

STUDENT UNION BOARD OF DIRECTORS

**Finance Committee
Meeting Minutes**

August 18, 2020 at 3:00 pm

This meeting was a telecommuting meeting by Zoom Video Conference

Voting Members Present: Sonja Daniels, Charlie Faas, Cynthia Fernandez-Rios
Voting Members Absent: Yissel Reyna
Guests Present: Tamsen Burke, David Alves, Amy Guerra-Smith, Terry Gregory, Jerry Darrell, Debbie Gairaud, Ryan Fetzer, Kristine Kirkendall, Matthew Lee, Diane Qin, Caryn Collopy

I. CALL TO ORDER

Cynthia Fernandez-Rios facilitated the meeting in the absence of the Finance Committee Chair and Vice-Chair. Cynthia Fernandez-Rios called the August 18, 2020 Finance Committee Meeting to order at 3:02 pm.

II. ROLL CALL

Cynthia Fernandez-Rios asked Amy Guerra-Smith to do a verbal roll call. Amy Guerra-Smith completed a verbal roll call.

III. APPROVAL OF AUGUST 18, 2020 MEETING AGENDA

Cynthia Fernandez-Rios asked for a motion to approve the August 18, 2020 Finance Committee Meeting Agenda as presented.

Sonja Daniels moved to approve the August 18, 2020 Finance Committee Meeting Agenda as presented.

Cynthia Fernandez-Rios seconded the motion.

VOTE ON THE MOTION: 2-1-0 MOTION PASSED.

IV. APPROVAL OF JUNE 12, 2020 MEETING MINUTES

Cynthia Fernandez-Rios asked for a motion to approve the June 12, 2020 Finance Committee Meeting Minutes as presented.

Charlie Faas moved to approve the June 12, 2020 Finance Committee Meeting Minutes as presented.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION: 3-0-0 MOTION PASSED.

V. AGENDA ITEMS:

A. Approval of the FY 2020-2021 Budget Request

Tamsen Burke presented the Finance Committee members with the changes to the budget because of the August 7, 2020 Student Union Board of Directors budget discussion, noting what those changes are. Ms. Burke noted that one of the changes was to the wages and benefits category. Ms. Burke indicated that this liability was reduced by eliminating one full-time vacant position and reducing wages for 6 months for three other full-time positions and adjusting the facilities engineer position. Tamsen Burke noted that all other vacant positions were included in the previous budget at 6 months and have been removed from this budget.

The other change in this budget was the revenue from the space lease from US Bank and all the Student Affairs departments.

Ms. Burke also noted that the Student Union also removed the \$980,000 from the reimbursable expenses revenues, however the Student Union retained \$88,000 based on the number of tenants in the Student Union facility that are currently operating, which are AS General Services and Transportation Solutions and AS Print and Technology Center. The Finance Committee discussed why the Student Union space lease revenues were zeroed out, Ms. Burke explained that these departments are not operating in the facility and are not expected back potentially for the entire year. Tamsen Burke noted that the Student Union has been in conversation with these partners to verify the departments' re-entry plans.

Tamsen Burke also indicated that another change to this budget was that the Student Union removed \$320,000 from the Outside Agency expense line, noting that the remaining amount is reserved for custodial contracts for the Spartan Recreation and Aquatic Center, if it opens in the Spring semester. The Finance Committee discussed the reason why the Student Union would be charged the full amount of the University Cost Allocation when two of the three Student Union facilities are not operating or not operating fully and how the Student Union can reduce the University Cost Allocation expense.

Sonja Daniels asked for the reason Supplies and Services increased. Jerry Darrell explained that some of the I.T. materials was moved to Supplies and Services line and some went into the repairs and maintenance line. Mr. Darrell also noted that with SRAC building is coming out of warranty and with that, building repair and maintenance costs are expected to increase.

Tamsen Burke presented the Finance Committee Members the FY 20-21 Capital Projects list noting that the Student Union is asking the Finance Committee to discuss the various projects and the critical needs of each project.

Tamsen Burke explained to the Finance Committee Members the current balance in the UBS Cash Reserve account is \$5,278,834 minus the \$1,514,421 from the Paycheck Protection Program money which is recognized as cash, however, this money has not been forgiven yet and explained the concerns around the scenario if the loan is not fully forgiven. Ms. Burke and Mr. Alves explained to the Finance Committee the issues about the guideline changes with the Paycheck Protection Program and the implication of those changes.

Tamsen Burke noted that the Student Union is facing an operating loss of \$326,766 for FY 2021 and \$294,500 capital projects liabilities and potential revenue loss of \$1,085,182, and some additional liabilities, the Student Union's adjusted Cash Reserve is \$1,955,981.

Ms. Burke noted that she spoke with UBS and the long-term account balance is currently at \$7,620,317 giving the Student Union Reserves a balance of \$12,903,940 less the liabilities still outstanding. Tamsen Burke informed the Finance Committee Members that the University is asking the Student Union to review our financial reserves in a three year perspective with the first year supporting a \$4 million reserve allocation and a \$2 million reserve allocation for the second year and third year. The Finance Committee Members discussed the viable options and concerns regarding the Student Union supporting the University's ask of \$8 million of student fee reserves over the next three years.

The Finance Committee continued to discuss the suggested adjustments to this budget and discussed the need for further discussions regarding repairs and maintenance, wages and

benefits, supplies and services, and SU Event/program cost. Mr. Faas noted that the category titled, "Capital Equipment" needs to be retitled as "Capital Equipment" is not included in a Profit and Loss Statement.

Charlie Faas left the meeting.

The Finance Committee agreed that the Board Meeting scheduled for 8/19/2020 needs to be cancelled.

Cynthia Fernandez-Rios motion to table the approval of the FY 2020-2021 Budget request.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION:

2-0-0

MOTION PASSED.

VI. MEETING ADJOURNMENT

Cynthia Fernandez-Rios asked for any other business to discuss. Seeing no other business to discuss, Ms. Fernandez-Rios asked for any objections to adjourn the meeting. Seeing no objections, Ms. Fernandez-Rios noted that the **August 18, 2020 Finance Committee Meeting adjourned at 5:10 pm by unanimous consensus.**