



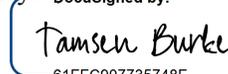
STUDENT UNION, INC. BOARD OF DIRECTORS

**Meeting Agenda for
Friday, July 23, 2021
1:00 pm**

This was a telecommute meeting by Zoom Video Conference.

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

Voting Members Present:	Nicolas Ayala, Zachary Birrer, Sonja Daniels, Charlie Faas, Cynthia Fernandez-Rios, Ishan Gupta, Anoop Kaur, Ellen Middaugh, Joshua Reyes
Voting Members Absent:	Emily Wughalter
Non-Voting Member Present:	Tamsen K. Burke
Guests Present:	Kelly Goldsmith, Amy Guerra-Smith, Patrick Day, David Alves, Jerry Darrell, Debbie Gairaud, Ryan Fetzer, Erick Campos, Matt Lee, Larry Aldama, Yarik Kapadia, Diane Qin, Kristina Hunt, Aaron Anderson, Shawn Clark, Kelsey Snook

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 9/15/2021
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I. CALL TO ORDER

Cynthia Fernandez-Rios called the meeting to order at 1:02 p.m.

II. ROLL CALL

Cynthia Fernandez-Rios asked Kelly Goldsmith to take the roll. Kelly Goldsmith completed a verbal roll call.

III. APPROVAL OF JULY 23, 2021 AGENDA

Cynthia Fernandez-Rios asked for any changes to the July 23, 2021 STUDENT UNION, INC. BOARD OF DIRECTORS MEETING AGENDA. Seeing no changes, Cynthia Fernandez-Rios requested a Personnel Closed Session be added to the agenda before the first discussion item. No further changes were requested. Ms. Fernandez-Rios asked for a motion to approve the agenda as amended.

Nicholas Ayala motioned to approve the agenda as with the requested change; Joshua Reyes, seconded the motion.

Vote on the Motion: 9-0-0 Motion Passed.

IV. APPROVAL OF MAY 11, 2021 MEETING MINUTES

Cynthia Fernandez-Rios asked for any changes to the MAY 11, 2021 STUDENT UNION, INC. BOARD OF DIRECTORS MEETING MINUTES. No changes requested.

Ellen Middaugh motioned to approve the meeting minutes as presented; Joshua Reyes seconded the motion.

Vote on the Motion: 8-0-1 Motion Passed.

V. APPROVAL OF JUNE 18, 2021 MEETING MINUTES

Cynthia Fernandez-Rios asked for any changes to the June 18, 2021 STUDENT UNION, INC. BOARD OF DIRECTORS MEETING MINUTES. No changes requested.

Ishan Gupta motioned to approve the meeting minutes as presented; Ellen Middaugh seconded the motion.

Vote on the Motion: 7-0-2 Motion Passed.

Cynthia Fernandez-Rios asked for a motion to approve to move the meeting to closed session.

Sonja Daniels motioned to approve to move the meeting to closed session; Nicholas Ayala seconded the motion.

Vote on the Motion: 9-0-0 Motion Passed.

VI. CLOSED SESSION

A. Personnel Discussion

Cynthia Fernandez-Rios noted that she requested a motion to approve to move the meeting back to regular session.

Nicholas Ayala made a motion to approve to move the meeting back to regular session. Ellen Middaugh seconded the motion.

Vote on the Motion 9-0-0 Motion Passed.

VII. DISCUSSION ITEM

A. Review of Draft Operating Agreement

Chargebacks - In regards to the Student Union no longer charging departments or other areas, Dr. Sonja Daniels asked if the fees the Student Union pays to the university would be reduced or eliminated? Charlie Faas explained that the cost allocation fees would most likely be reduced if there are less Student Union employees. Any of the headcount metrics that create those charges that go to the Student Union, would be reduced.

Ms. Burke stated that the footprint of the buildings and insurance would also be reduced. Since the Student Union would no longer have the Event Center in its portfolio, the land lease would be reduced but the Student Union and Spartan Recreation and Aquatic Center (SRAC) would remain. If Facilities, Development and Operations (FD&O) is operating and managing the Event Center and making decisions around access for anyone who comes into the property, there is a genuine concern for shared liability and risk. If we are moving towards a model that the Student Union and the University are both responsible for the Event Center, then the indemnification part of the operating agreement should be considered as a mutual responsibility and the university is not indemnified in the agreement. In addition the university is responsible for partial payment of the insurance expense. This includes the Student Union and Spartan Recreation and Aquatic Center if the property access decisions are rendered by the university.

Ms. Burke discussed concerns that the University has placed an aggressive approach of 180 days execution on all of the Memorandum of Understanding (MOU) agreements except for the field, which is execution in the 60 days that was presented. Knowing that there's a lot of uncertainty, significant discussion on the transition process, differences between university and auxiliary processes and operations would need to be discussed and agreed upon. Ms. Burke's position is to be good partners and use the first year of the operating agreement to talk openly, honestly and transparently about what this transition would represent, so that we get it right the first time. She wants to make sure that we aren't so overly aggressive that we actually cause the Auxiliary to be in a breach of contract because we don't execute from the University side. Ms. Burke asked the University to revisit the 180 days with a real thoughtful

process of how we're going to do this and do it well.

Mr. Fass explained if we get to 179 days and we're making great progress but it's going to take another week or a month or two months, the University is going to do the right thing. His commitment is to make sure this is a thoughtful and positive transition. He did not want to speak for Patrick Day, but does think that the University's commitment to this is that it's going to be thoughtful and it's going to be done the right way.

Ms. Burke stated that we are to execute an operating agreement by July 31, 2021 unless both parties mutually agree. She asked Mr. Faas and Mr. Day if we reach July 31, 2021 and we have not reached a mutual position on this agreement, do we mutually agree to continue the negotiations so that we do have an operating agreement without being in that non compliance state and the Auxiliary no longer exists?

Mr. Faas explained that technically if the Student Union is in breach, they would have days to resolve that. It would be pretty hard to say that the Student Union is not actively trying to work towards a solution on this given the activity back and forth the past month and a half. The University wants to get this done and wants to get it done right, but if July 31 doesn't happen, as long as the end is in sight, then that's going to be okay, we're not going to be a stickler say August 1, this board is in breach.

Mr. Day stated that the attention here is to get it right. July 31 is the target, but this is about how we work together to figure this out.

To make it clear that flexibility is allowed on both the 180 days and the July 31 deadline, Ms. Ellen Middaugh requested that it be put in writing to the extent possible. Without saying we agree that it can be extended for a specific amount of time could leave the organization vulnerable.

Mr. Faas responded that two vice presidents of the university stated there would be flexibility and this meeting is also being recorded, which could be replayed anytime. If something is needed in writing on top of these two things, he could figure that out and do that but thinks these two things provide all the backup needed.

Mr. Day explained that he continues to communicate in writing with Ms. Burke, Dr. Daniels, and Ms. Fernandez-Rios and can't see any reason why we can't continue to do that around some of these items.

Nicolas Ayala spoke about a concern regarding the negotiations. In his experience, typically both parties start from a boilerplate as modifications to the boilerplate and then items are modified to and from that piece. Net new items typically do not show up after multiple iterations of hitting new things because that basically resets the timer for negotiations. He has seen a lot of net new things being added throughout the process, which has made it extremely difficult to come to a middle ground between all parties.

Ms. Burke echoed Mr. Ayala's concerns. The Special Operating Committee looked at a number of the changes as being friendly and agreeable but the last iteration certainly offset the entire process because it seemed as though these really disadvantage the conversation. She thought after the third iteration, we were in a pretty good place but the last couple of items felt like a reset.

(Joshua Reyes left the meeting. Voting count: 8).

VIII. ACTION ITEMS

A. Approval of Draft Operating Agreement to Present to the University

Ms. Fernandez-Rios stated that she felt it was appropriate that the action item be tabled since Mr. Day and Mr. Faas confirmed that if it takes longer than July 31 to come up with an

approved operating agreement, then we should take that time to do it right.

Since the board cannot vote on the operating agreement today, Dr. Daniels asked to come to an agreement on the time frame. She suggested possibly having something in writing since the process as it has unfolded has had its bumps. Also, how can we bring our students further into this conversation about the use of student fees? Are we shooting for 60 days? Perhaps during this time we might be in a better spot to have discussions with critical players to see how we can best support the employees of the organization and all of the services that are provided to this campus.

Ms. Fernandez-Rios also mentioned that there will be a new board chair, a new vice chair, and some new board members for 2021-2022. This is something that might need to be considered.

Mr. Faas recommended 30 days. Ms. Middaugh recommended 60 days to allow time for discussions with students and to gather their input.

Ms. Burke reminded everyone that students will not be on campus until August 19 so we lose half a month of training, educating, and preparing students if 30 days is the end result.

Ellen Middaugh motioned to ask the University to extend the negotiations of the Operating Agreement for 60 days; Sonja Daniels seconded the motion.

Vote on the Motion: 7-0-1 Motion Passed.

Ms. Burke asked Mr. Day if the university agreed to the 60 day extension.

Ms. Middaugh clarified that her motion was that we would be working within the 60 day timeframe.

Mr. Day stated that he thinks he can work within that 60 day timeframe.

Cynthia Fernandez-Rios motioned to table the Approval of Draft Operating Agreement to Present to the University; Ellen Middaugh seconded the motion.

Vote on the Motion: 8-0-0 Motion Passed.

Cynthia Fernandez-Rios reminded the board to complete the survey she sent out. The information from the survey will be provided to the new board of directors.

Tamsen Burke thanked the board members who were willing to make the extension. She appreciated them doing the hard work to make sure there is an agreement that is in the best interest of the students as well as the auxiliary, and the university. She also thanked them for the hard conversations, and the good questions.

Anoop Kaur announced that AS is hiring and positions are posted on the website for any students that are interested.

(Ellen Middaugh left the meeting. Voting count: 7).

IX. MEETING ADJOURNMENT

Nicolas Ayala motioned to adjourn the meeting at 2:05 p.m.; Ishan Gupta seconded the motion.

Vote on the Motion: 7-0-0 Motion Passed.