

Kathryn Blackmer Reyes, Sara Bonakdar (BOD Designee)
Andrea Cabrera-Sanchez, Dr. Sonja G. Daniels, James Figueroa,
Jeet Parekh
Peter Lee
Dr. Sonja G. Daniels updated to absent at 1:58 PM
Tamsen Burke
Caryn Collopy, Ryan Fetzer, Jeff Hill, Joe Lopez II

Director Cabrera-Sanchez called the meeting to order at 1:04 p.m.

Director Cabrera-Sanchez asked Kelly Goldsmith to take roll. Kelly Goldsmith completed a verbal roll call.

Director Cabrera-Sanchez asked for any changes to the agenda.

A recommendation was made to move Discussion/Action item I.D. Approve SRAC Membership & Pricing Proposal to V. Discussion.

Director Cabrera-Sanchez asked for a motion to approve the agenda with the recommended change.

Mr. Hill explained that based on the size of this account right now, and the qualified investor restrictions for a lot of these different funds, there are only three categories that would qualify in the space for that nontraditional perpetual type fund; private real estate, private real estate debt, or private credit. At this point all three produce 1099, rather than a K-1, which is important as well. Based on all three, there's different liquidity restrictions. All three categories are a monthly draw, you can invest once per month, and each one is a little bit different on redemption. Some you can pull your funds out monthly, and some are quarterly. The minimum investment on any of them is going to be \$25,000. Mr. Hill will work on some of the nontraditional private equity investments or private investments that they work with. In closing, he explained that things are going to look a lot different this year going forward compared to where we have been. We're in a world where we can get 5% on a 1 year CD and actually have interest rates on cash and short-term fixed income. Positioning just for more volatility going forward and taking advantage of that where we can, and not diving back in the markets and trying to chase returns at this point is really where we have the account position going forward for the calendar year.

~~CONFIDENTIAL~~ Mr. Alves, Associate Director of Accounting and Finance, explained that they are on

Ms. Bonakdar suggested some type of asterisk or definition so there is background. It needs to be clear that the Student Union is not collecting student fees because that is not accurate. Ms. Burke asked how we mimic what is happening in the language without losing what is the actual money and where the money is coming from? Ms. Prunty explained that Student Union fees are one of the campus mandatory fees. It was voted through a process years ago through the student government body; Associated Students. When Student Union fees are listed as revenue in the budget, it does imply that the Student Union is directly collecting a fee, which the Student Union is not. Some of the language being used also implies that all of that fee is somehow part of the Student Union, Inc., which it is not. There are several items that get paid first out of that fee which includes, building debt, utilities, and maintenance and repairs. To access what is set aside for operations and student programming, the Student Union board of directors and the executive team create a budget request that is put forward to the university requesting funding to fund operations. Ms. Prunty does not see that there would be a loss of the idea that this is student fees. It could be a budgetary request of Student Union fee funding but it is not directly student fees.

The committee wants to make sure that as a CSU entity, it's not forgotten that those fees are part of the mandatory fees. While all the fees don't come back to

facilities in the community. SRAC is one of the only recreation centers in the CSU system to offer a type of open community membership. To align with the other recreation facilities, a sponsor community membership is included in the proposal which will replace the open membership. Current members who have an open community membership would be grandfathered into the sponsor community membership. The membership proposal also includes lowering the cost of a guest pass for students and increasing the cost for community members. Mr. Lopez II reviewed the first quarter revenue and what the revenue would have been with the proposed membership costs. The difference could be recovered by selling six more staff and faculty annual memberships. By lowering the membership costs, the hope is that more staff and faculty will purchase a membership. As of January 2023, there were 101 community memberships, 75 alumni memberships, and 66 staff/faculty memberships.

The committee discussed the proposal. There was a concern about the elimination of the aquatic monthly family membership, which has a high number of users, and how that revenue would be recouped.

Mr. Fetzer answered questions from the committee which included that they have done a couple staff/faculty membership drives and will continue to work with the marketing team. A marketing budget hasn't been determined yet but in the past, the staff/faculty membership drives had a minimal cost. There are more classes being taught in person so the feeling is that there is an opportunity to increase memberships. Based on feedback from last summer, a lot of families were not necessarily interested in purchasing a month family membership but were more interested in purchasing a day pass to allow more flexibility with a lower cost. Mr. Fetzer explained that there would be two types of day passes offered, one for just the pool area and one for the entire facility. Towles are currently not being offered which is inline with what other CSU facilities are doing.

The committee requested a marketing plan be included in the proposal because those costs also need to be considered.

Director Cabrera-Sanchez asked if there were any objections to adjourning the meeting. Hearing no objections, the meeting was adjourned at 2:19 p.m.