

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
FINANCE COMMITTEE MEETING
FRIDAY, NOVEMBER 05, 2021
MINUTES**

I. Call to Order

The meeting was called to order by Committee Chair, K. Perez at 3:05 P.M.

II. Roll Call

Present	Absent	Staff/Guests
Thalia Fernandez Student Committee Member (voting)	Mia Armendariz, Student Committee Member (voting)	Reshini Ekanayake, Student Administrative Support Assistant, Accounting & Finance
Adrian Mejia-Flores Student Committee Member (voting)	Debra Hammond Executive Director (non-voting)	
Joseph Illuminate, Executive Secretary (non- voting)	Dr. Shelley Ruelas-Bischoff, Student Affairs Representative (voting)	
Taylor Ketterling, Student Committee Member (voting)		
Karina Perez, Committee Chair (voting)		
Charlie Rodriguez-Salazar, Committee Co-Chair (voting)		
Dr. Edith Winterhalter, Associate VP for Budget & Strategic Business Operations, Administration and Finance (voting)		
Mohamed Yousif, Student Committee Member (voting)		
Karen Zavala, Student Committee Member (voting)		

- *Adrian Mejia-Flores arrived at 3:09 P.M.*

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III. Approval of Agenda

M/S/P (T. Ketterling/M. Yousif) Motion to approve the Agenda for November 05, 2021.

Main motion passes by General Consensus

IV. Approval of Minutes

M/S/P (T. Ketterling/K. Zavala) Motion to approve the Minutes for October 22, 2021.

Main motion passes by General Consensus

V. Ice Breaker

Committee Chair, K. Perez requested all committee members to share a celebrity they would like to have at the Finance Committee Meeting.

VI. Chair's Report

Committee Chair, K. Perez reminded the committee members to take care of their health and stay safe during this time.

VII. Action Items

A. None

VIII. Discussion Items

A. Review of the USU Long-Term Financial Plan

Revising and updating the USU Long-Term Financial Plan to determine the financial impact of the Heart of Campus Renovation Project is a 2021-22 Finance Committee Goal.

Executive Secretary, J. Illuminate led this discussion.

In 2018, students passed a referendum to increase the Student Union fee by an additional \$125 per semester to finance the New Heart of Campus Project. This project includes a cross cultural diversity center, a renovated Central Plant, renovations to existing buildings, and a Basic Needs Suite (BNS). The entire project cost is \$130 million.

The Financial Plan projects revenues and expenses for 10 years into the future.

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J. Illuminate explained that the Financial Plan is a representation of the Student Fee Money Flow explained at previous committee meetings.

The financial foundation of the USU's Financial Plan is student headcount since headcount determines the amount of student fee revenue the USU will receive.

The Financial Plan is composed of three main components: The Revenue Fund, the Operating Fund, and the Major Repair & Replacement Fund.

The following are sources of revenue transferred **into** the Revenue Fund:

- Student Union fees for the fall, spring, and summer terms
- Interest income
- Build America Bonds (BAB's) interest subsidy

The following are expenditures transferred **out** of the Revenue Fund:

- Student Union fees transferred to the Operating Fund
- Annual Debt Service transferred to the Interest and Redemption Fund
- Transfers to the Major Repair & Replacement Fund
- Transfers to the Construction Fund for New Heart of Campus Project
- Property Insurance
- Chancellor's Office Overhead

Student Union fees that are transferred to the Operating Fund provide the resources for programs, services, and facilities that serve students.

85% of the USU's budget consists of Student Fees. The other 15% is income from operations such as Summer Camp, Subleases, Meeting Room rentals, SRC Memberships, and Interest income. Salaries, Benefits, Utilities, Travel, and Scholarships are some of the USU's expenditure categories.

The money in the Major Repair & Replacement Fund will be used for the following purposes:

- Funding for Major Repair and Replacements in accordance with the USU 30-Year Repair & Replacement Plan.

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- Partial funding for the USU's down payment on the New Heart of Campus Project.

- Partial Funding for the Basic Needs Suite.

The Financial Plan also displays the Debt Service Coverage Ratio (DSCR). The minimum allowable DSCR is 1.25 which means there is \$1.25 of net revenue for each \$1.00 of annual debt service. We are pleased to report that the DSCR exceeds 1.25 for each fiscal year in the plan.

The Board of Directors approved an additional \$6 million to increase the down payment for the New Heart of Campus project from \$24 million to \$30 million. This increase in the down payment will decrease the Annual Debt Service payments. The estimated annual debt service payment for the New Heart of Campus project is \$7.2 million.

IX. Announcements

Committee Chair, K. Perez, stated that the next Committee meeting will be held on November 19th at 3:00 P.M. via Zoom.

Additionally, she reminded the Student Members to complete the doodle to schedule their individual check-in meeting with J. Illuminate.

X. Adjournment

Committee Chair, K. Perez, adjourned the meeting at 3:46 P.M.

Respectfully Submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance