



STUDENT UNION, INC. BOARD OF DIRECTORS

**Meeting Minutes
May 13, 2022
12:30 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:	Isaiah Andrews, Dr. Sonja G. Daniels, Charlie Faas, James Figueroa, Anoop Kaur, Peter Lee, Joshua Reyes, Aarushi Sharma, Soumya Trivedi
Voting Members Absent:	Kathryn Blackmer Reyes, Hoon Cho
Non-Voting Member Present:	Tamsen Burke
Guests:	Logan Meline, Andrea Cabrera-Sanchez, Jeet Pankaj Kumar Parekh, Rishabh Pandey (Student Board of Directors Candidates)

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I. CALL TO ORDER

Director Andrews called the meeting to order at 12:32 p.m.

II. ROLL CALL

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

III. APPROVAL OF MAY 13, 2022 AGENDA

Director Andrews asked for a motion to approve the agenda.

Recommendations made to; move all VIII. Discussion/Action items before VII. Discussion items; under Discussion/Action, move item VIII.A. after item VIII.E.; and add an agenda item under Discussion/Action to approve an additional \$1 million dollars from the Student Union Reserve Funds.

Director Lee motioned to approve the agenda with the recommended changes; Director Figueroa seconded the motion.

Vote on the Motion: 8-0-1 Motion Passed

Abstain: Director Daniels

IV. APPROVAL OF APRIL 15, 2022 MEETING MINUTES

Director Andrews asked for any changes to the April 15, 2022 meeting minutes.

Director Andrews asked for a motion to approve the agenda.

Director Reyes motioned to approve the meeting minutes as presented; Director Faas seconded the motion.

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

V. PUBLIC FORUM

No public comment.

VI. EXECUTIVE DIRECTOR'S REPORT

Ms. Burke provided a brief update on the status of the Operating Agreement. She outlined three

bullet points of focus which will be discussed with the Vice President of Student Affairs. As part of the Event Center transition, Ms. Burke will be connecting with stakeholders to designate a representative to be on the hiring committee for the Event Center director, operations manager, and coordinator. She recognized Director Trivedi for being selected as a summer intern with Meta and Kelsey Snook and Juane Pruitt who are moving on to other career opportunities. Director Reyes will be studying abroad in Greece this summer. Director Andrews thanked Director Reyes and Director Kaur for their support.

VII. COMMITTEE REPORTS

A. Audit Committee (Anoop Kaur)

Director Kaur had nothing to report.

B. Facilities & Programs Committee (Aarushi Sharma)

Director Sharma reported that the committee discussed the Time, Place, and Manner Policy and enforcement and responsibility on the Paseo. Reviewed an incident that occurred on campus which appeared in the news. SU Associate Executive Director, Mr. Banks is looking at what approaches can be done knowing that the Student Union has 27 doors and is a free flowing building. Mr. Fetzer explained that the re-introduction of SRAC memberships for community and alumni was approved by the university. Reviewed operating hours for the Student Union (SU) building and SRAC during the Memorial Day weekend and summer. Discussed the spring and summer programs and events.

C. Finance Committee (Aarushi Sharma)

Director Sharma reported that the committee reviewed the proposed budget for fiscal year 2022-2023 and questions that were submitted by the committee. The committee approved an additional distribution of \$1 million dollars from the SU reserves.

D. Personnel Committee (Joshua Reyes)

Director Reyes reported the committee completed the student board of directors interviews over the past four weeks and the board will be approving the recommendations today. The committee also discussed the SU stoles which will be given to graduating board members.

VIII. DISCUSSION

A. SUBOD Meeting Schedule for AY 2022-2023

Ms. Burke reminded the board to complete the Google form regarding their availability so the 2022-2023 board meeting dates can be scheduled. She let the board know that the Audit report will be due to the university at the beginning of September so a meeting will be scheduled during the first week of September.

B. Student Union Reserve Account (UBS) return of \$5.25 million dollars deliverable.

Ms. Burke explained the auditors asked how the university will be returning the reserves back to \$5.25 million dollars. Will the funds be considered a contribution or something else? Mr. Alves recalled that the auditor's email discussed that the SU would record a receivable at the end of the year based on how much money was needed to true the reserve account to \$5.25 million dollars. Director Faas agreed and Ms. Burke stated that she just wanted to make sure it was clear when/how those funds would be received.

C. Student Union Trust Account (73000) Revenue and Expense Schedule as of 5/5/2022

Ms. Burke explained that a request was made by Director Daniels during the Finance Committee meeting, to provide the accounting report for account 73000. Reports were

pulled for 2020-2021 and 2021-2022 to provide the board with a full understanding of the amount of money in that account. Reported in the 2021-2022 year, there is an expense for the Event Center which Ms. Burke will be asking for clarification from the university. Director Faas explained that Ms. Burke, Mr. Alves, and some of his staff, have full access to the 73000 account.

IX. DISCUSSION/ACTION ITEMS

A. Review and Approval of Student At Large Recommendations

Director Reyes introduced the student board candidates and thanked them for attending the meeting. Logan Meline, Andrea Cabrera-Sanchez, Jeet Pankajkumar Parekh, Rishabh Pandey were recommended by the Personnel Committee for student director positions and Krishna Sai Mangalarapu was recommended for a student traineeship position. Logan Meline, Andrea Cabrera-Sanchez, Jeet Pankajkumar Parekh, Rishabh Pandey introduced themselves and spoke briefly about their interest in a board position. Krishna Sai Mangalarapu was unable to attend the meeting.

Director Andrews asked for a motion.

Director Faas motioned to approve the Personnel Committees student board member recommendations; Director Reyes seconded the motion.

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

B. Review and Approve of RSM US LLP Fees for Fiscal Year 2021-2022 Financial Audit

Mr. Alves reviewed the RSM fees for fiscal year 2021-2022 financial audit. He explained the fees are consistent with previous years and was approved by the Audit Committee.

Director Andrews asked for a motion.

Director Faas motioned to approve RSM fees for fiscal year 2021-2022 financial audit; Director Daniels seconded the motion.

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

C. Review and Approval of Proposed Budget for Fiscal Year 2022-2023

Ms. Burke explained the Finance Committee reviewed the budget three times and approved the proposed budget with the removal of \$42,004. The funds were designated for bonus as part of the Bonus Policy which has not been approved yet. The Personnel Committee will review the policy for approval at a future meeting. She discussed the preliminary cost allocation received from the university. The increased insurance rate within the cost allocation was 53 %. The budget projected an increase around 11% which is an increase of about \$100,000. The increased amount was added to the budget to recognize the expense. Ms. Burke briefly reviewed the proposed budget and explained the budget breaks down the high level revenues and expenses for each center and each department within each center. She explained there were about 750,000 participants throughout the facilities, programs, and services which provides a good understanding of how SU long-term reserves funds are reaching the campus community. The budget was based on 2019-2020 which was the most current year of actual operations and only four months in COVID.

The Board discussed the budget. Director Faas explained the cost allocation increase was sent from the insurance company which covers campus and that it's a first preliminary quote. His staff is looking into the increase and if the increase is reduced, then the budget will be reduced. If that number needs to be more, then more fees will be applied. Once the university has fully vetted the increase and has an understanding of the increase, then they will submit payment and invoice each of the entities that contribute to the insurance. Ms. Burke clarified that all entities on campus are experiencing a 53 % increase from the

previous year.

Director Andrews asked for a motion.

Director Trivedi motioned to approve the proposed budget for fiscal year 2022-2023; Director Daniels seconded the motion.

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

D. Approve FY 2021-2022 Budget

Ms. Burke reminded the board that the 2021-2022 budget was approved by the Finance Committee on November 2, 2021 and failed at the board level on November 30, 2021. As per the auditors and chancellor's office, the Student Union needs to have an approved budget by the board of directors. She clarified that the president and their designee will still need to approve the budget. Ms. Burke briefly reviewed the budget and explained in May 2021 it was determined by the university to transition the Event Center back to the university for priorities. The Event Center operating revenues and expenses were removed from the 2021-2022 budget. The Event Center was transitioned back to the Student Union and the expenses are reflected in the 2022-2023 budget.

The board discussed the budget and why it did not pass in November. The Operating Agreement had not been approved and the CFO, in terms of oversight, stated that the budget would not be signed without an approved Operating Agreement.

Director Andrews asked for a motion.

Director Andrews motioned to approve fiscal year 2021- 2022 budget; Director Trivedi seconded the motion.

Vote on the Motion: 8-0-1 Motion Passed
Abstain: Director Faas

E. Review and Approval Changes within the Investment Policy

- 1. Equity Holdings - Current Range 0% to 50%; Change Increase to 60%**
- 2. Fixed Income - Current Range 40% to 100% Change decrease to 30% minimum**

Ms. Burke explained as part of the Investment Policy review, the special committee also took into consideration the management of the fund. Two investment companies presented information to the special committee which included how they foresee the Investment Policy, costs and expenses, and what is happening in the market and how that affects our existing fund. There was a loss of \$500,000 to our investments due to the decline in the market. The asset allocation percentages listed in the policy governs the work of UBS and how they manage the account. There has been a significant loss in fixed income and some growth opportunities in equities and alternatives. Ms. Burke recommended decreasing the fixed income range from 40 % - 100% to 30 % - 100% to minimize the loss in that particular area and increasing the equity holdings from 0% - 50% to 0% - 60%.

The board discussed the proposed recommendation. Dr. Daniels stated something needs to be done to try and mitigate the losses until the special committee can meet again in the fall. Currently there are limited dollars being invested over the next few months so that mitigates risk. Once the Operating Agreement and budget have been approved by the university, hopefully there will be funds coming back to the reserves to invest. Ms. Burke assured the board that she is committed to continuing the process to update the Investment Policy with the special committee.

Ms. Burke explained we are continuing with UBS at this time and the recommendation is only addressing the loss of revenue. Mr. Alves explained that when interest rates increase,

the fixed income principal has the inverse effect of decreasing. Our account currently is about 45% fixed income and 45% equities, and 10% in alternative investments.

Director Andrews asked for a motion.

Director Figueroa motioned to approve changes within the Investment Policy as presented; Director Daniels seconded the motion.

Vote on the Motion: 5-0-4 Motion Passed

Yes: Director Andrews, Director Daniels, Director Figueroa, Director Lee, Director Trivedi

Abstain: Director Faas, Director Kaur, Director Reyes, Director Sharma

Item added as approved during the adoption of the agenda.

F. Review and Approve an Additional \$1 Million Dollars from the Student Union Reserve Funds.

Ms. Burke explained that in order to offset expenses in May and June, there is a need to draw an additional \$1 million dollars from the reserve. She explained that the two leases that revenue has been collected from, the funds have been placed in the trust account but there are liability costs associated with those tenants. Ms. Burke is in conversations with the Vice President of Student Affairs regarding not receiving the revenue from the two leases but being expected to pay for the liability costs.

Director Andrews asked for a motion.

Director Andrews motioned to approve the proposed budget for fiscal year 2022-2023; Director Lee seconded the motion.

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

X. CLOSED SESSION

A. Personnel Matters

The Board did not require a closed session.

XI. REPORTING OUT OF CLOSED SESSION

Closed session was not required.

XII. BOARD OF DIRECTORS ANNOUNCEMENTS

Ms. Burke thanked the board for their time and commitment this year and presented each member with a Certificate of Recognition. She also presented the graduating student board members with a SU board of directors stole.

XIII. MEETING ADJOURNMENT

Director Andrews asked if there were any objections to adjourning the meeting. Hearing no objections, the meeting was adjourned at 1:44 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.