

STUDENT UNION BOARD OF DIRECTORS

Finance Committee  
Meeting Minutes

February 25, 2020

4:00 pm in Student Union Meeting Room 6

**Voting Members Present:** Sonja Daniels, Charlie Faas, Cynthia Fernandez-Rios, Yissel Reyna  
**Voting Members Absent:** James Naung  
**Non-Voting Members Present:** Tamsen Burke, David Alves, Kim Hagens  
**Non-Voting Members Absent:** None  
**Guest(s) Present:** Amy Guerra-Smith

**I. CALL TO ORDER**

Yissel Reyna called the February 25, 2020 Finance Committee Meeting to order at 4:05 pm in the Student Union Meeting Room 6.

**II. ROLL CALL**

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

**III. APPROVAL OF AGENDA FOR FEBRUARY 25, 2020**

Yissel Reyna asked for any changes needed to the FEBRUARY 25, 2020 FINANCE COMMITTEE MEETING AGENDA. Seeing no changes needed, Yissel Reyna asked for a motion to approve the February 25, 2020 Finance Committee Meeting Agenda as presented.

**Cynthia Fernandez-Rios moved to approve the February 25, 2020 Finance Committee Meeting Agenda as presented.**

**Dr. Daniels seconded the motion.**

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

**IV. APPROVAL OF THE NOVEMBER 19, 2019 MEETING MINUTES**

Yissel Reyna asked any for changes needed to the NOVEMBER 19, 2019 FINANCE COMMITTEE MEETING MINUTES. Seeing no changes needed, Yissel Reyna asked for a motion to approve the November 19, 2019 Finance Committee Meeting Minutes as presented.

**Cynthia Fernandez-Rios moved to approve the November 19, 2019 Finance Committee Meeting Minutes as presented.**

**Dr. Daniels seconded the motion.**

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

V.

**AGENDA ITEMS:**

**A. Presentation of 2nd Quarter Financials**

David Alves presented the Finance Committee details of the Statement of Net Position for 2nd Quarter 2019 providing the causes of the differences from year over year compared to the 2<sup>nd</sup> Quarter 2018. Mr. Alves noted the Accounts Receivable is up due to timing and Athletics invoices that have not been paid yet. The prepaid expenses are down due to the FY 20 work study and being billed by the University later, noting that this was accrued as a liability. Mr. Alves noted that the Investments account is up due to market gains. Funds Held in Trust are the IRA Funds for the Club Sports and Intramurals programming are up due to the Club Sports teams fundraising efforts. David Alves indicated the reason why the Capital assets account is down \$460,000 is from the recording of depreciation.

Moving on to the Liabilities, Mr. Alves explained the increase of \$269,000 in the Accounts payable is due to the cost allocation timing. The increase of \$61,000 in Accrued payroll is due to an increase in staffing in support of the SRAC operations.

Dr. Daniels inquired where the budget was in terms of percentage for the mid-year? Mr. Alves noted that the budget is at an average of about 55% for mid-year. Tamsen Burke noted that conversations with departments that are over their mid-year budgets have happened and discussion of what strategies and plans are in place to ensure their budgets are on target for year-end. Ms. Burke noted that over all the organization is doing well.

Tamsen Burke presented the Statement of Revenues, Expenses and Changes in Net Positions noting that the Student Union is seeing an increase in service fees from the operation of SRAC.

Ms. Burke noted that the Student Union will continue to see increases and monitor those increases closely. The reimbursements of event costs are up \$184,000 due to a timing issue. Rental income shows a \$300,000 increase from SRAC and the remaining \$130,000 from the Event Center from rental fees. There is also a small increase in rentals from Event Services as well.

Reimbursed wages and benefits shows an increase \$45,000 as a result of the maintenance of the leases, charge backs and the timing of billing. Commissions shows a decrease due to several vending machines being removed from SRAC that were net profits for the Student Union.

Currently, the only vending machines at SRAC are a few food vending machines and a product vending machine that provide goggles or sunscreen or other products.

Operating expenses of wages and benefits shows a continued increase as the operation grows with SRAC. Supplies shows an increase from the pool chemicals supplies due to increased usage.

Another reason the supplies account balance increase is because the size of the acid tank that was installed is too small for the size the pool. Meanwhile, maintenance and repairs show a decline due to more charge backs occurring.

The Student Union continues to see an increase in Utilities as the operations continue to grow, noting there is an average of \$70,000 per month for utilities for the SRAC facility and about \$190,000 average per month utilities expense for all three facilities.

Business services shows a \$400,000 increase that continues to grow due to custodial services.

The three facility managers are meeting to develop a plan to centralize those services and try to reduce those expenses.

Ms. Burke noted that the Student Union is in good financial position overall, noting that this is because we understand the unknowns for the SRAC operations and we are better positioned to be ahead of what was projected rather than to be behind to ensure that we can off-set any expenses at the end of the year.

Dr. Daniels noted that last year budget planning was a lot of projections with the SRAC operations knowing that it would take a full year of operating the SRAC facility to really know the cost of the operation. Now with almost a full year of operations, this budget cycle staff will have a better sense of the cost of operations.

Tamsen Burke explained the Accounts Receivables net, is an increase of \$413,000 due to unpaid invoices from Athletics and Kinesiology. Ms. Burke noted that 75% of that account balance is unpaid bills from Athletics that are at or over 90 days. Tamsen Burke noted that she is in conversations with both Athletics and Kinesiology on how to best resolve this.

**B. Athletics and Kinesiology: 90 Day Collections on Leases**

Tamsen Burke informed the Finance Committee that the Accounting team is working hard to reduce the amount on the Aging Report, noting the initial report showed a balance of over \$1 million. Kim Hagens and her team are working with Athletics and the Kinesiology Department to settle invoices that are over 90 days. The net of all those items is \$413,000 are in the 60 days to 90 days period.

Ms. Burke noted that in April, SRAC will have the MPSF (Mountain Pacific Sports Federation) water polo tournament, which is an expense of \$25,000. The Student Union is also waiting for confirmation from Steve O'Brian and team regarding Athletics hosting the WNIT (basketball) tournament in late March, which could also result in potential expenses. Tamsen Burke indicated that she has had conversations with the Athletics Business Manager and with Marie Tuite and is ready to have a more in-depth and detailed conversations regarding billing practices and an agreed resolution to these invoices. The Finance Committee discussed the challenges and differences in billing practices.

**VI. MEETING ADJOURNMENT**

Yissel Reyna asked if there was any other business to discuss. Seeing no other business to discuss, Yissel Reyna asked for any objections to adjourn the meeting at 4:40pm. Seeing no objections, Yissel Reyna noted that the **February 25, 2020 Finance Committee meeting adjourned at 4:40pm by unanimous consensus.**