

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
BOARD OF DIRECTORS
JUNE 06, 2022
ZOOM VIDEO CONFERENCE
[HTTPS://CSUN.ZOOM.US/MY/SPRING2022BODMEETINGS](https://csun.zoom.us/my/spring2022bodmeetings)
MINUTES**

This meeting was facilitated through an online Zoom format, consistent with the Governor’s Executive Order N25-20, suspending certain open meeting law restrictions.

I. Call to Order

The regular meeting of the USU Board of Directors was called to order at 12:34 p.m. by Chair Jacob Akopnik.

II. Roll Call

Present	Absent	Staff	Guests
Jacob Akopnik*	Ayana Galves	Stefanie Guarino*	Matt Bohannon*
Mishell De Leon*	Kaitlyn Orozco	Kyle Hufnagel*	Tiffany Castellanos*
Bryant Garcia*		Joe Illuminate*	
Debra Hammond*		Sharon Kinard*	
Robert Jacome*		Kaila Lavin*	
Christian Lipton*		Angeloise Legaspi*	
Gisselle Olmedo Torres*		Samantha Liu*	
Fredy Perez*		Audrey Martinez*	
Benjamin Plotkin*		Kristen Pichler*	
Charlie Rodriguez-Salazar*		Tim Rasmussen*	
Dr. Freddie Sanchez*		Shelley Sakoda*	
Dr. Edith Winterhalter*		Steven Wein*	
Ana Zapata*			
Dr. Tadeh Zirakian* (Arrived at 12:44 p.m.)			

* Zoom video participant

III. Approval of Agenda

M/S/P (M. De Leon / G. Olmedo Torres) Motion to approve the agenda for June 06, 2022.

G. Olmedo Torres said she would like to add a Discussion Item B, General Salary Increase / Merit Based Increases for USU Staff.

M/S/P (G. Olmedo Torres / B. Garcia) motion to amend the agenda and add Discussion Item B, General Salary Increase / Merit Based Increases for USU Staff.

Amendment passed 12-0-0.

Motion passed 12-0-0.

IV. Approval of Minutes 05/09/2022

M/S/P (B. Garcia / G. Olmedo Torres) Motion to approve the minutes of May 09, 2022.

Motion passed 11-0-1.

V. Open Forum

No discussion.

VI. Action Items

A. New Regular Position – Productions Supervisor

Motion out of the Personnel Committee to approve the new regular (staff) position of Production Supervisor effective July 01, 2022.

Director Garcia said that this position is being recommended because an additional staff person is needed to handle the facility reservations that require high-level audio/visual support.

Motion passed 12-0-0.

B. 2022-23 Capital Outlay Allocation Proposal

Motion out of the Finance Committee to approve the 2022-23 Capital Outlay Allocation Proposal for \$70,268.

Director De Leon said that Capital Outlay or fixed assets is 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 consists of three items:

- Swimming Pool Covers
- Swimming Pool Vacuums
- Planar Display Monitor for the USU Internal Conference Room

Director Zirakian arrived at 12:44 p.m.

Motion passed 13-0-0.

C. 2022-23 Major Purchases, Repairs, & Replacements Allocation Proposal

Motion out of the Finance Committee to approve the 2022-23 Major Purchases, Repairs, & Replacements Allocation Proposal in the amount of \$181,288.

Director De Leon said 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. The Conference Center (ECC) Restroom Renovation is the only proposed project for 2022-23.

Motion passed 13-0-0.

D. 2022-23 Designated Reserves Allocation Proposal

Motion out of the Finance Committee to approve the Designated Reserves Allocation Proposal for \$918,262.

Director Rodriguez Salazar said the designated reserves proposal consists of the following payroll and employee benefits-related items:

1. General Salary Reserve - \$481,432

a. The general salary reserve includes general salary and temporary salary increases and vacation advances (vacation pay taken as cash)

2. Employer Paid Payroll Tax Reserve - \$36,830

a. This reserve is 7.65% of the General Salary Reserve

3. Retirement Health Benefits Plan (RHBP) Funding - \$400,000

a. Retirement Health Benefits Plan (RHBP) funding is not included in the 2022-23 Operating Expenditure Budget because the expense has been incurred in previous years. This funding reduces the RHBP liability that is recorded in the Statement of Financial Position (Balance Sheet).

Motion passed 13-0-0.

E. 2022-23 Operating Budget Proposal

Motion out of the Finance Committee to approve the 2022-23 Operating Budget Proposal with projected revenues and expenditures in the amount of \$19,107,099.

Directors Rodriguez Salazar and De Leon said the fiscal Year 2021-2022 has been a year of transition and challenge.

Our society is witnessing continuing political polarization, rising crime rates, and homelessness while the war raging in Ukraine is displacing millions and resulting in thousands of needless deaths.

Inflation is presenting itself with increasing prices for housing, food, and gasoline, which has been and is continuing to, impact the economy. This is caused by an increase in the demand for goods and services that the global supply chain cannot keep up with. Major shipping traffic jams at west coast ports have led to shortages in goods in many industries. Prices are rising faster than wages and the average worker is experiencing even more difficulty making ends meet.

Rising prices for labor & commodities, a potential increase in borrowing rates, unprecedented escalation costs and potential decreases in student headcount have created the perfect financial storm for the New Heart of Campus Expansion Project. Commodities such as steel, iron, lumber, and copper have increased from 37.5% to 73.4%.

The USU, campus partners, the general contractor, architects, and consultants are working tirelessly through the schematic design process to identify areas where cost savings can be attained to maintain fidelity to the New Heart of Campus student fee referendum and promises made to our students.

Additionally, to keep up with inflation, the City of Los Angeles unexpectedly raised the minimum wage from \$15.00 per hour to \$16.04 per hour effective July 01, 2022. Although increases in wages are beneficial for student employees, it also means that less funding is available to allocate to the **New Heart of Campus Project** and its programs and services, creating more roadblocks for the New Heart of Campus Financial Plan and FY 2022-23 budget planning efforts. Over the last year, the USU and the nation as a whole experienced an unprecedented number of staff resignations and position turnovers. The USU's employee turnover rate, which closed out at 8.5% for FY 2020-21, reached 23% as of May 2022 for FY 21-22. This coincides with a nationwide trend that culminated this March 2022 with a record 4.5 million Americans quitting

their jobs. While the USU provides a positive work environment and excellent benefits and perks, historic lower CSU wages for comparable positions, and inflation coupled with the increase in the City of Los Angeles' minimum wage, raises the need for an increase in staff wages. The USU Executive Director and the Associate Director, Human Resources & Professional Development are working with Student Affairs administrators and CSUN Human Resources to determine how to best address this situation.

At 249, student assistant employees are about one-third less than that which we had pre-pandemic, and the current average length of student employment is about 11 months versus about 13 months pre-pandemic. Some new hires have resigned from employment within just weeks of hiring, with the most common reason cited as having found new employment that is more closely aligned with their career aspirations. Updated wage schedules reflecting the city's minimum wage increase were approved in the spring of 2022 for these employee groups.

We entered Fiscal Year 2021-22 with the expectation that students would be returning to campus in the fall of 2021, but the Delta and Omicron variants had other plans.

The good news is that almost all CSUN faculty, students, and staff have since been fully vaccinated and boosted. Students began to return to campus in February 2022.

The CSUN parking lots are filling back up, students are zipping along to class on their scooters and skateboards, and foodservice locations are re-opening. The campus community and off-campus groups are meeting in person and the USU's programs are finally escaping from Zoom. The East Conference Center, Sol Center, Student Recreation Center, Oasis, and Computer Lab are all open and receiving students and clients. Enrollment in Sunny Days camp is almost at pre-pandemic levels.

In 2022-23, the focus on diversity, equity, and inclusion continue with the addition of a new department (Equity, Programs, and Leadership). In addition, we are in the process of hiring an Associate Executive Director whose focus will be on diversity, equity, and inclusion issues.

FINANCIAL STRATEGIES

The USU has implemented various strategies to ensure that we can withstand economic downturns and maintain our long-term financial viability.

Strategy 1: Financial Plan

Our 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. We are continuing to work closely with our consultants Brailsford & Dunlavey to continually update the plan with the latest financial information.

Strategy 2: Debt Service Coverage Ratio (DSCR)

The second strategy is to maintain the Debt Service Coverage Ratio (DSCR) above 1.25 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. On 22-23, we will continue our successful strategy of increasing the Unallocated Reserve balance 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.

Operating Budget Allocation Proposal

The University Student Union's 22-23 Budget Allocation Proposal totals \$19,107,099. The USU is proposing a breakeven Operating Budget which means that the total budget for revenue equals the total budget for expenditures.

Motion passed 13-0-0.

F. 2021-22 Third Quarter (9&3) Budget Report

Motion out of the Finance Committee to accept the 2021-22 Third Quarter (9&3) Budget Report as presented.

Director Rodriguez Salazar said the USU does a thorough budget review every quarter. The Second Quarter Budget Report is for the Third Quarter ended March 31, 2022. 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, 2022. This report reflects financial operations for the nine months ending March 31, 2022. The optimal operating range is 75% of the yearly budget, though limits from 70% to 80% are acceptable.

Total Revenue is \$12,327,000 which represents 75.2% of the revised budget of \$16,395,350.

Total Expenditures are \$10,766,077, which represents 65.8% of the revised budget of \$16,372,455.

Statement of Changes in Financial Position

Total assets are \$11,365,498 of which \$10,536,130 are cash. Total liabilities are \$4,537,809 of which \$3,055,690 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 \$6,827,690.

Investment Summary

Total investment income is \$59,503 of which \$59,480 is from our investment in the CSU Consolidated Investment Pool. The balance of \$24 is from the investment in the US Treasury Cash Reserves fund at Farmers & Merchants Bank.

Unallocated Reserves

During the third quarter, Unallocated Reserves increased by \$414,624. This is due to the following reasons:

- Reduction in salaries and wages due to vacant positions
- Post-Employment Benefits & Pension Related Charges
- Utilities Adjustment
- Reduction in janitorial and building maintenance expenses, travel, marketing, and other operating expenses

These reserves will be used to fund a potential general salary increase if approved by campus officials.

Designated Reserves

A total of \$45,208 of Designated Reserves was transferred to the operating budget during the quarter for vacation advances, corresponding employer-paid payroll taxes, and a salary adjustment. The remaining balance is \$239,962.

Capital Outlay

The Capital Outlay Budget is \$29,550. The invoice for the Microsoft Hub was paid in the third quarter.

Foundation Account Balances

The USU Foundation account has a cash balance of \$422,602 of which \$173,143 is unrestricted and \$249,460 is restricted.

Work-Study

The USU has received \$20,157 in work-study payments and has expended \$10,572 which leaves a surplus of \$9,585.

Motion passed 12-0-1.

G. Alumni Representative Appointment – Tiffany Castellanos

M/S/P (C. Rodriguez Salazar / A. Zapata) Motion to approve Tiffany Castellanos as the Alumni Representative effective June 13, 2022 until June 2024.

Director Olmedo Torres said she would like to amend the motion to replace the effective date to June 06, 2022 instead of June 13, 2022.

(G. Olmedo Torres / C. Rodriguez Salazar) motion to amend the motion to replace the effective date to June 06, 2022 instead of June 13, 2022.

Amendment to the motion passed 13-0-0.

Chair Akopnik said the Alumni Representative position is a two-year term of service. The Alumni Association endorsed and recommended Tiffany Castellanos for the Alumni Representative position on the Board. Chair Akopnik, Vice Chair Olmedo Torres, and Executive Director Debra L. Hammond recommended Tiffany Castellanos for the appointment.

Castellanos presented herself to the board and fielded questions.

Director Garcia at 1:29 p.m.

Motion passed 12-0-0.

VII. Discussion Items

A. USU Project Update

Executive Director Debra L. Hammond, Associate Director for Operations and Services Samantha Liu, and Brailsford and Dunlavey Vice President Matt Bohannon presented the board with a project update.

As the project continues to develop, constant updates will be given. Hammond, Liu and Bohannon asked the board to continue to help tell the New Heart of Campus story. As students return to campus, it is a new audience and the hope is to continue to spread the word. The USU's focus is to keep fidelity to the original student fee increase that students voted on in the referendum.

Director Jacome left at 2:12 p.m.

B. General Salary Increase / Merit Based Increases for USU Staff

Executive Director Hammond said the USU is proposing general salary increases as well as merit-based increases for USU staff. She said is working on documentation that will be brought to the board as an action item at its next meeting on June 13, 2022 for the board's review and consideration. She reviewed the need for general salary increases (GSIs) including one that would be retroactive as well as need to recognize some staff who worked through the pandemic and performed unique services (moving to a virtual setting) or completed special projects or strategic priorities.

VIII. Announcements

A. Director Lipton invited everyone to attend the Summer Movie Fest held on Thursdays throughout the summer! He announced his ability to reserve a BOD table during the series to promote the board and its leadership opportunities.

B. Director Akopnik reminded the board that the June 13 meeting will be in person. He asked graduating seniors to bring their sashes for a photo!

IX. Adjournment

Chair Akopnik adjourned the meeting at 3:01 p.m.

Respectfully submitted by,

Debra L. Hammond,
Executive Director