee increase goes through, you demonstrate that we are objects who you extract funds from. We demand this increase be thrown out."
- II. Denise Fernandez: Expressed concern over the \$250 student fee increase. She feels this has been a rushed procedure and students were not well informed. There is a petition going around campus she feels strongly about, in particular that "We the students of Sac State demand that the university pursue a better method of informing the student body about the proposed Union Well Expansion. We the students believe that every student should have the opportunity to vote on the potential fee increase, via a campus-wide referendum."
- III. Eddie Triste: He is a sociology major and member of MEChA who believes the process of the Alternative Consultation Process was not well thought out and the meetings haven't reached all students. MEChA represents the underrepresented student and the data collected doesn't fit a representative sample of all students. He believes Union WELL Inc. used only a convenient sample, thus they have left margin students out and in essence those most affected are margin. This is a fee for 30 years for students who were not able to voice an opinion. MEChA attended the open forum meetings and they do not like the language used. Triste believes that the language is abusive; his prime example is that the past students had a vision, and pride. He assumes that we believe that most current students must lack these traits. Trist and other members of MEChA believe that the campus

vision should be graduating in a timely manner and have a more inclusive campus. He believes frivolous things like a pub can wait. He says, "As a member of MEChA, and speaking on their behalf, we oppose the expansion project."

3. Seat Board New Members:

- A. University Union Advisory Group Nominations: Alisha Garcia
(MSP: Varnedoe/Anapolsky)

4. Consent Calendar:

- A. Approval of Board of Directors Minutes – September 2013
(MSP: Varnedoe/Tulane)

5. Old Business:

- A. Expansion Update: Davis

- I. Everyone was given a packet that discussed the scope of the project and its financials.
- II. Discussed the executive order 1054 and what it entails.
- III. Went through the project description of expanding the Union, expanding the WELL and the creation of the Student Event Center. A breakdown of what we hope to include was discussed for each piece of the project.
- IV. The alternative consultation process, included meetings with students, fact finding tours of other "like" facilities, and an in-depth study of the financial feasibility of such a project and its impact on the campus and the approval from the Student Fee Advisory Committee was discussed.
- V. The advanced consultation with students which included meetings over the summer to set priorities, fact finding tours of other "like" facilities, and an in depth study of the financial feasibility of such a project and its future impact on the campus was discussed.
- VI. The feedback and statistics from the questionnaire results were broken down to show that the students are in favor of the project, but they do not support the fee or wish to build a movie theater.
- VII. Suzanne Green discussed the financials and concluded that funds to support this project come from the proposed student union fee increase of \$250/student/term effective the spring 2014 semester, with contributions from the University and additional operating revenues from the new facilities. Since this would be a self-supported facility, use of the facilities by programs other than those created by Union WELL Inc. will be charged a fee. Through a written agreement with the University, its use of the Student Event Center, including dedicated space in SEC for University athletic programs, will be paid for. To keep the long term debt as low as possible, a total of \$43.7 million will be contributed from the new student union fee collected and from Union WELL Inc. reserves. This will put a financial strain on the resources available to the Union WELL Inc. for the first four or five years, but this is to be expected when adding a large new asset. Projected year end working capital from operations and overall fund balances remain at acceptable levels during the projected 30-year period. Overall, this project is financially viable.
- VIII. Next the Board of Directors will cast their recommendation. Then a similar presentation will be presented to the Student Fee Advisory committee on Friday before going before the President, and finally the Chancellor's Office.

- B. Expansion: Recommendation to the Student Fee Advisory Committee and President Gonzalez.

- I. The discussion of the Union WELL Expansion Project follows:
 - Lee: "My personal view is that building of an event center will not be just to entertain students, but a critical part of how we look at Sac State to help build a community where we all belong. I have been here a long, long time and know that there are multiple factors that affect students wanting to continue their education. It takes courage and

determination yet it remains easy for students to be pulled away. So we want to create an atmosphere that makes you want to keep coming here. That's why the university is helping so much with financials, so the cost is not just on the students. While not everyone filled out their questionnaires, opinions were expressed. You cannot overlook that over 21,000 students signed up for the WELL, or the traffic in the Union. They are voting with their feet essentially."

- Klein: "The current issue that students have is that they do not understand the two pots of money. I know Dr. Varlotta has been working on securing numerous grants, other avenues for money, and overall improvements to the campus. Maybe we can put it up on the Sac State webpage to show that there is progress because the students simply aren't seeing that. They even brought that concern up in the Town Hall meeting, but they need to see with their own eyes to know we are improving. So until they see that they won't want to pay more or have a larger student fee."
 - Lee: "This is how funding works. You have a general fund (operations) coming from state and a second source (student tuition fees) which is separate from the university fees. We have state tuition discount program. 1/3 of campus tuition fees is being given back to students in the form of financial aid, and 70% of students are here on grants or some form of financial aid. We give out \$67 million a year in grants. The operating fund pays for the salaries for everyone and doesn't cover capital projects. It is the most important fund we have but it only covers classrooms, offices and the library. So why put money here and not in classroom? That is because it is a very different fund and has no impact on getting more state money. Students may wonder if we can't just increase tuition to fix the classrooms then. And the simple answer is no, we cannot. This is not a campus decision and it requires the state's approval."
- II. The Board of Directors adopted resolution 04-13 recommending that Union WELL Inc. move forward with the expansion of the Union, WELL and the creation of a multiuse student event center.
(MSP: Varnedoe/Anapolsky)

6. **New Business**
None

7. **Reports and Comments**

- A. Board Members: None
- B. Executive Director: Leslie thanked everyone profusely for their assistance in the expansion project. The sentiments were echoed amongst everyone.

8. **Information: Activity Reports**
Due to time constraints, there were not any activity reports discussed.

9. **Adjournment: 9:26am.**



Authorized Signature

12.9.13

Date