

SUFAC

Meeting Minutes for March 6th, 2008

I. Call to Order

SUFAC Secretary Brad Zuleger called the meeting to order at 5:04 P.M.

II. Roll Call

- a. **Members Present:** Brad Zuleger, Pha Thao, Anton Williams, Ron Ronnenberg, Lynsy Beckett, Yue Yang, Cheng Thao, Tania Galligan, Matt Kehl, Sheila Schroeder, Andy Locke, Claudia Ortega, Ainura Khissimova, Chris Mcdermott, OFO,

III. Recognition of Guests

IV. Approval of Agenda

Andy made a motion to approve. Tania seconded. Yue called the question. Chris called acclamation. Minutes are approved.

V. Approval of Minutes

Pha made a motion to approve. Andy seconded. Tania called the question. Pha called acclamation. Minutes are approved.

VI. Reports

- a. **OFO:** The contingency balance is \$5,102.52 and the small org is at \$0.
b. **Senate:** No report.
c. **SGA Exec:** No report.
d. **Vice Secretary:** No report.
e. **Secretary:** No report.

VII. Information Items

- a. **SUF Rate-** Brad said there are three options for the seg fee for next year. Brad said the sheets include the options and spreadsheet. Brad said the budgeted amounts were come up with and divided by equivalent students. Brad said option A has no offsets for the seg fee. Brad said option B takes the same figures but adds a \$50,000 transfer from the reserve to offset the seg fee of an \$11 difference. Brad said option C takes the SUFAC reserve of \$50,000 as well as the Kress center reserve of \$50,000 and offsets it a bit more. Brad asked what the board thought of each option. Chris asked if there are any downsides from the options. Brad said option A would keep the SUFAC reserve up. Brad said if option A is chosen there would be one quick change in the seg fee or try to slow it up. Brad said option C is taking \$50,000 from the Kress which gives them less room to work with. Andy said he wants to keep the increase as low as possible. Andy said he likes option C. Matt asked what have previous SUFAC boards done. Ron said it has been a variety. Ron said if its limited to recent past, the seg fee has been artificially held down. Ron said the SUFAC reserve used to be too big so it was taken out of there to keep the seg fee down. Ron said it seemed prudent to spend it down. Ron said in the past three years that has happened. Anton asked what is the total SUFAC reserve. Brad said he thought it was around \$300,000. Ron said there are 2 SUFAC reserves. Ron said one is the collections reserve which has a balance of about \$80-\$90,000. Ron said the SUFAC operating reserve are dollars accumulated over numbers of years from student orgs not spending all the money they were allocated. Ron said that number should be by the end of the year at \$230,000-\$250,000. Brad said the reason it is increasing is because of increasing costs and revenues staying the same. Brad said the Kress and Union are fully operational so require more funds without generating more revenue. Brad said there are more student orgs than ever before. Brad said veterans do not pay seg fees anymore and they used to but since they no longer do that cost has to be allocated to the rest of the students who do pay. Anton asked who decided that. Ron said it was the State of Wisconsin who decided it.

Brad said those are the three reasons why. Anton asked for the numbers of how much was allocated to organizations. Ron asked what was the final number for D-Day. Ron said approximately \$330,000 where it is \$412,000 this year. Anton asked for 09-10 are the seg fees going to go up. Brad said if there are no offsets, Option A, that means it is likely it will not go up next year but that cannot be guaranteed. Anton said if there are no offsets it would lessen the likely of an increase and if an offset was used it would go up for sure. Brad said yes. Brad said its like taking a loan and paying it back right away or slowing down the payments. Anton asked how much was the last increase for SUFAC. Ron said it was probably 2 years ago and the increase percentage was 1-2%. Ron said if you think about seg fee increase it must be beared in mind that CL 21 that occurred 6-7 years ago which was the funding mechanism to build the Kress center has been increased by \$100-\$400 over the past years. Ron said that is a huge target of the seg fee for just one item. Ron said the percentages don't give a number with value. Anton asked if the Kress center had to be jumped with money. Ron said it was incremented over 4 years. Anton said without a huge project the increase was 1-2%. Ron said probably with any increases being under 5%. Ron said its going up because of a double whammy. Ron said there was an impact with the Kress being fully operational and in addition there was a decrease in revenue. Ron said there is an increase in cost for a number of reasons and a decrease in revenue. Ron said for the first time vets don't pay seg fees for about a decrease of \$250,000 from vets alone. Ron said projecting to next year you know the revenue target is lower with costs being higher and the board is deciding how much of the hit will be felt this year and next year. Brad said this information will be passed on to the chancellor. Joe asked how much money is being missed out on vets not paying. Ron said \$250,000. Ron said 220 veterans times \$1,140. Matt asked if part of the idea is with the growth agenda will have more students so the price will go up but eventually going back down. Ron said the price will not usually go down. Ron said if the model is looked at it is similar. Ron said as the growth agenda starts working there are more students to pay the cost so therefore cost increases will be offset to a higher degree by increased revenue aka more students. Ron said increases in future years should be mitigated by more students. Ron said if a 36 million dollar facility is built in Madison it's a \$5 increase over 40,000 students. Ron said the economy of scale really impacts smaller schools. Ron said it will help offset increases in seg fees in future years. Nick asked if the auxiliary budgets are based off best guesses because there is no history. Ron said all budgets are guesses but probably only the Union and Kress have large quantities. Ron said the Kress Center is the only budget that will still go through change in the next several years as it matures and stabilizes. Ron said at least 5 years before the Kress is fully operational and fully functioning. Anton asked if the revenue from the Kress offset seg fees. Ron said the dilemma is that the revenue will never offset increases totally. Ron said it could but not likely. Ron asked if it is only student generated revenue. Ron said when Brad and Pha go see the chancellor there will be a discussion about hoping that departments that can generate revenue will and look at it as an important part of the budget. Pha said option C is from the Kress Facilities and Maintenance reserve not the Intramurals reserve. Tania asked if the growth agenda wouldn't that also bring more projects to campus. Ron said looking at the 10 year plan there are 2 major projects and neither of them are SUFAC funded. Ron said housing and a classroom are not SUFAC funded. Ron said the Kress was built presuming a population of 7,500 students as well as the Union. Ron said there will be an impact on some services. Ron said there will be no huge project planned. Ron said as student leadership during CL 21, the campus life of the 21st century committee decided the priorities were to improve the student union and blow up the athletics center. Ron said the whole thing is now what the student body has now. Matt asked if SUFAC can talk to Kress Maintenance. Ron said it was volunteered. Brad said the 4E has a reserve and that could be taken out of their reserve instead. Ron said the difference of \$20,000 from this budget makes a difference of two cents. Ron said next year it could be considered that the 4E reserve pay for the budget for next year. Ron said that is next year's business and this year's business has passed. Ron said on the table right now is A, B, C. Ron said that discussion doesn't impact this discussion. Brad said this year the contingency balance was at \$30,000 and the small-org was at a \$1,000. Brad asked the board if those amounts should stay the same. Chris said because of org growth there will be a lot of contingency requests next year. Matt said over the past 4 years Student Life switched org

registration process to online and there have been 40 orgs since then. Matt said by the end of the year it is at 102. Matt said part of it is because of more students and the ease of the internet. Matt said it is encouraging. Matt said more student involvement is what the school wants. Andy made a motion to make discussion items a and b action items. Chris seconded. Cheng called the question. Motion passed 9-1-0.

VIII. Action Items

a. *SUF Rate*- Pha made a motion to approve option A. Matt seconded. Lynsy made a motion to enter Committee of the Whole. Matt seconded. Pha wanted a straw pull on option A. Three people liked that option. Two people liked option B. Three people liked option C. Pha asked for thoughts. Tania said option A is the best because it is not that big of a dollar difference and to the future there should be a cushion in the reserves because there might be more costs with the Union and Kress Center. Tania said it goes up this year and then there is that cushion still there. Pha asked what people thought about B and C. Claudia said \$50,000 out of reserve is the best option. Andy said it keeps the percentage increase at the lowest and since the Facilities Management has offered \$50,000 then it should be taken. Andy said since a budget was presented and approved that is a guess. Andy said if all the money isn't spent that isn't given it can be given back. Andy said in order to keep things low as possible option C should be chosen. Pha asked what the at-large members thought. Matt said he liked option C. Matt said it was a volunteered money because they feel comfortable giving it up. Matt said it should be offset by something. Matt said just because there is a reserve, the Union and Kress won't need more money. Matt said whether that is wrong or right he doesn't know. Matt asked why the students now pay for what isn't needed in the future. Matt said a slow increase is better. Claudia said she now liked option C and it is obvious that Kress doesn't need it. Tania said with the money that is being offered it seems risky because the Kress has taken on more. Tania said in the budget the reserve was needed. Ron said the discussion from that meeting that the reserve was just there because that happened to be the money that fell out because someone wasn't hired in time. Ron said he doesn't think anyone that is managing the department wouldn't like to have a reserve. Ron said clearly by offering the reserve the Kress felt comfortable with the remaining balance. Ron said SUFAC has to believe that to be true. Ron said no pressure was put on the Kress. Shelle asked if Option B could be modified to be taken from Kress instead of the reserve. Shellee said it would be the same number as option B but not from SUFAC's reserve. Ron said that is possible. Brad said that could be option D. OFO said instead of a transfer from SUFAC it could just be a transfer from Facilities Kress. Chris asked what SUFAC reserve the \$50,000 coming from. Ron said the larger reserve. Matt asked if it is possible to compromise to take \$25,000 from SUFAC as well as \$50,000 from the Kress. Tania said the veterans are not coming back ever. OFO said the difference from C and D is the concept of taking from the SUFAC reserve. Matt asked what is the reserve used for. Brad said it is for contingency funds, small org start up. Brad said if orgs spend more than the balance the fund comes from there. Chris asked if this is a precedent. Chris said \$50,000 can't be taken out every year because it is not sustainable. Tania said the reserve could have a year off because next year the Kress isn't going to offer again logically. Andy said if the \$50,000 is taken from the reserve the Kress center is getting that much money because it was approved. Andy said many questions were not asked and now it's a cause and effect. Andy said it wasn't cut down enough. Andy said to offset what wasn't done perhaps see what can be done now. Chris said that is assuming there is a lot to cut. Matt asked what Nick and Joe thought. Nick said from his standpoint that option C would be better because the Kress center and the population of students is supposed to increase in revenue and more students. Nick said it is a one time hit because the facility is now fully operational. Nick said every dollar helps. Joe said with the \$200,000 reserve which is an emergency fund, it isn't needed. Ron said it lost \$250,000 when usually \$100,000 is dumped. Ron said it anticipated revenue from the veterans group and the revenue wasn't there because now it isn't paid. Ron said this year for the first time ever there wasn't any positive money going into the SUFAC reserve. Joe said if this was one of the first and rare years there wasn't a positive reserve how much \$45,000 will make a difference. Brad said big stuff comes up such as GTP coming with \$17,000 and coming back if it is needed, such as \$50,000. Brad said

that money came out of reserve. Matt asked what happened if SUFAC reserves went to \$0 and Kress needed money. Matt asked what are the repercussions of a negative reserve. Pha said its like a bank loan if it goes negative, the SUF rate would increase hugely. OFO said reserves are reserved for a rainy year and why beat a dead horse by taking more money out of reserve and build it up instead. OFO said the board can take the money next year. Anton asked if seg fees go down. Matt said it went down last year. Anton said the whole budget of the Kress wasn't used and that \$50,000 is going to come back anyway. Ron said that is their reserve. Pha made a motion to leave Committee of the Whole. Anton seconded. Matt asked why. Pha said the board isn't compromising. Pha said we don't want to be here forever. Tania said this pushes everyone to decide. Anton called the question. The board voted for which option was liked the best. Option D – 5, Option C – 3, Option B – 1, Option A – 1.

b. Contingency Balance- Tania made a motion to leave as is. Anton seconded. Pha made a motion to enter Committee of the Whole for 5 minutes. Tania seconded. Pha asked if everyone was ok with keeping it the same. Lynsy said it should be increased because we ran out of new org start up. Lynsy said on D-Day it was decided to have orgs come back as a contingency request. Lynsy suggested \$45,000. Chris asked if a new org comes before SUFAC if that comes out of new org if org start up is asked. OFO said it has been split until when we ran out last year. OFO said \$31,000 is decided and its classified. Matt said if the org start up is run out of again if the org has to present it. Pha said no. Pha said the money would be given. Andy made a motion to exit Committee of the Whole. Chris seconded. Matt made a friendly to increase committed funds to \$45,000 and small org start up to \$1,500. Tania accepted the friendly. Motion passed 9-1-0.

IX. Announcements

There is no meeting next week. Have a happy break!

X. Adjournment

Andy made a motion to adjourn. Tania seconded. Chris called the question. Meeting adjourned at 6:05 P.M.

Respectfully Submitted by,

Joy Hanneman
SUFAC Administrative Assistant