

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHBRIDGE
FINANCE COMMITTEE MEETING
APRIL 15, 2016
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, Sara Yousuf at 12:04 p.m.

II. Roll Call

| Present | Absent | Staff/Guests |
|--|--|--|
| Ferny Arana, Student Representative (voting) | Sharon Eichten, University Representative (voting) | Tina Jensen Kronqvist, Student Assistant |
| Khusbeen Dhillon, Student Representative (voting) | Shahtaj Khan, Board Chair (non-voting) | |
| Aдриanna Natalie Esparza, Student Board Representative (voting) | | |
| Debra Hammond, Executive Director (non-voting) | | |
| J. Illuminate, Executive Secretary (non-voting) | | |
| Michael Odinlo, Student Representative (voting) | | |
| Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting) | | |
| Lele Situ, Student Representative (voting) | | |
| Sara Yousuf, Committee Chair (voting) | | |

Dr. Shelley Ruelas-Bischoff arrived at 12:16 p.m. Michael Odinlo arrived at 12:22 p.m.

III. Approval of Agenda

M/S/P (K. Dhillon/N. Esparza) Motion to approve the agenda for April 15, 2016.

Main motion passes by general consensus

IV. Approval of Minutes

M/S/P (N. Esparza/F. Arana) Motion to approve the minutes for March 11, 2016.

Main motion passes by general consensus

V. Chair's Report

S. Yousuf informed the members that the Year-End Celebration is on April 29, 2016 and that she would love to see everyone attend. She also announced that our own Michael Odinlo was elected to be a student member of the Board of Directors.

VI. Action Items

A. 2015-16 Capital Outlay Reallocation

M/S/P (N. Esparza/K. Dhillon) Motion to reallocate \$13,000 from the Budget Preparation Software line item to the Northridge Center (NRC) Event Lighting Equipment line item.

Sara Yousuf stated that the Jands Vista I3 lighting console is the system approved as part of the 2015-16 Capital Outlay budget at a cost of \$13,246.

Technical Coordinator, Chris Jensen is now recommending the Jands Vista L5 lighting console instead of the Jands Vista I3 console. The Jands Vista L5 is more functional in that all the controls are in one central location versus the

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Jands Vista I3 which requires separate components (screen, keyboard, and software). The Jands Vista L5 is a superior package offering more surface playbacks and physical controls.

A reallocation of \$13,000 is required in order to purchase the Jands Vista L5 lighting console.

Main motion passes 4-0-0

B. 2016-17 Capital Outlay Allocation Proposal

M/S/P (N. Esparza/L. Situ) Motion to approve the 2016-17 Capital Outlay Allocation Proposal in the amount of \$289,306.

At the meeting in March, the committee previewed the capital outlay allocation proposal for the 2016-17 fiscal year, and S. Yousuf explained the purpose of each purchase. J. Illuminate explained that an average 10% contingency has been added to each item due to the fact that the prices are subject to change during the next few months before quotations can be finalized.

The table below provides the total cost and a description for each purchase.

| Item Description | Base Cost | Contingency | Total Cost | In 30-Year Plan? |
|--|--------------------|--------------------|--------------------|-------------------------|
| Student Recreation Center (SRC) Pool Heater | \$135,000 | \$13,500 | \$148,500 | No |
| Student Recreation Center (SRC) Strength Equipment Replacement | \$100,655 | \$10,066 | \$110,721 | No |
| Grand Salon Heating, Ventilation, and Air Conditioning (HVAC) Replacement | \$120,000 | \$12,000 | \$132,000 | Yes |
| Southwest Building Heating, Ventilation, and Air Conditioning (HVAC) Replacement | \$450,000 | \$45,000 | \$495,000 | Yes |
| East Conference Center Heating, Ventilation, and Air Conditioning (HVAC) Replacement | \$450,000 | \$45,000 | \$495,000 | Yes |
| Plaza del Sol Performance Hall - Dimmer & Control System Replacement | \$109,992 | \$10,008 | \$120,000 | Yes |
| Maintenance Shop Renovation Feasibility Study | \$45,000 | \$4,500 | \$49,500 | No |
| Banquet Chairs | \$222,574 | \$22,257 | \$244,831 | No |
| NRC Improvements - carpet replacement, painting, new fabric on panels | \$180,000 | \$20,000 | \$200,000 | Yes |
| USU Floor Covering Replacement | \$100,000 | \$10,000 | \$110,000 | Yes |
| TOTAL | \$1,913,221 | \$192,331 | \$2,105,552 | |

Main motion passes 5-0-0

C. Major Purchases and Major Repair & Replacement De-allocation

M/S/P (F. Arana/K. Dhillon) Motion to de-allocate a total of \$445,474 from the Major Purchases and Major Repair & Replacement fund for the following projects approved by the Board in May 2015:

1. Student Recreation Center South Side Hill Renovation
2. Games Room Renovation
3. Northridge Center Feasibility Study (Brailsford & Dunlavy)

S. Yousuf explained the reasons for the deallocations.

- The funding source for the Student Recreation Center South Side Hill Renovation was the Oasis Wellness Center construction fund. These funds were available for the South Side Hill renovation because the total cost of the Oasis Wellness Center came in under budget.
- The Games Room Renovation will not occur until recommendations are received from the Brailsford & Dunlavy feasibility study on how to proceed with the renovation.
- The funding source for Brailsford & Dunlavy Northridge Center feasibility study was the USU 2015-16 operating budget due to time constraints. The use of the campus purchasing process would have pushed back the desired start date of the study.

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Main motion passes 5-0-0

D. 2016-17 Major Purchases and Major Repair & Replacement Allocation Proposal

M/S/P (L. Situ/K. Dhillon) Motion to approve the 2016-17 Major Purchases and Major Repair & Replacement allocation in the amount of \$2,105,552.

This proposal was discussed at the meeting in March. Chair, S. Yousuf explained that an additional allocation of \$200,000 for improvements to the Northridge Center was added since the last meeting.

The table below provides the total cost and description for each purchase.

| Item | Item Description | Asset Category | Base Cost | Contingency | Total Cost |
|--------------|---|-----------------------|------------------|-----------------|------------------|
| 1 | SRC Pool Deck Tension Shade | Leasehold Improvement | \$29,896 | \$2,990 | \$32,886 |
| 2 | Virtual Desktop Infrastructure (VDI) Servers | Computers/Peripherals | \$54,423 | \$5,442 | \$59,865 |
| 3 | Virtual Desktop Infrastructure (VDI) Storage Server | Computers/Peripherals | \$30,519 | \$3,052 | \$33,571 |
| 4 | Plaza del Sol Performance Hall - Power Distribution Upgrades & Enhancements | Equipment | \$21,082 | \$1,918 | \$23,000 |
| 5 | ADA Stage Lift | Equipment | \$22,580 | \$2,258 | \$24,838 |
| 6 | Student Recreation Center (SRC) Turf Field Access Booth | Leasehold Improvement | \$64,164 | \$6,416 | \$70,580 |
| 7 | USU Shop Dust Collector | Equipment | \$13,375 | \$1,338 | \$14,713 |
| 8 | Plaza del Sol Performance Hall - Front of House & Monitor Console | Equipment | \$27,363 | \$2,490 | \$29,853 |
| TOTAL | | | \$263,402 | \$25,904 | \$289,306 |

Main motion passes 6-0-0

VII. Discussion Items

A. 2016-17 Designated Reserves Allocation Proposal

The table below is a summary of the designated reserves allocation proposal for the 2016-17 fiscal year.

| Account Description | Amount | Reserves Description |
|-----------------------|-------------------|------------------------------|
| Staff Wages | \$ 356,890 | General Staff Salary Reserve |
| Staff Wages | \$ 70,000 | Vacation Advance Reserve |
| Student Wages | \$ 50,000 | Student Wages Reserve |
| Total Reserves | \$ 476,890 | |

The general staff salary reserve is set aside for general salary increases, bonuses, salary adjustments, employer-paid payroll taxes, or changes in salary as a result of the organization compensation analysis being conducted by the Employers Group. The USU is requesting assistance from Employers Group to analyze current practices, policies and total rewards in order to develop a program for enhanced employee engagement, productivity and efficiency.

The reserve for vacation advances is established for those employees who choose to take their accrued vacation benefit in the form of cash according to the Human Resources Management System (HRMS) Policy.

The reserve for student wages is a backstop funding source for USU departments who may have insufficient funds in their student wages budget as a result of the increase in the minimum wage to \$10.50 per hour effective July 01, 2016.

In prior fiscal years, the motion to approve reserves included unallocated reserves as well as designated reserves. For 2016-17, unallocated reserves will not be included in the the motion to approve reserves since unallocated reserves are approved when the operating budget is approved.

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B. 2016-17 Operating Budget Proposal

The committee previewed the operating budget proposal for the 2016-17 fiscal year.

J. Illuminate went over the graphs and tables that were included in the packet, and explained some of the variances from the 2015-16, 6&6 budget.

He noted that both staff salaries and student wages are rising due to the increase in the minimum wage; the increase in the total amount of hours student assistants are scheduled to work; and the probability of an increase in staff salaries as a result of the organizational compensation analysis conducted by the Employers Group.

Dr. Ruelas-Bischoff asked what the reasons for the increase are in the total amount of scheduled hours for student assistants. J. Illuminate explained this is mainly attributable to an increase in scheduled hours in following departments:

- Pride Center
- SRC Fitness & Wellness
- SRC Aquatics
- The Oasis Wellness Center
- Marketing
- Operations
- Maintenance

There was a question about the large variance of 227.4% for the increase in income in miscellaneous income. The increase is a result of a change in the revenue category used to record the cost recovery of utilities and personnel (e.g. building managers and audio visual technicians) that are also billed to meeting room clients. In 2015-16, cost recovery of utilities and personnel was recorded in the Rental Income revenue category. In 2016-17, utilities and personnel will be recorded in the Miscellaneous Income category in order to be consistent with the recording of cost recovery for security, janitorial, and linen service.

VIII. Announcements

S. Yousuf announced that Natalie Esparza is the committee's nominee for the Committee Member of the Year Award. Lastly, she informed the members that the annual budget Finance Committee meeting will be held on May 6, 2016, and that they must inform her if they will be unable to attend for any reason.

IX. Adjournment

The meeting was adjourned by Committee Chair, Sara Yousuf at 1:19 p.m.

Respectfully submitted by,

Joseph Illuminate