



STUDENT UNION, INC. BOARD OF DIRECTORS

**Meeting Minutes for
April 13, 2021 at 4:15 pm**

This was a telecommute meeting by Zoom Video Conference.

This meeting was facilitated through an online Zoom format, consistent with the Governor's Executive Order N25-20, suspending certain open meeting law restrictions.

Voting Members Present: Nicholas Ayala, Sonja Daniels, Charlie Faas, Cynthia Fernandez-Rios, Ellen Middaugh, Zobeida Delgado, Emily Wughalter, Joshua Reyes, Zachary Birrer

Voting Members Absent: Ishan Gupta

Non-Voting Members Present: Tamsen Burke

Guests Present: Kristine Kirkendall, Kelsey Snook, Larry Aldama, Yavik Kapadia, Kevin Kish, Erick Campos, Kim Hagens, Aaron Anderson, Caryn Collopy, Jeffory Toone, Matthew Lee, Amy Guerra-Smith, David Alves, Jerry Darrell, Debbie Gairaud, Ryan Fetzer

DocuSigned by:
Tamsen Burke 5/12/2021
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I. CALL TO ORDER

Cynthia Fernandez-Rios called the meeting to order at 4:16 pm.

II. ROLL CALL

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

III. APPROVAL OF APRIL 13, 2021 AGENDA

Cynthia Fernandez-Rios asked for any changes needed to the APRIL 13, 2021 STUDENT UNION BOARD OF DIRECTORS MEETING AGENDA. Nicholas Ayala requested a friendly amendment to correct the spelling of "google" in item VIII. D.

Ellen Middaugh moved to approve the agenda as discussed; Emily Wughalter seconded the motion.

Vote on the Motion: 9-0-0 Motion Passed.

IV. APPROVAL OF MARCH 16, 2021 MEETING MINUTES

Cynthia Fernandez-Rios asked for any changes to the MARCH 16, 2021 MEETING MINUTES. No changes were requested.

Emily Wughalter moved to approve the meeting minutes as presented; Ellen Middaugh seconded the motion.

Vote on the Motion: 9-0-0 Motion Passed.

V. OPEN FORUM

No one was present for the open forum.

VI. EXECUTIVE DIRECTOR'S REPORT

Tamsen Burke presented the Board Members with several highlights that the SUI team has been

working on. Tamsen Burke thanked Charlie Faas and the Finance Committee who met with the SUI to review the budget assumptions. Ms. Burke indicated that the SUI team is working to finalize the budget this week.

Ms. Burke noted that the SUI is trying to align itself better with the University's return to work process and thanked Carrie Medders for her help with this process from an auxiliary's perspective. Tamsen Burke noted that Santa Clara County is currently in the orange tier and expects moving into the yellow tier soon based on news reports. Ms. Burke noted that the teams are making preparations and plans for approval for the tier changes.

VII. COMMITTEE REPORTS

A. Audit Committee (Cynthia Fernandez-Rios)

Cynthia Fernandez-Rios noted that the Audit Committee is meeting on April 27, 2021.

B. Facilities & Programs Committee (Zachary Birrer)

Zachary Birrer gave a brief summary of the discussion topics at the last Facilities and Programs Committee meeting noting 530 people visited SRAC to workout, 73 people visited the pool. Mr. Birrer also highlighted that in lieu of a large concert, the Student Union, Inc. was preparing for some alternative programs, like a virtual escape room, paint event, and final exam care packages.

C. Finance Committee (Zachary Birrer)

Zachary Birrer gave a brief overview of the discussion topics at the last Finance Committee meeting noting that the Finance Committee reviewed the tax return for June 30, 2020. Mr. Birrer also noted that the committee discussed the designation of the Associate Director of Accounting and Finance as a Corporate Officer, the budget timeline, and the assumptions for the budget

D. Personnel Committee (Joshua Reyes)

Joshua Reyes gave a summary of the discussion topics at the last Personnel Committee meeting noting that the Personnel Committee discussed the Executive Director review, the salary adjustments for five exempt employees to meet the two times the California minimum wage amount, the vacant positions that the SUI is currently searching for. Mr. Reyes also noted that the committee discussed the recruitment strategies for the various Board Member positions.

VIII. DISCUSSION ITEMS

A. Designation of Associate Director of Accounting and Finance as a Corporate Officer

Tamsen Burke informed the Board members that the Auditors recommendation, as part of last year's audit, is to have the Associate Director of Accounting and Finance as a corporate officer.

David Alves noted that the IRS typically requires the lead person in Finance to be the person who signs the return and that person should be an officer of the corporation, in order to sign the tax return. Mr. Alves noted that in the past the ED signed the tax returns and RSM recommends to follow the IRS regulations.

B. Discussion of Annual Budget Assumptions

Tamsen Burke noted that the SUI is working with the University to achieve a measured approach for re-population for Fall. Ms. Burke noted that the Finance Committee also discussed what January 2022 will look like in full operation. Ms. Burke noted that this year's budget will reflect the advice of the University Administration and Finance office to present the budget a little differently this year.

C. Personnel Committee Recommendation of the Executive Director Review Process

Ellen Middaugh noted that the Personnel Committee discussed the Executive Director's annual review process and suggested modifying the process to gather more qualitative information from the Board members and direct report staff and do a 360 review every other

year or every few years. Ellen Middaugh noted that the Personnel Committee recognized the suggestion to create metrics and OKRs and make the recommendation that the Personnel Committee develop those metrics and OKRs next year.

D. SJSU SU BOD Senior Stole for Board Members (google link)

Joshua Reyes presented the Board Members with the various graduation stole designs for the graduating seniors on the Board of Directors. The Board members discussed the various designs. The board recommended that the Personnel Committee decide on the design and delegate the task to the Corporation for purchasing.

E. CFO Q&A on SU, Inc. Revenue and SJSU SU Trust

Charlie Faas addressed the Board Members with a brief presentation with information about the breakdown of student fees, the revenues and expenses for the SU 73000 account, the University General fund, the SJSU Reserves. Mr. Faas addressed the concerns and questions from the Board Members proposed at the March 16, 2021 SUI Board of Directors Meeting about lease payment revenues being placed in a Trust Account without the Student Union management team knowledge. Mr. Faas noted that the campus reserves can be viewed at the CSU Transparency Portal.

Charlie Faas noted that at the last meeting there were a couple statements made that were not correct and went on to explain that the accurate information is that a new trust account was never set up and the SUI has run a surplus in that last 11 of 13 years.

Mr. Faas explained that it is the University's position that the Student Union, Inc. is completely solvent, SUI maintains high reserves, is not operating at a loss, and that the Trust account retains all Student Fees and current/future lease payments. Mr. Faas went on to explain that the Q3 forecast is due which will show the expenditures through the rest of the year with 9 months of actual expenses and reimbursed CARES submission(s) which further reduces expenditures. Charlie Faas did note that there needs to be much better communication both ways. Mr. Faas suggested weekly meetings between the Executive Director, the Associate Director of Accounting and Finance, the Vice President for Administration and Finance, and the Associate Vice President for Business Services. The Board Members followed with questions and comments.

- Ellen Middaugh inquired about the lease payment revenues being held in trust and why the change of practice?
- Mr. Faas noted that this is a change in practice and that the Student Union was given \$7.5M to operate and any revenues that come in, instead of going to the Student Union, the revenues are going into the Trust account directly they always have gone into the Trust account and then they've been moved over and so now the revenues will go into the Trust account.
- Sonja Daniels commented about the lack of the University's formal communication about the change in process to the Executive Director.
- Tamsen Burke inquired how the SUI account for the revenues if they are in another account and what is the process to ask for those revenues?
- Mr. Faas responded that his guidance is that the SUI should 100% focus on programs and activities, develop the expense budget and that the SUI is concentrating too much on the revenue. Mr. Faas noted that the SUI needs to focus on operations and expenses.
- Cynthia Fernandez-Rios inquired if there is anything else that the Board should expect or any new changes that the University will want to all of a sudden implement?
- Charlie Faas responded by saying that he oversees everything pertaining to finances, but that the SUI has a dotted-line reporting to Patrick Day and it is his decision to make those changes.
- Emily Wughalter inquired if there was any evidence that the Student Union was not managing its budget in a way that was appropriate and that the budget should be managed in a different way?
- Mr. Faas responded by saying there are no issues with the way the expenses

- were managed.
- Emily Wughalter asked if there was a problem with the management of the profits?
- Mr. Faas responded by saying that the Student Union has \$13.5M worth of reserves sitting without purpose and claims that the Student Union has been added to that reserves stockpile for the last 13 years and sits on the Student Union side and does not belong on the SUI side because it is out of compliance, per the reserve guidance.
- Cynthia Fernandez-Rios asked why the SUI reserves are considered out of compliance?
- Charlie Faas noted that even during the pandemic the SUI never tapped into their reserves and the reserves are too high.
- Tamsen Burke noted that it is a common practice within CSU Auxiliaries to make sure they have reserves which allow the auxiliaries to grow.

IX. ACTION ITEMS

A. Approval of Finance Committee Recommendation of Designation of Associate Director of Accounting and Finance as a Corporate Officer

Cynthia Fernandez-Rios asked for any additional discussion needed. Seeing no additional discussion needed, Ms. Fernandez-Rios asked for a motion to approve the Finance Committee recommendation of designating the Associate Director of Accounting and Finance as a corporate officer.

Emily Wughalter moved to approve the Finance Committee Recommendation of Designation of Associate Director of Accounting and Finance as a Corporate Officer; Charlie Faas seconded the motion.

Vote on the Motion: 8-0-0 Motion Passed.

B. Approval of Personnel Committee Recommendation of the Executive Director Review Process

Cynthia Fernandez-Rios asked for any additional discussion needed. Seeing no additional discussion needed, Ms. Fernandez-Rios asked for a motion to approve the Personnel Committee recommendation of updating the Executive Director review process.

Emily Wughalter motioned to approve the Personnel Committee recommendation of updating the Executive Director Review process; Joshua Reyes seconded the motion.

Vote on the Motion: 8-0-0 Motion Passed.

C. Approval of the Personnel Committee Recommendation of SJSU SU BOD Senior Stole

Cynthia Fernandez-Rios asked for any additional discussion needed. Seeing no additional discussion needed, Ms. Fernandez-Rios asked for any objections to approve the Personnel Committee recommendation to purchase SJSU SU BOD stoles for the graduating student members. Seeing no objections, Ms. Fernandez-Rios noted that this was **approved by unanimous consensus.**

X. MEETING ADJOURNMENT

Cynthia Fernandez-Rios asked for any additional business to discuss. Seeing no additional business to discuss, Ms. Fernandez-Rios asked for a motion to adjourn the meeting at 5:34 pm.

Joshua Reyes moved to adjourn the meeting at 5:34 pm; Nicholas Ayala seconded the motion.

Vote on the Motion: 8-0-0 Motion Passed.