

**STUDENT UNION BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING**

**Meeting Minutes
May 03, 2022
4:00 PM**

This is a hybrid meeting.

**In-person: Student Union Inc. Building, Conference Room 6
Telecommute meeting by Zoom Video Conference.**

This meeting was facilitated in person and through an online Zoom format.

Voting Members Present: Charlie Faas, Kathryn Blackmer Reyes, Dr. Sonja Daniels, Aarushi Sharma, Soumya Trivedi
Voting Members Absent: Peter Lee
Updated Attendance: Peter Lee was updated to present at 4:07 PM
Dr. Sonja G. Daniels was updated to absent at 4:58 PM
Non-Voting Members Present: Tamsen Burke, David Alves

I. CALL TO ORDER

Director Sharma called the meeting to order at 4:06 p.m.

II. ROLL CALL

Director Sharma asked Kelly Goldsmith to take roll. Kelly Goldsmith completed a verbal roll call.

III. APPROVAL OF MAY 3, 2022 MEETING AGENDA

Director Sharma asked for any changes to the agenda.

Director Sharma asked for a motion to approve the agenda.

Director Daniels motioned to approve the May 3, 2022 agenda; Director Faas seconded the motion.

Vote on the Motion: 6-0-0 Motion Passed

IV. APPROVAL OF APRIL 26, 2022 MEETING MINUTES

Director Sharma asked for any changes to the minutes.

Director Sharma asked for a motion to approve the minutes.

Director Trivedi motioned to approve the April 26, 2022 meeting minutes as presented; Director Daniels seconded the motion.

Vote on the Motion: 6-0-0 Motion Passed

V. DISCUSSION

A. Review Projection of FY22 Year End Financials & Reserve Funds

Ms. Burke explained that there is an adjustment to the budget based on the comments in regards to OPEB distribution. Mr. Alves explained that it was agreed that depreciation is a non cash item so it was removed and listed as a negative \$700,000 as an operating loss which is reflective of the depreciation expense. The \$700,000 loss decreases the return of student fees from \$17.2 million dollars to \$16.5 million dollars.

Ms. Burke reviewed answers to questions that were sent by board members about the budget. This included that SRAC memberships were 50% of 2019-2020 due to uncertainty of the return of the community and alumni. Mr. Alves explained he calculated the estimated interest income for 2023 based on actuals from January through March, which represented the latest balance in a declining account. Year-end capital gain distributions are difficult to predict due to the investment mix changing so vastly with the liquidation of the long term reserves account so \$100,000 was used as a round amount for the budget. Mr. Alves cautioned that this amount may not be achieved if the principal remains below the assumed balance of \$5.25 million dollars for several months. Ms. Burke reviewed the headcount by department and provided an explanation of expenses in some areas which included supplies, communications, travel, insurance, repairs, utilities, and staff development. There are still questions regarding the utilities and whether we direct charge and get reimbursed or will those on the university side be part of the lease agreements and the Student Union not be charged? The Student Union will continue month to month with CSG until there is a transition of maintenance to the university.

The board briefly discussed the amount budgeted for the bonus policy. The bonus policy has not been approved by the Personnel Committee yet so it will be taken out of the budget. The funding for the policy would be a mid-year ask upon approval by the Personnel Committee and board. Director Faas explained that there are some concerns and issues with the bonus policy from a consistency point of view within auxiliaries and the university. He did clarify that the Student Union is a separate distinct entity and does not have to follow the university guidance, but typically it has. Ms. Burke explained that the bonus policy is a forward thinking work in progress. She also explained that all of the salaries are being reviewed to make sure they are aligned not only with other auxiliaries and like positions within the university, but also comparable with the Bay Area and national organizations. Any changes to salaries will be brought to the Personnel Committee and board for approval.

Ms. Burke explained that the Event Center wireless lease is not a Student Union revenue and was signed prior to Ms. Burke's arrival. The lease should have been entered into and accumulated on behalf of the university so it was removed from the revenue. The eSports arena was not included in this budget cycle but if the project is moved forward and approved, there is an opportunity for a mid-year ask. Vice President Day clarified that the question being considered is not whether the eSports arena is a priority or not but what is the best way to support this. He stated that it will be funded through multiple sources. There are preliminary discussions regarding the recreation field and surrounding areas and where the bleachers and scoreboard will be located. This is not actionable at this time, but funding is in the budget for timing and execution.

Ms. Burke clarified that the \$42,000 for the bonus policy will be removed from the HR budget and that will be the only adjustment off of the expenses .

VI. DISCUSSION/ACTION ITEMS

A. Approve Additional Financial Distribution of Reserve Funds

Ms. Burke explained that there will be a need to draw an additional \$1 million dollars from long term reserves to offset expenses in May and June. This will take the reserves down to \$2.9 million dollars.

Director Sharma asked for a motion.

Director Blackmer Reyes motioned to approve additional financial distribution of \$1 million dollars of long term reserve funds; Director Lee seconded the motion.

Vote on the Motion:

5-0-0

Motion Passed

B. Review and Approval of the Proposed Budget for FY 22/23

Director Sharma asked for a motion to approve the proposed budget for FY 22/23 with the removal of \$42,000 from the HR expense budget.

Director Trivedi motioned to approve the proposed budget for FY 22/23 with the recommended change; Director Blackmer Reyes seconded the motion.

Vote on the Motion:

4-0-1

Motion Passed

Abstain: Director Faas

VII. MEETING ADJOURNMENT

Director Sharma asked if there were any objections to adjourning the meeting. Hearing no objections, the meeting was adjourned at 5:09 p.m.

The Student Union Board of Directors is a public body, and members of the public have a right to attend and participate in its meetings. This schedule is established as a best approximation of how long each scheduled meeting will take to complete its business. Depending on the length of the discussions, which are not possible to predict with precision in advance, the scheduled meeting times indicated may vary widely. The public is advised to take this uncertainty into account in planning to attend any meeting listed on this schedule.