

Student Union, Inc. of SJSU Board of Directors MEETING MINUTES

For the meeting of:	September 19, 2017 4:00 pm in Student Union Meeting Room 5
Voting Members Present:	Sonja Daniels, Rose Lee, Sameer Saran, Emily Wughalter (by telephone conference), Ellen Middaugh, Denice Serna, Joseph Sandoval-Rios, Ariadna Manzo
Non-Voting Member Present:	Cathy Busalacchi
Voting Members Absent:	Charlie Faas
Guests Present:	Amy Guerra-Smith, Cedric Woolfork, Kim Hagens, Michelle Acosta, Marco Alvarado, Lisa Wilson of RSM US

I. CALL TO ORDER

Sameer Saran called the September 19, 2017 Student Union Board of Directors meeting to order at 4:03pm in the Student Union Meeting Room 5.

II. ROLL CALL

Sameer Saran asked Amy Guerra-Smith to do roll call. Amy Guerra-Smith noted that she completed a visual roll call.

III. APPROVAL OF MEETING AGENDA FOR SEPTEMBER 19, 2017

Sameer Saran asked for any changes needed to the SEPTEMBER 19, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING AGENDA. Seeing no changes needed, Sameer Saran asked for any objections to approve the SEPTEMBER 19, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING AGENDA as presented. Seeing no objections, Sameer Saran noted that the **SEPTEMBER 19, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING AGENDA as presented by unanimous consensus.**

IV. APPROVAL OF MAY 10, 2016 BOARD MEETING MINUTES

Sameer Saran asked for any changes needed to the MAY 10, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING MINUTES. Seeing no changes needed, Sameer Saran asked for any objections to approve the MAY 10, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING MINUTES as presented. Seeing no objections, Sameer Saran noted that the **MAY 10, 2017 STUDENT UNION BOARD OF DIRECTORS MEETING MINUTES as presented by unanimous consensus.**

V. APPROVAL OF AUGUST 29, 2017 EXECUTIVE COMMITTEE MEETING MINUTES

Sameer Saran asked for any changes needed to the AUGUST 29, 2017 STUDENT UNION BOARD OF DIRECTORS EXECUTIVE COMMITTEE MEETING MINUTES. Seeing no changes needed, Sameer Saran asked for any objections to approve the AUGUST 29, 2017 STUDENT UNION BOARD OF DIRECTORS EXECUTIVE COMMITTEE MEETING MINUTES as presented. Seeing no objections, Sameer Saran noted that the **AUGUST 29, 2017 STUDENT UNION BOARD OF DIRECTORS EXECUTIVE COMMITTEE MEETING MINUTES as presented by unanimous consensus.**

VI. PUBLIC FORUM

No one present for public forum.

VII. EXECUTIVE DIRECTOR'S REPORT

Cathy Busalacchi noted that the Student Union had a mandatory all-staff training on August 22, 2017 where the Student Union staff were trained on customer service and safety. Ms. Busalacchi also noted that the full-time staff completed a half-day retreat on Friday, August 25, 2017 where the staff discussed several initiatives that the Student Union is working on, how to better manage and maintain our facilities and how the Student Union will move forward as our staff as well as our square footage increases.

Ms. Busalacchi commented that she would like to invite all the Board members to a working session to discuss some of the initiatives that the Student Union staff is working on.

Ms. Busalacchi commented that Athletics is not going to start the track and field project right away and that the Student Union and the University are in discussions regarding possible options for fields for the Club Sports and Intramurals programs.

Sonja Daniels acknowledged and thanked Cathy Busalacchi for being a strong student advocate.

VIII. AGENDA ITEMS:

A. Approval of the Student Union Board of Directors Chair and Vice-Chair for AY 2017-2018

Sameer Saran asked for nominations for the Student Union Board of Directors Chair and Vice-Chair for AY 2017-2018. Denice Serna nominated herself for Chair. Sameer Saran asked for a motion to approve Denice Serna as Chair of the Student Union Board of Directors for the AY 2017-2018.

Ellen Middaugh moved to approve Denice Serna as Chair of the Student Union Board of Directors for the AY 2017-2018.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION: 7-0-0 MOTION PASSED.

Sameer Saran asked for nominations for the Student Union Board of Directors Vice-Chair for the AY 2017-2018. Marco Alvarado nominated himself for the Student Union Board of Directors Vice-Chair for the AY 2017-2018. Sameer Saran asked for a motion to approve Marco Alvarado as Student Union Board of Directors Vice-Chair for the AY 2017-2018.

Sonja Daniels moved to approve Marco Alvarado as Student Union Board of Directors Vice-Chair for the AY 2017-2018.

Ellen Middaugh seconded the motion.

VOTE ON THE MOTION: 7-0-0 MOTION PASSED.

B. Audit Update for June 30, 2017 YE Audited Financials (RSM US)

Lisa Wilson of RSM US gave the Board members an update on the Audited Financials Report.

Ms. Wilson noted that the Audit Committee reviewed and approved the draft Audited Financials report last week. Lisa Wilson noted a draft is being presented and RSM hopes to have the report finalized this week and submit to the University by due date of next week.

Ms. Wilson noted that the operations of the Student Union changed significantly year over year.

Lisa Wilson noted that on page 5 is the Summarized Balance Sheet for the organization which shows the current assets at the end of FY 2017 at about \$5m versus last year, current assets were at just over \$1m. Ms. Wilson also noted that at the same time, the current liabilities at the end of FY 2017 were at \$5m versus last year current liabilities were over \$2m. Lisa Wilson explained that the most significant change was that at the end of fiscal year the Student Union entered into an agreement with the University and Tower Foundation with the terms of the agreement that the Student Union agreed to request the release of an additional \$3m in Student Fees in order to support the field project being managed by Athletics. Ms. Wilson noted that this transaction came at the close of the financial year and is ultimately considered an "in and out" on the balance sheet. Lisa Wilson explained that because the Student Union requested an additional \$3m in student fees from the University, the Student Union now needs to record it as a receivable for

those funds and recorded the revenue; concurrently it was recorded as a liability expense to the Tower Foundation. You will see on the income statement the \$3m but there is no net income impact.

Cathy Busalacchi explained that the Executive Committee discussed this in depth as well as did the Audit Committee. Ms. Busalacchi noted that the Audit Committee discussed this and agreed that this would be a “pass through” so that it did not need to be recorded on the Student Union financial statements however that evening the University called and insisted that the transaction be recorded as a liability; which changed the dialog that took place at the Audit Committee meeting earlier that day. Ellen Middaugh inquired if this went through the Student Union because this is being paid for by using student fees. Ms. Busalacchi noted that was correct. Ms. Wilson noted that this is explained further back in the report in Note 9 in the Financial Statement due to Related Party Transaction because all these parties are related.

C. Approval of June 30, 2017 YE Audited Financials (by RSM US)

Lisa Wilson gave the Board members several highlights of the audited financial report.

Ms. Wilson noted that total revenues for FY 16-17 were just over \$13m. Ms. Wilson noted that this is up compared to last year’s revenues which were at about \$11.7m. Lisa Wilson reminded the Board members that the \$13m revenue line also includes the \$3m field project discussed earlier. Ms. Busalacchi explained that this year the Student Union only asked for fees for operations and not for capital projects. Cathy Busalacchi noted that capital projects will be paid out of Local Reserves.

Ms. Wilson noted that at the close of FY 2017 the Student Union had an increase of \$51,000 in net position.

Lisa Wilson noted that at the end of FY 2017 expenses increased compared to the previous year. Cathy Busalacchi noted that one reason for the increase in expenses was an increase in staffing but also noted that the Student Union incurred an unexpected increase in utility costs for both facilities.

Ms. Wilson noted that the Student Union cash flow continues to be strong at \$900K and that the Student Union investment portfolio continues to hold strong at \$6.5m. Ms. Wilson noted that at the end of the year the Student Union generated a positive of \$460K cash flow.

Ellen Middaugh asked if the line ‘payment to students’ is considered payment to student employees? Ms. Busalacchi noted that was correct.

Ms. Wilson explained several footnotes and that pages twenty-two to thirty five were the same information presented in a unified format to assist with consolidation of financial statements for the Chancellor’s Office. Lisa Wilson noted that outside the \$3m adjustment, RSM did not finding any control deficiencies. Sameer Saran asked for a motion to approve the Draft June 30, 2017 YE Audited Financials as presented.

Denice Serna moved to approve the Draft June 30, 2017 YE Audited Financials Report as presented.

Ellen Middaugh seconded the motion.

VOTE ON THE MOTION:

7-0-0

MOTION PASSED.

Joseph Sandoval-Rios arrived.

D. Approval of Audit Committee Chair and Vice Chair for AY 2017-2018

Sameer Saran noted that the Audit Committee recommends the Board to approve Sameer Saran as Chair and Rose Lee as Vice-Chair of the Audit Committee for the AY 2017-2018.

Sameer Saran asked for a motion to approve the Audit Committee recommendation of Sameer Saran as Chair and Rose Lee as Vice-Chair of the Audit Committee for the AY 2017-2018.

Emily Wughalter moved to approve the Audit Committee recommendation of Sameer

Saran as Chair and Rose Lee as Vice-Chair of the Audit Committee for the AY 2017-2018.

Denice Serna seconded the motion.

VOTE ON THE MOTIN:

8-0-0

MOTION PASSED.

- E. Approval of the Resolution Authorizing Worker’s Compensation Insurance for Volunteers**
Cathy Busalacchi explained that the Student Union’s insurance company, Alliance Insurance, has informed the Student Union that there are several programs, like Outdoor Adventures and the Club Sports program, has volunteers that help. Ms. Busalacchi noted that the Student Union wants to ensure that volunteers that help with Student Union programs are covered under our insurance. Ms. Busalacchi noted that the Resolution presented today will achieve this and asks the Board to consider approving this. Sameer Saran asked for a motion to approve the Resolution Authorizing Worker’s Compensation Insurance for Volunteers.

Joseph Sandoval-Rios moved to approve the Resolution Authorizing Worker’s Compensation Insurance for Volunteers as presented.

Rose Lee seconded the motion.

VOTE ON THE MOTION: 7-0-1 MOTION PASSED.

- F. Approval of the Recommendation of Student-At-Large Position(s)**

Ellen Middaugh noted that the Personnel Committee met and interviewed two candidates for the two available Student-at-Large positions. Ms. Middaugh introduced Michelle Acosta and Marco Alvarado to the Board Members. Ms. Middaugh invited Ms. Acosta and Mr. Alvarado to give a brief introduction of themselves to the Board members. Sameer Saran asked for a motion to approve the Personnel Committee recommendation of Michelle Acosta and Marco Alvarado as Student-at-Large representatives.

Ellen Middaugh moved to approve the Personnel Committee recommendation of Michelle Acosta and Marco Alvarado as Student-at-Large representatives.

Sonja Daniels seconded the motion.

VOTE ON THE MOTION: 8-0-0 MOTION PASSED.

IX. ANNUAL HOUSEKEEPING

1. 2017-2018 AY Meeting Schedule

Amy Guerra-Smith noted that the Student Union Board of Directors meeting schedule was included in everyone’s meeting packet.

2. Non-Conflict of Interest Statements

Ms. Guerra-Smith noted that each Board Member has a blank copy of the Non-Conflict of Interest form and asked all present to read and sign the form and return to her before they leave the meeting.

3. Board Roster Information

Amy Guerra-Smith asked that continuing members please submit any changes of their contact information for the Board Roster and that new members to please add their contact information.

4. SUBOD Sub-Committee Sign Ups

Ms. Guerra-Smith explained that the Student Union asks each Board Member to be on at least one sub-committee. Ms. Guerra-Smith noted that a sign-up sheet was passed around.

X. MEETING ADJOURNMENT

Sameer Saran asked for any other business to discuss. Seeing no other business to discuss, Sameer Saran asked for any objections to adjourn the September 19, 2017 Student Union Board of Directors meeting at 4:57pm. Seeing no objections, Sameer Saran noted that the **September 19, 2017 Student Union Board of Directors meeting adjourned at 4:57pm by unanimous consensus.**