

STUDENT UNION BOARD OF DIRECTORS
Finance Committee
Meeting Minutes

March 14, 2017
4:00pm in Student Union Meeting Room 5

Members Present: Denice Serna, Charlie Faas, Rose Lee, Cathy Busalacchi, Kristin Kelly, Kim Hagens
Members Absent: Hector Perea
Guests Present: Amy Guerra-Smith, Larry Van Steenhuyse (UBS), Jeff Hill (UBS)

I. CALL TO ORDER

Denice Serna called the March 14, 2017 Finance Committee Meeting to order at 4:06 pm in the Student Union Meeting Room 5.

II. ROLL CALL

Denice Serna asked Amy Guerra-Smith to do a visual roll call. Amy Guerra-Smith noted that she completed a visual roll call.

III. APPROVAL OF AGENDA FOR MARCH 14, 2017

Denice Serna asked for any changes needed to the March 14, 2017 Finance Committee Meeting Agenda. Cathy Busalacchi requested to remove the Closed Session item and add two informational items; Minimum Wage Increases Update and Bowling Center Project Update.

Denice Serna asked for any objections to approve the March 14, 2017 Finance Committee Meeting Agenda with the suggested changes. Seeing no objections, Denice Serna noted that the **March 14, 2017 Finance Committee Meeting Agenda was approved with the suggested changes by unanimous consensus.**

IV. APPROVAL OF THE NOVEMBER 29, 2016 MEETING MINUTES

Denice Serna asked for any changes needed to the November 29, 2016 Finance Committee meeting minutes. Seeing no changes needed, Denice Serna asked for any objections to approve the November 29, 2016 Finance Committee Meeting Minutes as presented. Seeing no objections, Denice Serna noted that the **November 29, 2016 Finance Committee Meeting Minutes were approved as presented by unanimous consensus.**

V. AGENDA ITEMS:

1. Presentation on Investment Portfolio and Market Outlook

Larry Van Steenhuyse from UBS Financial Services presented the Finance Committee members with details on the Student Union investment portfolio including the 2016 market recap, the 2017 market forecast, and the 2016 overall portfolio performance.

Mr. Van Steenhuyse noted that early 2016 the market experienced the devaluing of the Chinese yuan as well as the stagnant GDP growth compared to early 2017, which was post-election and the markets appear stronger and oil prices and the economy

stabilized. Mr. Van Steenhuyse noted that the US is trying to do more economic stimulus versus fiscal stimulus moving forward. The US has seen the currency market stabilize which is favorable for international investing, which has been under-performing for a number of years due to the strong dollar. Mr. Van Steenhuyse noted that post-election market performance is important because of how the election affected the markets and the economy. Mr. Van Steenhuyse noted that moving forward the US will see less regulation as well as tax reform for both corporate and individual taxes; impacting the corporate taxes the most. Both of these are stimulants for the economy. Mr. Van Steenhuyse noted that we expect the interest rates to increase but not increase enough to affect the economy.

Mr. Van Steenhuyse noted that the Student Union investment portfolio is categorized as 43% in fixed income, 38% in equities, and 12% in non-traditional funds. Mr. Van Steenhuyse suggested that the Board of Directors should re-examine the Student Union Investment policy specifically lifting the mandate of the minimum of 40% in fixed income to an identified range in fixed income to allow for more flexibility. Mr. Van Steenhuyse reviewed the Student Union's investment portfolio with the Finance Committee Members noting that since the election, the portfolio increased 4.35% compared to the benchmark of 3.2%. In the calendar year, the Student Union investment portfolio is at the target benchmark at 4.71%. And lastly, since the investment portfolio's foundation in 2002, the portfolio's growth performance is an average of 5.25% compared to the benchmark of 3.98%.

2. Presentation of 2nd Quarter Financials

b. Board Designated Projects as of 12/31/2016

Cathy Busalacchi presented the Finance Committee with the 2nd Quarter Financials. Ms. Busalacchi noted that the Student Union 2nd Quarter financials are on target. Ms. Busalacchi commented that the expenses are a little higher due to the operation of the new buildings.

Ms. Busalacchi also noted that included with the 2nd Quarter Financials report is a list of Board approved Capital Projects. Ms. Busalacchi noted that there are quite a few projects that have been completed and about half are currently in process. Ms. Busalacchi commented that some of these projects are being hindered by the construction process.

3. Budget Process Timeline

Cathy Busalacchi indicated that included in the meeting materials was a detailed timeline for the Student Union budget process. Ms. Busalacchi noted that the Student Union will present the budget two different times for the members of the Board of Directors to attend and ask questions before the final Board approval in May.

4. Minimum Wage Increase

Ms. Busalacchi noted that there are two scheduled minimum wage increases scheduled for July 1, 2017 and then another on January 1, 2018. Ms. Busalacchi noted that the overall financial impact of the minimum wage increase is about \$200,000 in student wages.

5. Bowling Center

Ms. Busalacchi noted that construction on the Bowling Center will begin soon. Ms. Busalacchi informed the Finance Committee members that the final bid is in and the

total cost for the Bowling Center Project is over \$2,000,000 which includes monies previous Boards approved. Ms. Busalacchi noted that the Student Union hopes the Bowling Center will be completed and operating by spring 2018.

VI. CLOSED SESSION ITEM(S):

- 1. Job Search for Associate Director Accounting & Finance***
This item was removed from the agenda.

VII. MEETING ADJOURNMENT

Denice Serna asked for any other business to discuss. Seeing no other business to discuss, Denice Serna asked for any objections to adjourn the March 14, 2017 Finance Committee meeting. Seeing no objections, Denice Serna noted that the **March 14, 2017 Finance Committee Meeting was adjourned at 5:11pm by unanimous consensus.**