

SUFAC
Meeting Minutes for November 1, 2012

I. Call to Order

SUFAC Chair Matt Balson called the meeting to order at 5:17 pm.

II. Roll Call

- a. **Members Present:** Matt Balson, Kimberly Dawson, John Landrum, SGA Exec., Bea Yang-OFO, Kyle Zellner, Trevor Fuller, Jeff Huebner, Shawn Brown, Katie Simson, Joshua Shope, Megan Leonard, Reed Heintzkill, Brianna Mollberg, Jack Mellberg.

III. Recognition of Guests: Amanda Nothem-Unchained, Kyra Karenke-Unchained, Sara Faltersack-Unchained, Ken Bothof-Athletics, Dan McIver- Athletics, Kelly Franz-Business of Finance

IV. Approval of Agenda and Minutes: Matt entertained a motion to approve the agenda with a change in discussion items, making the Unchained food request first, and Action Items will be added before Review of Tonight's Presentations. Jeff motioned. Megan seconded. Kyle called the question. Kim acclimated.

Matt entertained a motion to approve the minutes from October 25, 2012. Jeff motioned. Shawn seconded. Megan called the question. Kim acclimated.

V. Reports

- a. **OFO:** Contingency is \$31,963.55 and small organization start up is \$1,300.00.
- b. **Senate:** None.
- c. **SGA Exec:** We had a forum yesterday about the multi-purpose space. No one with opposition showed up.
- d. **Vice Chair:** Tomorrow at 11:30 I am going on a tour of the Kress Events Center and you are all invited to come with. The Kress Events Center will be presenting next week. This tour is to help better understand what they do and how they operate.
- e. **Chair:** Tonight we will be hearing from Athletics. Next week is the Kress Events Center and Facilities. And I would like to welcome Jack to the SUFAC board.

VI. Discussion Items:

a. **Unchained Food Request**

Unchained would like to purchase 15 gallons of fair trade hot chocolate for Mocha Monday, which can serve about 200 students. Mocha Monday is during Justice Week which is a week of events to promote justice. Monday focuses on slavery in the chocolate industry and by offering tasty fair trade hot chocolate students will be aware of how to choose alternatives within their food purchases. It will also attract students to

come to their booth where they can become more aware of modern day slavery and learn about Justice Week's events.

Questions: Heba asked if it was true that Unchained already put on one program this year. Yes, we showed a video on sex trafficking in America and we had a good turnout for that event. Matt said Unchained is a brand new organization and they do not have a budget. Heba asked who put on justice week last semester. It was put on by an individual and The Office of Student Life may have helped with it. Kim said Unchained is getting the beverage through A'viands even though it is not A'viands hot chocolate. Kim asked them to justify why the hot chocolate is \$20 per gallon. It is fair trade hot chocolate from a fair trade farm in Ghana. Most of the food we import is coming from forced labor but fair trade is certified so that no forced labor goes into the making of this product. Bryan asked if they will be requesting any money for other events that week. No. Kim asked why they want to buy hot chocolate. It went with the Mocha Monday theme and we thought it would be more receptive to students and it's cheaper than coffee. It is also a good way to get students over to the booth and learn more about how slavery is used to make the food we eat and clothes we wear. We want to teach students about several things throughout the week and we want them to come to our booth.

Matt entertained a motion to make the Unchained food request an immediate action item. Kyle motioned. Trevor seconded. Jack called the question. Kyle acclimated.

b. Athletics Budget

Ken said that Athletics became a Division 1 program in 1981. We have the smallest budget in the Horizon league and we receive the lowest amount of university student support compared to all other universities in our league. We reach out to the community for support through fundraisers and this helps to keep costs low and balance the budget. Some of the positions in our department are funded by the community. We may be part of a 12 team league in a few years instead of our 9 team league right now and if that happens there are no institutions in our area that may be added so our expenses will increase if we have to travel farther. In the past we have asked for larger increases than we have in the last few years because we know students are challenged for money. The Horizon league does budget comparisons annually and I wanted to point that out we are almost \$340,000 behind the average of our league and our coaching salaries are also behind. Nine out of the sixteen sport programs at our school are coached by part time staff.

Tonight we are presenting 3 years out and we know that in 3 years our expenses are going to be higher we just don't know by exactly how much. As tuition, room and board, and travel increases, our costs increase. We

are presenting for 2015-2016 and would like a 3% increase over 2014-2015. Our revenue consists of Sales and Charges which includes ticket sales, sponsorships, Hall of Fame, concessions, website revenues through watching games online, selling advertising and photos, and merchandising commission, which means we have a contract with a local company that sells apparel at our games and on our website. We also earn revenue on the interest of investments but we don't budget for this. The Phoenix Fund is our fundraising org for tuition, coach's salary, etc. We have had some success increasing our fundraising over recent years. We get three money distributions from the NCAA . We get a distribution for any sport program we have above 13, another distribution is to help athletes with things other than school, such as medical costs, and the third distribution is for help when giving out scholarships to athletes. We receive revenue through Licensing, which monitors how people use our brand and Book resale because athletes don't get to keep their books so we sell books we don't need anymore. We also receive money through Horizon league distributions, which are increasing due to teams doing better in the NCAA. Our expenses have a significant increase over the 2012-2013 budget. We have a 1% pay plan increase, we increased the Nordic ski coach's salaries and we increased another salary for a valuable staff member. We also made a change in the assistant swim coach salary to have higher quality candidates and we would like to add a second fundraising position. These increases together make up the increase from 2012-2013 to 2013-2014. We budget the fringe benefit rate at 34% which is lower because our staff have a lot of single plans. We also have S&E and Aid to Individuals in our expense which brings the grand total for expenses to \$3.46 million for next year.

Questions: Reed asked why Prevea provides athletic trainers at no cost. It is a community support thing and a charitable donation. They also get exposure from this through advertising and signs. Bryan asked if the NCAA covers scholarships costs. We offer the equivalent of 125 scholarships and they have a formula to distribute money. The more you sponsor the more you get from NCAA but it never covers how much the sports program costs. It does not pay for all the scholarships, but they do distribute some money back to us. Reed asked why the S&E is so expensive. It also includes individual travel, phone calls, copies, administration, etc. I can email a breakdown. Matt asked if expanding the Horizon League will benefit revenue. Only if we get teams that will go right to the NCAA tournament, so it could but probably not initially. Heba asked how long the contract with Prevea is. 8 years. Kim asked if a men's basketball game would be brought to campus so we could generate revenue in concessions. The problem with playing on campus is that classes are occurring so parking lots are full and we don't get as large of an audience. It saved money from an expense stand point but did not generate much more revenue. Jeff asked about the contract for Lamers bus

service. It was renewed. Reed asked if a 4% increase in ticket sales is realistic. It will depend on the success of men's basketball. Tickets are pretty reasonably priced right now but we have some wiggle room. We generate more money from tickets sales, fundraising, etc than anyone else in our league. Heba asked what consequences would happen if we fall out of Division 1 standing. If we go to Division 2 or 3 then would have to rely more on student fees to support it, or if we had no athletic program we would have fewer students due to the athletes not being here. Division 1 standing brings national recognition to our institution so we could also lose donor support or fundraising fees. Kyle said that Athletics keeps increasing their amount but students are not an infinite pool of money so he asked how Athletics is decreasing their costs and to justify the increase in their budget. Our costs are going to be more than the 3% increase we asked for in 3 years from now. We have an increase in ticket sales and fundraising and we are trying to generate more revenue. When you rely on the success of the basketball programs as we do, there is risk so we build in as much as we can to sell more and promote the school more. We manage our expenses well and try to keep some sport programs in the area and other programs only participate in the minimum number of contests that are required. Heba asked about a contingency request. Matt said it was approved as a one time deal. Reed told Athletics that they are doing a good job with having less money but higher ticket sales and keeping up with the other schools. Kyle said we can't compare ourselves to other schools because we need to be realistic about our own school. When we are crunched for money it is not realistic to keep spending more. Ken said we do recognize that and we hope that in 3 years from now we will have more students and will be selling more and bringing in more revenue. Brianna asked what type of fundraising they do. It is done through the Phoenix fund, we have alumni support, we do golf tournaments, and we have a phoenix/packer steak fry. Bryan asked if the sponsorships are a realistic amount. They are realistic but could increase more if the basketball teams have success. The contract with the Resch limits us with inventory which hurts us. If there is success, our ticket sales will increase and hope that we wouldn't have to come back for a request. Reed asked if there are any major changes for the 2015-2016 budget. The budget will have to increase to be able to continue doing what we are doing today. Reed asked if the surplus will be carried over to future budgets. Yes it would pay for the deficit from the reserve. Heba asked why men's basketball plays at the Resch. There was a big push for a new arena for the men. They have always played off campus and wanted a new arena. The community came to university and asked if they build this arena, will the men play there? The University said yes they will play there. So the Resch was built with county funds and other various funds. The men have played there for 10 years. There is a lot of support in the community for the men to stay there. Josh asked if it's likely the men will continue to play there. Most likely, but it depends on negotiations with the Resch and if

they are going to charge us more. If they want more money we may need to think about moving back to campus. Josh asked on average how many people come to the Resch. 3900-5200 people on average watch a game. The number depends on whether we play larger name teams and the success of the team. Bryan asked what the outcome would be if the women's basketball team played at the Resch. It would cost us about \$110,000 to play 15 or 16 games which is a major cost increase. Ticket prices are not as high for women as they are for men. Matt asked what the financial impact has been due to the success of the women's basketball team. Ticket sales increased by \$30,000 plus concessions numbers have been better, over 8 years it has been very significant. Matt asked what athletics is doing to gain more student support and pride for the athletic program. Success brings a lot of pride; we try to make our programs more successful. We have tried to become more focused on the marketing we do for students, such as more giveaway items. Students can earn points by coming to more games and then they are able to buy merchandise with those points. We try to email more information to students and make the games more attractive in the emails. We provide free bus transportation to men's game at the Resch. Any feedback from students would be great to help serve the students better. We also send a strong message to the student athletes to get more involved on campus because students support students. We have done a good job building a relationship with Student Life for coordinating programs. We are optimistic that in future years we will see more students at all events on campus. Brianna said she didn't know there was a game last night. She was wondering if players could do more to get active on campus and tell about their games. We have a student athlete advisory committee. It reports on what they are doing on campus and in the community. We do encourage them to do more, but they are just like all of the students. Our student/athlete's job is to support the university in athletics and they also have to study. They don't have a lot of free time so it may be hard to get out and get involved and promote athletics. Athletics is a large part of the diversity on campus and it brings diversity to campus life, so without athletics that diversity would be gone.

VII. Action Items

a. Unchained Food Request

Matt entertained a motion to approve the Unchained food request for \$292.50. Reed motioned. Shawn seconded. Jeff called the question.

Discussion: Matt entertained a motion to enter committee of the whole for 10 minutes. Reed motioned. Kim seconded. Josh called the question. Kim acclimated. Entered at 6:57pm.

Board discussed Unchained's food request for fair trade hot chocolate.

Matt entertained a motion to exit committee of the whole. Reed motioned. Rebecca seconded. Kim called the question. Josh acclimated. Exited at 7:03pm.

Roll call vote. Passed 11-0-0.

VIII. Review of Tonight's Presentations:

Bryan asked what would happen if athletics started charging students for tickets. Jeff said student attendance would decrease. Matt said that subject has never been brought up. Brianna asked if we are already paying for these games. Matt said yes, technically we are. Reed said given their higher than average tickets sales and lower than average dependence on student fees it is impressive how they keep going. Shawn said we don't have a large amount of students that care about athletics so I question why we are even a Division 1 school; athletics isn't that important here. Jack said a lot a people don't care because the athletes have a disconnection with the student body. He also said it is not that much to ask to put in effort to connect with kids on campus. It may be their job to play but many other students have jobs and many things to do and they don't get compensated. I don't think that the excuse of athletes having little free time is a good excuse. Those athletes have to care and want to get out and improve who comes to their games. Jeff said that women's athletics don't rank high across the country so attendance will be low there and attendance is low because men are off campus. Reed said that the record ticket sales show that someone cares and the impact that athletics has on the community and the good impression is has for the school is undeniable. Megan said there are no promotions or publicity mentioned on the budget, but that may be part of the administrative section. Matt said travel takes a large toll on their budget and they can't control the fact that those costs keep increasing.

Kelly said he will take all these presentation and come up with a segregated fee rate so the board can have an idea of what the rate will be depending on how much the board would like to allocate to different areas. Kelly said he wants to look 5 years out and determine what the reserve and the segregated fee may be to help make more informed decisions. Josh asked how much say the board has in changing the auxiliary budgets. Matt said if we don't like the amounts given to us we can ask the auxiliary to change an amount or work with them on that amount.

IX. Announcements: Kim said to talk to her after the meeting about the Kress tour tomorrow. Kim also said she will email the board about the application for vice chair and if you want to fill it out you can.

X. Adjournment: Matt entertained a motion to adjourn the meeting. Shawn motioned. Josh seconded. Kim called the question. Megan acclimated. Meeting adjourned at 7:28pm.

Respectfully submitted by:
Lindsay Krapfl
SUFAC Administrative Assistant