

Student Union Board of Directors
Finance Committee
Meeting Minutes

For the meeting of: Tuesday – October 16, 2018
4:30pm in SU Meeting Room 5

Members Present: Sonja Daniels, Charlie Faas (by telephone conference), Ariadna Manzo

Members Absent: Marco Alvarado

Student Union Staff Present: Cathy Busalacchi, Cedric Woolfork, Kim Hagens, Amy Guerra-Smith

I. CALL TO ORDER

Ariadna Manzo called October 16, 2018 Finance Committee Meeting to order at 4:36pm in the SU Meeting Room 5.

II. ROLL CALL

Ariadna Manzo asked Amy Guerra-Smith to do a visual roll call. Amy Guerra-Smith noted that she did a visual roll call.

III. APPROVAL OF AGENDA FOR OCTOBER 16, 2018

Ariadna Manzo asked for any changes needed to the October 16, 2018 Finance Committee Meeting Agenda. Seeing no changes, Ariadna asked for a motion to approve the October 16, 2018 Finance Committee Meeting Agenda as presented.

Sonja Daniels moved to approve the October 16, 2018 Finance Committee Meeting Agenda as presented.

Charlie Faas seconded.

VOTE ON THE MOTION: 3-0-0 MOTION PASSED.

IV. APPROVAL OF THE MAY 1, 2018 MEETING MINUTES

Ariadna Manzo asked for any changes needed to the May 1, 2018 Finance Committee Meeting Minutes. Seeing no changes, Ariadna asked for a motion to approve the May 1, 2018 Finance Committee Meeting Minutes as presented.

Charlie Faas moved to approve the May 1, 2018 Finance Committee Meeting Minutes as presented.

Sonja Daniels seconded.

VOTE ON THE MOTION: 3-0-0 MOTION PASSED.

V. AGENDA ITEMS:

A. Approval of Finance Committee Chair and Vice-Chair for AY 2018-2019

Ariadna Manzo asked for any nominations for the Chair and Vice Chair of the Finance Committee for AY 2018-2019. The members of the Finance Committee suggested to have Marco Alvarado as Chair and Ariadna Manzo as Vice Chair of the Finance Committee for AY 2018-2019.

Ms. Manzo asked for any objections to approve the Finance Committee recommendation to the Board to approve Marco Alvarado as Chair and Ariadna Manzo as Vice Chair of the Finance

Committee for AY 2018-2019. Seeing no objections, Ms. Manzo noted that **the Finance Committee recommendation to the Board to approve Marco Alvarado as Chair and Ariadna Manzo as Vice Chair of the Finance Committee for AY 2018-2019 was approved by unanimous consensus.**

B. Presentation of Fund 73000 and 74000

Cathy Busalacchi presented the members of the Finance Committee with the fund balances for the 73000 and 74000. The members of the Finance Committee asked questions about the fund amounts.

Ms. Busalacchi noted that the Chancellor's Office requires a minimum of 10% of the bond amount to be kept in reserves. Ms. Busalacchi noted that between the two Bonds the Student Union would need \$14.5 million to comply.

C. Review of Current Reserve Levels and Policies

Cathy Busalacchi presented the Finance Committee members with the current Reserve Level Policy. Ms. Busalacchi noted that the Student Union current reserve levels are as follows: **Major Capital and Replacement Reserve** – \$14,456,400; CSU recommendation is 10% of the original bonded debt on the facilities

The Bond, Interest, and Redemption Reserve – The indenture requires that this reserve should be maintained at a level at least equal to 125% to meet scheduled bond interest and redemption. Currently, SU Renovation and Expansion Annual Interest = \$2,800,000 and the SRAC Annual Interest = \$4,400,000. The 125% requirement = \$9,000,000

The Economic Uncertainty/Catastrophic Events/Unexpected Increases Reserve – limit impact for state recessions, year-to-year inconsistency in the SU budget, uninsured losses resulting from national or other disasters. CSU recommends a maximum of 50% of your annual operating budget. SU 18/19 Max = \$6,800,000

Working Capital Reserve – to cover annual operating expenses. The request for student fees for operation is held in this account

Future Facility Reserve – fund for future facility expansion or major modifications

Equipment Replacement/Special Projects and Program Reserve – annual Capital projects to maintain or improve services, facilities, and operation

The members of the Finance Committee discussed the possible ramifications of not ensuring the reserve levels not being where they are supposed to be.

Ms. Busalacchi also noted that the CSU Audit is happening next week and this will most likely be a topic of conversation with the auditors.

The Finance Committee asked what the next steps should be to ensure the Student Union and the University have the appropriate conversation, the Board should also make a recommendation on the policy of a certain percentage be put into specific reserves to help ensure the reserve levels increase.

D. Updates

Ms. Busalacchi noted the Student Union will be engaged with the CSU Audit which will start on Monday, October 22nd.

VI. MEETING ADJOURNMENT

Ariadna Manzo asked for any other business to discuss. Seeing no other business to discuss, Ms. Manzo noted that the **October 16, 2018 Finance Committee Meeting was adjourned at 5:13pm by unanimous consensus.**