



STUDENT UNION, INC. BOARD OF DIRECTORS

**Meeting Minutes
September 16, 2022
12:30 PM - 2:00 PM**

This is a hybrid meeting.

In-person: Student Union Inc. Building, Conference Room 6

Telecommute meeting by Zoom Video Conference.

This meeting is being facilitated in-person and through an online Zoom format.

Voting Members Present:

Isaiah Andrews, Kathryn Blackmer Reyes, Andrea Cabrera-Sanchez, Nina Chuang, Dr. Sonja G. Daniels, James Figueroa, Logan Meline, Rishabh Pandey, Jeet Parekh, Kathleen Prunty (BOD Designee), Krishna Sai Mangalarapu, Aarushi Sharma,

Voting Members Absent:

Peter Lee

Updated Attendance:

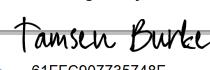
Peter Lee was updated to present at 12:43 PM

Aarushi Sharma was updated to absent at 1:05 PM

Non-Voting Member Present:

Tamsen Burke

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Tamsen Burke
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I. CALL TO ORDER

Director Andrews called the meeting to order at 12:33 p.m.

II. ROLL CALL

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

III. APPROVAL OF SEPTEMBER 16, 2022 AGENDA

Director Andrews asked for any changes to the agenda.

Director Andrews asked for a motion to approve the agenda.

Director Meline motioned to approve the agenda; Director Chuang seconded the motion.

Vote on the Motion: **12-0-0** **Motion Passed**

IV. APPROVAL OF AUGUST 26, 2022 REGULAR MEETING MINUTES AND SEPTEMBER 2, 2022 SPECIAL MEETING MINUTES

Director Andrews asked for any changes to the August 26, 2022 minutes.

Director Andrews asked for a motion to approve the minutes.

Director Parekh motioned to approve the August 26, 2022 meeting minutes as presented;

Director Andrews seconded the motion.

Vote on the Motion: **12-0-0** **Motion Passed**

Director Andrews asked for any changes to the September 2, 2022 minutes. Director Sai Mangalarapu pointed out that he was in attendance but not listed as present on the minutes. Director Chuang and Ms. Prunty were also not listed as present but were in attendance.

Director Andrews asked for a motion to approve the minutes with the corrections.

Director Parekh motioned to approve the August 26, 2022 meeting minutes with the addition of Krishna Sai Mangalarapu, Nina Chuang, and Kathleen Prunty being listed as present; Director Sai Mangalarapu seconded the motion.

Vote on the Motion: **12-0-0** **Motion Passed**

V. PUBLIC FORUM

No public comments.

VI. EXECUTIVE DIRECTOR REPORT

Ms. Burke spoke regarding a couple of high-level items. It was very important to the Student Union (SU) and its leadership, that the SU staff were fully trained on Title IX requirements. The SU facilities see a lot of engagement and interaction from both employees and students. SU full-time staff received Title IX training from Peter Lim, Title IX and Gender Equity Officer, during the staff meeting this week. Ms. Burke also took an opportunity during the staff meeting to discuss the Operating Agreement to make sure that staff had a clear understanding of their legal responsibilities and what we all must focus on in terms of executing the agreement.

VII. COMMITTEE REPORTS

A. Audit Committee

Director Sharma reported that the Audit Committee had two meetings to discuss the June 30, 2022 Audit draft. The committee voted to table the audit draft at the first meeting due to some concerns. Ms. Burke explained that she sent a Memorandum of Dissent to the Audit Committee based on some of the practices she was seeing throughout this audit. She met with RSM after the first meeting to outline what those concerns were. RSM agreed to write a management letter on behalf of the Student Union which outlined some of the concerns, in particular around the student fees calculation which was discussed during the second meeting. Moving forward, Ms. Burke wants to make sure there is an opportunity to work collaboratively towards a consistent methodology regarding the calculation of student fees. The audit draft was approved by the Audit Committee at the second meeting.

B. Facilities & Programs Committee

Director Parekh reported that the committee was provided with a brief report on the events and programs that happened in August and events scheduled for September. There was a presentation on how to request the use of a room or space in facilities managed by the Student Union through the Event Management System. The committee briefly discussed the ongoing process for keys and access to the Event Center and also acknowledged the new Center for Asian Pacific Islander Student Empowerment (CAPISE) located in the Student Union building. A presentation was provided by staff from FD&O on projects scheduled for the Event Center which included HVAC upgrades, fire alarm replacements, and new scoreboard, LED marquee, and ShotTracker system. Ms. Burke explained that this was an opportunity for the Student Union to collaborate with the university to do great work. The Student Union contributed \$1.8 million dollars towards the fire alarm project and athletics contributed funding towards the scoreboard and marquee.

C. Finance Committee

Director Cabrera-Sanchez reported the committee discussed what goals they would like to accomplish which included knowing more about the budget process. Mr. Banks discussed the Event Center office improvement project and the total cost of the project.

D. Personnel Committee

Director Meline reported the committee discussed the amount of the employer health benefit contribution since insurance rates increased for all plans. The committee voted and approved an increase of 6% based on the contribution rate from 2016 which was the last time the employer contribution rates were increased.

VIII. DISCUSSION/ACTION ITEMS

A. Approve the June 30, 2022 Financial Audit Draft by RSM US LLP

1. Required Communications and Audit Results- Fiscal Year 2022 Audit

Ms. Burke explained that after the initial audit committee meeting, it was decided that Ms. Burke and Mr. Alves would meet with RSM to discuss some of the items that were put in the Memorandum of Dissent which were not being disclosed in the audit. Ms. Burke wanted to make sure that there was recognition of those items.

Some of the items were directly related to how the accounting was being represented and she wanted to make sure that there was not any concern with the accounting practice. Ms. Burke reviewed the changes that were made for the original auditor report which included changing “cancellation” of leases to “expiration” of leases since the leases were not canceled. The Student Union does not hold leases but still holds contractual agreements for the ATMS and wireless cell tower rents. As the Student Union is working with the university on the transition of those leases, all parties have agreed that the payments collected were collected on behalf of the university. Based on this audit, we are all in compliance with GASB 87. Since the Operating Agreement had been signed, it was mutually agreed that the language stating the agreement was in the process of negotiations, could be removed. Ms. Burke wanted the board to know that program fees are imposed as a non-exchange transaction that are recognized when the Student Union has an enforceable legal claim. The enforceable legal claim happens when you have an operation agreement so Ms. Burke wanted to make sure that was in the audit and also that when cash and investment reserves go below \$5.25 million dollars, that calculation was determined by the university. The management letter speaks to the indifference of that particular calculation and Ms. Burke will work on a resolution for a consistent and collaborative methodology moving forward. There was a correction on the timing related to maintenance, custodial, and IT operations for the Student Union building being transferred to the university. As part of the Operating Agreement, this will happen upon completion of a service agreement between the Student Union and the university. The service agreements must be completed within six months of the signed Operating Agreement.

Ms. Burke reviewed the management letter which included an explanation of what deficiencies are, the levels of deficiencies, and deficiency in internal controls. Ms. Burke stated that the Student Union had a clean audit and the communication is simply to disclose the different types of deficiencies that could potentially happen. Under Program Fees Calculation, it recognizes that there were differing opinions on the calculation of the \$5.25 million dollars. The Student Union is committed to working with the university in regards to resolving an agreeable methodology around this calculation. This is an internal document that does not go with the audit but it is a document of disclosure that there are some concerns about the approach.

Ms. Burke explained that upon approval of the board, the draft audit will become a final document that will be delivered to the university.

Director Andrews asked for a motion.

Director Lee motioned to approve the June 30, 2022 financial audit draft; Director Chuang seconded the motion.

Vote on the Motion:

13-0-0

Motion Passed

B. Adopt CalPERS Change Resolution to Increase the Employer Health Benefit Contribution

Director Meline briefly reviewed the CalPERS rate increases for 2023. The last time the employer contribution maximum amounts were increased was in 2016; \$910.00/month for employee/retiree self alone; \$1,737.00/month for employee/retiree plus one family member; and \$2,231.00/month for employee/retiree for two or more family members. Ms. Burke explained that during the audit it was discovered that for some of the health plans in 2022, the employer contribution amount was higher than what was approved on the 2016 resolution. The Personnel Committee approved a 6% increase based on amounts listed on the 2016 resolution. The amounts would increase to \$964.60/month for employee/retiree self alone, \$1,841.22/month for employee/retiree plus one family member, and \$2,364.86/month for employee/retiree for two or more family members. A letter will be sent to Student Union employees from Ms. Burke to help them understand the rate increase, the employer contribution amount, and employee cost. The Personnel Committee will be looking at

developing a process to determine future employer contribution amounts by reviewing a resolution for a continued practice moving forward.

Director Andrews asked for a motion.

Director Meline motioned to adopt the CalPERS Change Resolution; Director Daniels seconded the motion.

Vote on the Motion:

12-0-0

Motion Passed

C. Approve Student Union Board of Directors Chair on the Executive Director's Expenses

Ms. Burke explained that this is giving recognition that the Board Chair will be the second signature on any of the Executive Director's expenses.

Director Meline asked for a motion.

Director Chuang motioned to approve the Board of Director Chair on the Executive Director's expenses; Director Cabrera-Sanchez seconded the motion.

Vote on the Motion:

11-0-1

Motion Passed

Abstain: Director Andrews

D. Approve Event Center Office Improvements Project and Budget as Recommended by the Facilities & Programs Committee and Finance Committee

Mr. Banks briefly discussed the maintenance and repairs of the administration offices in the Event Center. The project includes replacement of carpet, painting, and rekeying some of the locks. The total cost of the project is \$57,538 which includes \$14,659.62 for hazardous material removal of asbestos. If it's determined that there is no asbestos under the carpet, then there would not be a charge for hazardous material removal. Ms. Burke explained that the CFO is already aware of this project. She thanked Traci Ferdolage, Senior AVP, FD&O, for putting this together and Tim Gridley, Director, Maintenance & Infrastructure, FD&O, for presenting the information to the Facilities and Program Committee. After the board has approved the project and budget, the request will be sent to the CFO for approval and those funds will come out of the trust fund. Ms. Prunty clarified that if the \$14,659.62 is not needed, it will automatically revert back to the trust fund.

Director Andrews asked for a motion.

Director Parekh motioned to approve the Event Center office improvements project and budget; Director Chuang seconded the motion.

Vote on the Motion:

12-0-0

Motion Passed

E. Approve Updated Budget Changes for FY 22-23 per the Operating Agreement as Recommended by the Finance Committee

Ms. Burke explained that the adjustments made to the budget were specifically around three particular areas; utilities, reimbursable expenses, and salaries. There was \$2.5 million dollars removed for utilities. Not all reimbursable expenses were removed as there will be times where those will be charged to external users, as well as any expenses that are incurred where we need to bring in staff for a particular project or there is holiday or overtime pay for those. Salaries were adjusted based on the 7% increase and bonus. The \$3 million dollars for custodial and maintenance is still in the budget. Ms. Burke spoke with the VP of Student Affairs to discuss how to manage existing payroll, benefits, and continued expenses through the transition of those areas. As per her conversation with Traci Ferdolage, we are not in a transition period at this time. Ms. Burke requested a meeting with the VP of Student Affairs, the CFO, Kathleen Prunty, and Traci Ferdolage, to discuss the finance and accounting approach during the transition. The service agreement deadline is February 2023 and typically there is a mid-year review around January. It may be possible at that time, to transfer over whatever remaining funds are left in the budget but that needs to be discussed further.

Ms. Burke answered questions from the board which included explaining why \$2.5 million dollars for utilities was removed. The Student Union does not hold the leases for the groups

that are using spaces in the Student Union building. In the past, the Student Union has paid those utilities and then was reimbursed. Now the contracts and agreements are with the university so the university will charge those utilities to each group. Utilities for the Student Union, SRAC, and Event Center will be paid from the trust fund. We are trying to move

away from the chargeback model. Ms. Burke reminded the board that a report on the trust fund will be provided to both the finance committee and the board.

Director Andrews asked for a motion.

**Director Parekh motioned to approve the updated budget changes for FY 22-23;
Director Cabrera-Sanchez seconded the motion.**

Vote on the Motion: **12-0-0** **Motion Passed**

Ms. Burke stated that for the board's recognition and understanding, she will forward this budget along with the board memo requesting the funding of this operating budget from the trust fund.

IX. CLOSED SESSION

A. Personnel Matters

The Board did not require a closed session.

X. REPORTING OUT OF CLOSED SESSION

Closed session was not required.

XI. BOARD OF DIRECTOR ANNOUNCEMENTS

Director Chuang spoke about the rollout of the BayPass program, the first region-wide transit pass for the Bay Area that offers more affordable fares for students. She invited the board to get involved and to be part of the collaboration to provide affordable fares for students. Director Chuang also invited the board to attend the Picnic with the A.S. President event on September 30th from 1 PM - 3 PM.

Ms. Burke mentioned that Amy Guerra-Smith and Ariana Martinez are doing a phenomenal job with their program and events. She complemented Student Affairs on their work of programming engagement and sense of belonging with students. She recognized Dr. Daniels and all the Campus Life Directors for their hard work on WOW and residential life programming.

Mr. Fetzer briefly discussed Rec Fest which is scheduled for September 21st, from 5 PM - 8 PM at SRAC. There will be several activities, food, and giveaways for students to participate in. It is also an opportunity for students to learn more about what is offered at SRAC including club sports and fitness classes.

XII. MEETING ADJOURNMENT

Director Andrews asked if there were any objections to adjourning the meeting. Hearing no objections, the meeting was adjourned at 1:29 p.m.