

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
BOARD OF DIRECTORS  
JUNE 05, 2023 – GRAND SALON  
MINUTES**

**I. Call to Order**

The regular meeting of the USU Board of Directors was called to order at 12:38 p.m. by Chair Gisselle Olmedo – Torres.

**II. Roll Call**

<b>Present</b>	<b>Absent</b>	<b>Staff</b>	<b>Guests</b>
Christopher Aldana	Nikki Garcia	Alejandra Aparicio	
Melissa Baghoumian		Amanda Christianson	
Debra Hammond*		Condor	
Christian Lipton		Ryan Hairapetian	
Joaquin Macias		Jeremy Hamlett	
Daniel Moreno		Emery Hernandez*	
Gisselle Olmedo-Torres		Kyle Hufnagel	
Benjamin Plotkin		Tari Hunter	
Sankalp Pala		Joe Illuminate	
Nawshin Sabah*		Sharon Kinard	
Dr. Freddie Sanchez*		Sarina Loeb*	
Dr. Mirna Sawyer		Samantha Liu	
Michael Tejax		Audrey Martinez	
Isela Vidauri		Kristen Pichler	
Dr. Edith Winterhalter*		Shelley Sakoda	
		Jennifer Sanchez	
German Wong		Ruth Vasquez	
		Steven Wein	
		Malahat Zhobin	

\* TEAMS video participant

**III. Approval of Agenda**

M/S/P (C. Aldana / B. Plotkin) Motion to approve the agenda for June 05, 2023.

*Director Winterhalter arrived at 12:42 p.m.*

***Motion passed 14-0-0.***

**IV. Approval of Minutes 05/08/2023**

M/S/P (N. Garcia / D. Moreno) Motion to approve the minutes for May 08, 2023.

***Motion passed 14-0-0.***

**V. Open Forum**

No discussion.

## VI. Action Items

### A. Land Acknowledgment Policy

Motion out of the Diversity & Inclusion Committee to approve the Land Acknowledgement Policy.

Chair of Diversity & Inclusion Isela Vidauri and Acting Associate Executive Director Tari Hunter said in 2019, the Academic Senate of the California State University (ASCSU) released AS-3396-19/FA(REV) encouraging campuses to adopt land acknowledgement statements. As noted in the statement, "ASCSU and the California State University (CSU) should acknowledge and honor the five hundred and seventy-three (573) federally recognized Native tribes in addition to all terminated and unrecognized tribes." California State University, Northridge is situated in the ancestral and unceded land base of the village of Sesevenga whose descendants are the Fernandeño Tataviam Band of Mission Indians. In 2021, California State University, Northridge (CSUN) Associated Students (A.S.) passed Resolution Senate Bill 2020-21-011: Senate Meeting Native Land Acknowledgement, making it "[P]ertinent to acknowledge and understand the longstanding ancestral history of the land and the lineage of those original communities who are still present. Land acknowledgments are to recognize the original peoples of the land in the present tense and being mindful of their presence and space." It should also be noted that the D&I Committee consulted with the internal D&I work team, the American Indian Studies Department and the Fernandeño Tataviam Band of Mission Indians. A procedure was also written which includes payment for services rendered as well as the considerations for future collaborations. Other considerations for the University will be passed onto appropriate bodies for their consideration.

The following is the land acknowledgement recommended for adoption by the USU:

California State University, Northridge (CSUN) and the University Student Union (USU) recognize and acknowledge the Fernandeño Tataviam Band of Mission Indians, the First People of this ancestral and unceded land base of the village of Sesevenga that is occupied by our institution. We honor their Elders, past, present, and future. We recognize that the Fernandeño Tataviam are still here, and we are committed to uplifting their stories, culture, and community. Upholding CSUN's value to respect all people and by our alliances with local communities, we have a responsibility to acknowledge and make visible the university's relationship with Tribes. By offering this Land Acknowledgement, we affirm Indigenous sovereignty and will work to hold the campus community accountable to the needs of American Indian peoples in the region.

***Motion passed 14-0-0.***

### B. 2023-2024 Operating Budget Proposal

Motion to approve the 2023-24 Operating Budget Proposal with projected revenues and expenses in the amount of \$20,074,353.

Chair of Finance Melissa Baghoumian and Co-Chair of Finance German Wong said that in 2023-24, we will continue to encounter the same challenges we have faced since 2021 including:

- Inflation in the cost of labor, services, and commodities including another increase in the minimum wage for the City of Los Angeles from \$16.04 per hour to \$16.78 per hour effective July 01, 2023.
  - The budgeted hourly rate for Student Assistant Employee labor for 22-23 was \$16.24 per hour. The projected hourly rate for 23-24 is \$17.20, a \$0.95 per hour increase.
  - 228,020 hours of Student Assistant Employee labor is budgeted for 23-24 which is only 466 hours more than the total hours budgeted in 22-23. The projected \$225,065 increase in Student Employee Assistant labor means almost the entire dollar increase is attributable to the increase in the minimum wage.
- Increase in borrowing rates.

- Potential decrease in projected enrollment headcount.
- Potential elimination of the Build America Bonds (BABs) subsidy.
  - Build America Bonds were created by the federal government in 2009 to incentivize construction during the Great Recession by providing interest subsidies. The USU has received an annual interest subsidy on the bonds issued for the construction of the Student Recreation Center. The interest subsidy has ranged from \$500,000 to \$700,000 annually.
- Employee turnover
  - Turnover is being addressed with a Compensation Analysis to determine if USU salaries for USU positions are comparable with similar positions at CSUN and the CSU. The result of this analysis may result in base compensation increases for some employees.
  - In 22-23, staff employee turnover was 16.2% compared to 22% in 21-22.

## **FINANCIAL STRATEGIES**

The USU has implemented the following strategies to ensure that it can withstand economic downturns and maintain its long-term financial viability:

### **Strategy 1: Financial Plan**

The first strategy is to ensure that total revenues and expenditures in the operating budget proposal align with the corresponding revenues and expenditures in the financial plan. The USU will continue to work closely with consultants Brailsford & Dunlavey to continually update the plan with the latest financial information. As the New Heart of Campus project is being reassessed, an updated Financial Plan may not be available until December 2023.

### **Strategy 2: Debt Service Coverage Ratio (DSCR)**

The second strategy is to maintain the Debt Service Coverage Ratio (DSCR) above 1.251 which means that there is always a \$1.25 of net student fee revenue available for every \$1.00 of annual debt service.

### **Strategy 3: Unallocated Reserves**

The third strategy is to build up Unallocated Reserves to handle unexpected economic events and any other financial contingency. Unallocated Reserves are built up by transferring unutilized funds identified during quarterly budget reviews to Unallocated Reserves.

### **Strategy 4: Administrative Contingencies**

The fourth strategy is to retain a reserve for one-time, non-recurring Administrative Contingency purchases. Administrative Contingencies are included as a part of the Operating Budget Allocation Proposal. The 23-24 proposed budget for Administrative Contingencies is \$374,100.

### **Strategy 5: Surplus and Deficit Management**

The fifth strategy is to manage the surplus so that the surplus is not excessive or manage the deficit when it may be necessary to purposely budget a deficit.

- During COVID, actual expenses were lower than budget resulting in large surpluses in excess of \$1 million. If an unexpected large surplus develops in 23-24, the USU will bill less student fees than approved in the budget in order to reduce the surplus. The student fees that remain in the Revenue Fund would provide more funding for the New Heart of Campus project. This strategy was used in May 2023.
- \$6 million dollars in the Consolidated Investment Pool (CIP) has been committed to providing part of the down payment for the New Heart of Campus Project. These funds would be transferred to the Revenue Fund from the Operating Fund (CIP) to make these funds available for the project. If this \$6 million were needed in 23-24, a planned deficit of up to \$6 million could result. The reason is that the transfer to the Revenue Fund is considered

an expense from an accounting perspective. A \$6 million transfer would offset any surplus in existence at the time of the transfer.

***Motion passed 14-0-0.***

**C. 2023-24 Designated Reserves Allocation Proposal**

Motion out of the Finance Committee to approve the Designated Reserves Allocation Proposal in the amount of \$1,044,475.

Chair of Finance Melissa Baghoumian and Finance Co-Chair German Wong explained that Designated Reserves are set aside for payroll-related items such as general salary increases, vacation advances, employer-paid payroll taxes, and funding for the Retirement Health Benefits Plan (RHBP).

The following is the proposed allocation:

Designated Reserve Category	Amount	Description
Salaries & Wages	\$ 477,675	General Salary Reserve*
Employer Paid Payroll Taxes	\$ 36,542	Employer-Paid Payroll Tax Reserve**
New Staff Coordinator Position for Operations	\$ 130,258	Salary & Benefits***
Retirement Health Benefits Plan Funding	\$ 400,000	RHBP Funding****
<b>Total Reserves</b>	<b>\$ 1,044,475</b>	

***Motion passed 14-0-0.***

*Director Winterhalter left at 1:38 p.m. and returned at 1:40 p.m.*

**D. 2023-24 Capital Outlay Allocation Proposal**

Motion out of the Finance Committee to approve the 2023-24 Capital Outlay Allocation Proposal in the amount of \$211,223.

Chair of Finance Melissa Baghoumian and Co-Chair of Finance German Wong explained that Capital outlay or fixed assets are defined as a single item with a value greater than \$5,000 that has a useful life of more than one year and can be used in a productive capacity in the USU. The Capital Outlay Allocation Proposal is separate from the Operating Budget Proposal.

A financial contingency is added to the base cost of each item in order to allow for potential price increases.

The following is the proposed allocation:

No.	Dept No.	Dept Name	Requestor Name	Item Description	Fixed Asset Type	Qty.	Base Cost	Contingency	Total Cost
1	33040	Operations	Samantha Liu	Main Curtain Replacement (PDSPH)	Equipment	2.0	\$12,638	\$1,264	\$13,902
2	35030	Maintenance	Vinnie Mele	Heating, Ventilation, Air Conditioning (HVAC) Panel Upgrade (F Building)	Equipment	1.0	\$22,477	\$2,248	\$24,725
3	35030	Maintenance	Vinnie Mele	Exterior Shell Wall (F Building)	Leasehold Improvement	1.0	\$35,363	\$3,536	\$38,899
4	35030	Maintenance	Vinnie Mele	Heating, Ventilation, Air Conditioning (HVAC) Chiller Control Panel (F Building)	Equipment	1.0	\$32,547	\$3,255	\$35,801
5	35050	USU Reservations	Christopher Jensen	Power Distribution Unit	Equipment	1.0	\$14,000	\$1,400	\$15,400
6	31076	Oasis Wellness Center	Condor	Massage Chairs	Equipment	10.0	\$74,996	\$7,500	\$82,496
<b>Capital Outlay Total</b>							<b>\$192,021</b>	<b>\$ 19,202</b>	<b>\$211,223</b>

**Motion passed 14-0-0.**

**E. 2023-24 Major Purchases, Repairs, & Replacement Allocation Proposal**

Motion out of the Finance Committee to approve the 2023-24 Major Purchases, Repairs, & Replacements Allocation Proposal in the amount of \$4,957,865.

Chair of Finance Melissa Baghounian and Co-Chair of Finance German Wong explained that the funding source for major repairs and replacements is the USU's Repair and Replacement fund (53501) administered by the campus on behalf of the USU. Expenditures from this fund are recorded in the University's accounting records.

A financial contingency is added to the base cost of each item in order to allow for potential price increases.

The following is the proposed allocation:

No.	Dept No.	Dept Name	Requestor Name	Item Description	Major R&R Type	Qty.	Base Cost	Contingency	Total Cost
1	31073	SRC F&W	Alfredo Padilla	Replacement of SRC Selectorized and Cardiovascular Equipment	Purchase/Replacement	1.0	\$ 913,501	\$ 137,025	\$ 1,050,526
2	35030	Maintenance	Vinnie Mele	Roof Replacement (F Building)	Replacement	1.0	\$ 97,410	\$ 14,612	\$ 112,022
3	35030	Maintenance	Vinnie Mele	East Conference Center (ECC) Roofing Repairs	Repairs	1.0	\$ 162,700	\$ 24,405	\$ 187,105
4	35030	Maintenance	Vinnie Mele	Southwest Building Heating, Ventilation, Air Conditioning replacement (HVAC)	Purchase/Replacement	Various	\$ 323,696	\$ 48,554	\$ 372,250
5	35030	Maintenance	Vinnie Mele	Exterior Painting of all USU buildings*	Maintenance	Various	\$ 2,200,000	\$ -	\$ 2,200,000
6	35030	Maintenance	Vinnie Mele	Northridge Center (NRC) Lighting	Purchase/Replacement	Various	\$ 144,615	\$ 21,692	\$ 166,307
7	35050	USU Reservations	Christopher Jensen	Meeting Room Audio Visual Upgrade (Phase II)	Purchase/Replacement	1.0	\$ 313,562	\$ 47,034	\$ 360,597
8	35050	Operations	Samantha Liu	USU Sol Center & Reservations & Events Office Furniture Replacement	Purchase/Replacement	Various	\$ 442,659	\$ 66,399	\$ 509,058
<b>Major R&amp;R Total</b>							<b>\$ 4,598,144</b>	<b>\$ 359,722</b>	<b>\$ 4,957,865</b>

**Motion passed 14-0-0.**

**F. 2022-23 Third Quarter Budget (9&3)**

Motion out of the Finance Committee to accept the 2022-23 Third Quarter Budget Report (9&3) as presented.

Chair of Finance Melissa Baghoumian and Co-Chair of Finance German Wong said The USU does a thorough budget review every quarter. The Third Quarter Budget Report is for the Quarter ended March 31, 2023. The term “9&3” signifies that there are nine months of actual data and three months of projected data.

The purpose of this report is to summarize the financial position of the University Student Union as of March 31, 2023. The optimal operating range is 75% of the yearly budget, though ranges between 70% to 80% are acceptable.

## **Statement of Activities**

### **Surplus**

The surplus is \$2,312,845 because only 63.8% (below the optimal range) of Total Expenditures have occurred while 75.8% (at the midpoint of the operating range) of Total Revenue has been received.

The USU will not invoice campus for May 2023 student fees in the amount \$1,355,959 which will lower the surplus by this same amount. Since these student fees will remain in the Revenue Fund, they can be used to supplement funding for the New Heart of Campus Project.

### **Revenues**

Total Revenue is \$14,490,465 which represents 75.8% of the revised budget of \$19,114,531.

### **Expenditures**

Total Expenditures are \$12,177,620 which represents 63.8% of the revised budget of \$19,072,920.

## **Statement of Changes in Financial Position**

- Total assets are \$12,951,381 of which \$12,158,109 is cash.
- Total liabilities are \$3,310,757 of which \$1,807,762 is the estimate to pay for the projected medical expenses of current and future USU retirees who are in the Retirement Health Benefits Plan (RHBP).
- Total Net Assets are \$9,640,624.

### **Investment Summary**

Total investment income is \$42,691 of which \$39,171 is from the investment in the CSU Consolidated Investment Pool. The balance of \$3,519 is from the investment in the US Treasury Cash Reserves fund at Farmers & Merchants Bank and the Capital Preservation Fund.

### **Unallocated Reserves**

Unallocated Reserves were eliminated from the budget in order to align the 22-23 Budget with the USU's Financial Plan. Fortunately, the balance in Unallocated Reserves has grown to \$965,841 as of March 31, 2023 as a result of department managers returning unutilized funds to the USU during the First (3&9), Second (6&6) and Third (9&3) Quarters' budget review process.

### **Designated Reserves**

A total of \$8,374 of Designated Reserves was transferred to the operating budget during the quarter for vacation advances and corresponding employer-paid payroll taxes. The available balance is \$278,823. Total transfers fiscal year-to-date are \$239,439.

### **Capital Outlay**

Capital Outlay purchases for 2022-23 are complete. Total Capital Outlay expenditures for 22-23 is \$74,127.

### **Foundation Account Balances**

The USU Foundation account has a cash balance of \$509,177 of which \$171,175 is unrestricted and \$338,002 is restricted.

The USU received the first \$40,000 installment of the Bryan Green Endowment during the quarter.

### **Work Study**

The USU has received \$54,855 in work study payments and has expended \$13,693 which leaves a surplus of \$41,162.

### ***Motion passed 14-0-0.***

### **G. Board Allocation for Parking Passes / Gift Cards**

M/S/P (C. Aldana / D. Moreno) Motion to approve the allocation of \$150,000 from unallocated reserves and/or surplus funds for the distribution of 500 semester-long parking passes and 500 gas gift cards to students in fall 2023 and spring 2024 (250 parking passes and 250 gas gift cards per semester).

Chair Olmedo Torres shared that students will benefit from semester parking passes and gas gift cards. One of the USU Board of Directors' goals for this year – Strategy 3.3.1 – was to create grants and other programs that provide support towards students' goals of graduation. This year the Board has already provided endowed scholarships and holiday gift cards while being fully committed to the formation and development of the Basic Needs Suite.

Getting to and from campus can also be considered a basic need and/or a convenience that allows students to concentrate more fully on their studies. The provision of student parking passes and gas gift cards will allow the USU Board to support another aspect (not being funded by other campus entities) related to the fundamental needs of students.

### ***Motion passed 14-0-0.***

## **XIII. Announcements**

A. Chair Olmedo – Torres reminded everyone that we have one more meeting. She also encouraged everyone to attend the transition lunch program.

## **XIV. Adjournment**

Board Chair Olmedo – Torres adjourned the meeting at 2:18 p.m.

Respectfully submitted by,

Debra L. Hammond,  
Executive Director