

**STUDENT UNION BOARD OF DIRECTORS**

**Finance Committee Meeting Minutes**

**May 26, 2020 at 4:00pm**

**This meeting is a telecommuting meeting by Zoom Video Conference**

**Members Present:** Charlie Faas, Cynthia Fernandez-Rios, Yissel Reyna, Sonja Daniels, Tamsen Burke, David Alves, Kim Hagens  
**Members Absent:** James Naung  
**Guests Present:** Amy Guerra-Smith, Jerry Darrell, Terry Gregory, Kristine Kirkendall, Caryn Collopy

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**I. CALL TO ORDER**

In the absence of the Finance Committee Chair, Yissel Reyna, Cynthia Fernandez-Rios facilitated the 5/26/2020 Finance Committee Meeting. Cynthia Fernandez-Rios called the May 26, 2020 Finance Committee meeting to order at 4:10pm.

**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 MAY 26, 2020 MEETING AGENDA**

Cynthia Fernandez-Rios asked for any changes needed to the May 26, 2020 Finance Committee Meeting Agenda. Seeing no changes needed, Ms. Fernandez-Rios asked for a motion to approve the May 26, 2020 Finance Committee Meeting Agenda as presented.

**Sonja Daniels moved to approve the May 26, 2020 Finance Committee Meeting Agenda as presented.**

**Charlie Faas seconded the motion.**

**Vote on the Motion:**

**3-0-0**

**MOTION PASSED.**

**IV. APPROVAL OF MAY 19, 2020 MEETING MINUTES**

The Finance Committee unanimously agreed to table approving the 5/19/2020 Finance Committee Meeting Minutes the next meeting to re-word to address concerns of a statement.

**V. AGENDA ITEMS:**

**A. Further Review of Income and Expenses**

Tamsen Burke presented the Finance Committee members a detailed explanation of the income and expenses for the FY 20-21 that the Finance Committee requested at the 5/19/2020 Finance Committee meeting.

Ms. Burke noted that the Event Center budget will significantly decrease due to the shelter in place directives and the Student Union anticipates that Athletics games and practices will potentially generate approximately \$262,000 in revenue for FY 20-21. The Student Union does recognize that the Basketball season could be cancelled, in which case there could be a \$282,000 loss in revenue. Ms. Burke also indicated that there is potential for revenue from annual conferences and events that the Event Center hosts, conferences and events like, NVIDA, Robotics, high school commencements, and other University events.

Ms. Burke noted that the SRAC memberships is anticipated to generate \$295,000 for FY 20-21 and the Student Union Management reviewed this number and reduced the original request by \$23,000 to compensate for being closed for the month of July.

Tamsen Burke indicated that the Student Union Event Services request of \$91,000 remains as the Student Union projects zero income and with the uncertainty if the facility will be open in July and August. The Student Union does anticipate making 25% of revenue for late Fall semester (late October-December) with the hope to return to some level of normalcy for January – February.

For FY 20-21 the forecasted payroll budget of \$8.3 million, which is a typical operating year for the Student Union, was reduced \$600,000 because of a decrease in student payroll by 75%. Ms. Burke noted that the part-time employee benefits are budgeted based on the average Federal FICA rate as well as worker compensation and other benefits. The Student Union requests to keep the requested amount for budgeting purposes explaining it is unknown how many students will claim exemption from Federal taxes.

Tamsen Burke noted that the insurance budget cost was determined by analyzing costs including the CSUROMA policy cost and the final campus cost allocations, noting that the forecasted amount is significantly lower than originally requested due to an inflated estimation of campus cost allocations for SRAC.

The communications budget requested exceeds prior year budget due to a 21% increase in campus cost allocations.

The depreciation forecast was determined by taking actual depreciation recorded as of 3rd Quarter and estimated depreciation for 4th Quarter, and this forecast was estimated based on estimates for assets that will be placed into service as of June 30, 2020 and the estimated mid-year in place service dates for the Local Reserves for projects under construction. Ms. Burke noted that the Student Union Management had a conversation with Susan Jaynes, the Capital Finance Planning & Analysis Manager, who indicated that FD&O handles the project and would use the reserves for the full cost and therefore the depreciation was overstated by \$700,000 and will be adjusted to \$652,000 as a result of the removal of the capitalizations of the fire alarm systems and the Event Center Refresh projects.

The FY 20-21 OPEB budget was determined by reviewing the previous years' actuary report to use that data to prepare the estimates. The increase in the OPEB liability booked to the balance sheet was also taken into consideration in the increase in the revised budget.

**B. Review of the Special Project List**

Tamsen Burke presented the Finance Committee Members with the itemized list of special projects priorities indicated as (1) Plenum Repair project in the student union, (2) ADA Accommodations for the Spartan Recreation Director, (3) Door Replacements for the Student Union, (4) SRAC Hand Dryers, (5) SRAC Admin Offices Privacy Screens, (6) Replacing the Highboy stools in the Student Union dining area. The Finance Committee discussed the various funding sources and reserves for these projects.

**C. Impact of Budget Implications to Campus Community**

Tamsen Burke explained to the Finance Committee members the importance of understanding the budget and its implications noting that these decisions impact the work of the Student Union as well as all the SJSU students.

**D. Approval of Recommendation the FY 2020-2021 Budget**

Tamsen Burke noted that the SU Management is requesting the Finance Committee recommend the Board to approve the 7% budget. Ms. Burke noted that the 10% would require the SU to go into the reserves to off-set expenses. The Finance Committee members asked several questions pertaining to the budget.

Yissel Reyna asked for a motion to approve the FY 2020-2021 Budget Request.

**Cynthia Fernandez-Rios moved to approve the 7% Budget Requested with the adjusted Depreciation forecast.**

**Yissel Reyna seconded the motion.**

**VOTE ON THE MOTION:**

**2-0-0**

**MOTION PASSED.**

**VI. MEETING ADJOURNMENT**

Yissel Reyna asked for any other business to discuss. Seeing no other business to discuss, Ms.

Reyna asked for any objections to adjourn the May 26, 2020 Finance Committee Meeting. Seeing

no objections, Ms. Reyna noted that **the May 26, 2020 Finance Committee Meeting adjourned at**

**5:23 pm by unanimous consensus.**