

Kansas State University  
K-State Student Union  
**Union Corporation Board 2019-2020**  
April 30<sup>th</sup>, 2020  
Minutes

**I. CALL TO ORDER**

**Hannah Heatherman** called the meeting to order at 2:01 p.m.

**II. ATTENDANCE AND PROXIES:** Corey Williamson, Hannah Heatherman, Thomas Lane, Cindy Bontrager, Linda Cook, Marcus Kidd

**ABSENT:** None

**RECORDER:** Medina Roynon

**PROXIES:** None

**GUESTS:** Deanna Defoor, Derek Jackson

**III. APPROVAL OF MINUTES**

**Thomas Lane moved, and Cindy Bontrager seconded the Motion to approve the minutes from October 10th, 2019. Unanimous approval.**

**IV. OPEN PERIOD**

**Williamson** welcomed Derek Jackson, Associate Vice President, Housing and Dining. He said the new business agenda items have been moved to the beginning of the meeting and added he is seeking a vote on all new business items.

**V. OLD BUSINESS**

**VI. NEW BUSINESS**

**1. Lease Tenants FY20 Agreement Adjustments**

**Williamson** began by saying there have been many adjustments on campus in this time of the pandemic, with the Union moving to limited operations on March 16<sup>th</sup>. Since that day, the Union's doors have been closed, therefore there has been limited opportunity for our vendors to access their space or to conduct normal operations. Williamson indicated he has received letters or has had one-on-one contact with all the revenue-generating vendors in the building. In fairness to the circumstances in this situation, we are anticipating holding our tenants harmless at the beginning of the close date for the Union, which was March 16<sup>th</sup> until we reopen the building potentially on August 1<sup>st</sup>. Williamson said he is seeking a motion for support to hold our lease tenants harmless for common area maintenance charges, utility charges and unrealized commission sales during this time. Once they can access their space again, we would reinitiate the original agreements.

**Cook** asked if there is anything the tenants owe the Union or is everything based on their commission.

**Williamson** answered by saying it depends on the agreement. Some of the leases are a fixed rate such as the Copy Center and Commerce Bank, whose rent obligation would be discontinued as of March 16<sup>th</sup>. We have a commission-based arrangement with Panda Express, Qdoba, Subway and the Campus Store. We have several that have a minimum commission guarantee, which would be prorated to the day we closed the Union. For example, the bookstore has the largest minimum guarantee of \$600,000. We would prorate that to three-quarters, so the minimum guarantee would be \$450,000.

**Lane** asked if there is existing language within the vendor contracts for *Acts of God* or force majeure that we should be aware of.

**Williamson** said surprisingly not. There may be one agreement that may reference *Acts of God* and this would be their approach, but for the most part there is no language regarding this type of circumstance. In reference to the letters we have received, once we receive approval from this group, I would like to create some language to be sent to the tenants. This document would include the plan to discontinue rent until the building reopens. Williamson said the challenge is we do not have a confirmed reopen date, so we need to work through the logistics. Overall, he anticipates our tenants will welcome this opportunity. Williamson indicated other universities are taking a similar approach.

**Lane** asked if there should be anything included in the letter regarding the expectation of a lessee when the building reopens, such as a lessee may be required to adhere to social distancing practices in their operation.

**Williamson** said that language could be included, but for now our focus has been more on the financial side. On the operations side, he said his hope is to collaborate and put together some operating guidelines or procedures for each area. He added this could be incorporated into a letter as well.

**Lane** said we want to ensure tenants are not assuming they will operate as they did before the pandemic.

**Bontrager** asked Dr. Lane about the reopening guidelines being developed by the Campus Reawakening Committee and said they would also be very helpful for the Union.

**Lane** indicated Elliott Young, Assistant Vice President, University Risk & Compliance Officer, will be speaking to the Student Affairs Counsel on Wednesday. He will have more information after that.

**Heatherman** asked for a motion to suspend the normal order of business and proceed to voting on items one, two and three in New Business.

**Marcus Kidd moved, and Linda cook seconded the motion to suspend the normal order of business and proceed to voting on items one, two and three in New Business. Unanimous approval.**

**Thomas Lane moved, and Cindy Bontrager seconded the motion to approve the Lease Tenants FY20 Agreement Adjustments. Voted and passed. 6-0-0**

## **2. Commerce Bank Lease Extension**

**Williamson** indicated the Commerce Bank lease is scheduled to end in June 2021. We are working toward developing an RFP. This has been a collaboration between the Union and the University Finances. It just so happens that the occupant within the Union is also providing service to the University, as the University's primary banker. Historically this has not always been the case. He said there have been times when it has been the same provider and other times where it has been a different provider. He said about a year-and-a-half ago, he was approached by Fran Willbrandt to talk about the potential of aligning our term agreement. This would allow the RFP to be put forth collaboratively, as opposed to having two separate RFP's: one for the lease space and one for the banking space. We have been working to develop the criteria for the RFP with the expectation we would have a new provider at the end of this term. With the recent developments of the Coronavirus Pandemic, we met to discuss the RFP and to determine if this is the right time to proceed with an RFP and transition our banking provider, while also transitioning our lease tenant. Williamson said with current uncertainty due to the coronavirus pandemic, he and Fran decided it would be best to extend the current contract for another year. Commerce Bank agreed and are willing to occupy the space and provide banking services for another year. Once again, we would proceed with developing and RFP a year from the original timeline. We realize this is not only impacting the Union but would impact the University as well. **Lane** asked what the end date would be for the extension. **Williamson** said the lease would go through June 20<sup>th</sup>, 2022.

**Cindy Bontrager moved and Linda Cook seconded the motion to approve the Commerce Bank lease extension through June 20<sup>th</sup>, 2022. Voted and passed. 6-0-0**

### **3. Summer Emergency Furlough Plans**

**Williamson** shared working through the options has been a very difficult, time-consuming process over the last six or seven weeks. At the onset of this process, there was a little bit of hope regarding the Cares Act that was passed. He said we did not meet the criteria for the Paycheck Protection Program Act due to our affiliation status with the University. Since we are an affiliate of Kansas State University, we would need to also include the number of individuals employed by Kansas State University, which surpasses the 500 number for small businesses. Williamson indicated they began looking at how the Union can maintain its' staffing particularly while the building is closed. As a result of close collaboration with Dr. Lane and Dr. Jackson, some scenarios have been created on how we could proceed. We received the announcement yesterday from President Myer saying there would be some areas that would need to implement emergency furloughs for some of their staff. A plan has been identified that will save the Union approximately \$176,000, which is the equivalent of two payrolls. Williamson indicated he is seeking support from the Union Corporation Board to move forward with the purposed emergency furlough plan, knowing this decision impacts so many Union staff. He added staff will have the choice to maintain their benefits during this furlough period and it is anticipated most of our staff, if not all, will be eligible for unemployment. The Union pays unemployment directly to the state and it comes out of the cash balance. None the less, we did realize more savings by going down the path of the furlough as opposed to maintaining our staff full-time while the building is closed.

**Lane** indicated he is very proud of the work Corey and his leadership team have spent on working through such a difficult situation. He thanked Corey for the time and thoughtfulness he has put into this plan.

**Bontrager** asked how long employees would be furloughed.

**Williamson** said the furlough would begin on May 17<sup>th</sup>, which would be consistent with other areas on campus. We anticipate the furlough would last through August 1<sup>st</sup>. Some staff have been designated to return a little earlier so we can prepare the building for reopening. He also said there are some leadership team members that we anticipate may have to go on furlough, so they would return earlier to begin preparing their departments.

**Cook** asked if employees will be able to keep their health care benefits.

**Williamson** explained since the Union has a different health care program, the staff will be given the option to maintain their benefits. Currently, for the employee only, the Union covers 100% of their cost. For employees who choose an *employee and spouse* or *employee and family* plan, they will be required to pay their portion of the premium.

**Bontrager** mentioned on the University's health plan, their insurance was limited to thirty days. She asked if the Union could cover the employer piece the entire time.

**Williamson** said the Union will be covering the employer's piece throughout the furlough period.

**Jackson** indicated in this situation; the Union is benefiting by being separate from the University, so they have the budget to cover the employee benefits. This keeps their employees from falling out of health care.

**Whitney-Bammerlin** asked if there was a summary available of the cost savings of the furlough plan.

**Williamson** said that a summary would be provided.

**Bontrager** said the University will soon be asking unit heads to submit a plan for the Reawakening of the University. There could be people on campus who would like to open. Is that something that would be considered over the next few months.

**Williamson** indicated the Union is following the direction of campus administration in relation to how we proceed with the opening phase. As mentioned earlier, our target date is August 1<sup>st</sup> but if the opportunity presents itself as we move forward with the Reawakening Plan, then yes, we will put ourselves in a position to make sure to provide services, which would adjust our furlough plan and expectation at that point.

**Marcus Kidd moved and seconded by Linda Cook to approve the Union's Summer Emergency Furlough Plan. Voted and passed. 6-0-0**

### **Summary of K-State Student Union Payroll Savings**

**Time Period: 5-17-20 through 7-31-2020**

#### **Furlough:**

• Payroll Expenses (wages, payroll taxes, retirement cont., Life ins)	159,317.73
• Health/Dental/Vision Premiums (covers furloughed employees)	103,120.00
• Estimated Unemployment Costs	122,829.00
<b>Total Expense</b>	<b>\$385,266.73</b>

**No Furlough:**

• Payroll Expenses (wages, payroll taxes, retirement cont., Life ins)	459,083.96
• Health/Dental/Vision Premiums (covers all employees)	103,120.00
• Estimated Unemployment Costs	0.00
<b>Total Expense</b>	<b>\$562,203.96</b>
<b>Estimated Savings</b>	<b>\$176,937.24</b>

**VII. EXECUTIVE DIRECTOR’S REPORT**

**1. Union Reopening Scenarios**

**Williamson** shared there are two parts: operational and budget implications. We are still in the process of developing this plan. There are some campuses that have remained open, so, we have relied on input from those individuals. This week we had our first Big 12 conversation to get an idea of what is happening across the country and in our conference. We have several concepts and ideas we are currently exploring. As we proceed, we will continue to develop an operational plan based on what the Reawakening Committee suggests. He outlined items that are being considered:

- Building Access:
  - Limit the number of access points
  - Signage throughout the building
- Social Distancing:
  - Physical layout and structure within lounge spaces
  - Limit contact points in certain locations
  - Meeting room spaces:
    - Meeting room setups need to be created
    - Maintain no more than 50 people in attendance
    - How to utilize larger spaces like Forum Hall and Ballroom when not in use
  - Food Service/Restaurants
- Individual Workstations:
  - Computer locations
  - Sanitation wipes
  - Masks
  - Plexiglass shield
- Disinfecting Standards:
  - Follow CDC guidelines and Riley County Best Practices
  - Prop restroom doors open to avoid contact

**Williamson** indicated Craig has started taking pictures throughout the building of various areas to begin planning layouts on how to rearrange furniture in lounge spaces.

**Johnson** added part of the Union’s staff will be returning to sanitize the building. Food service locations are a major concern. We will need to figure out how to maintain social distancing.

**Williamson** indicated Union leadership will be working through the details and hope to have a plan by the end of the month. He said he is not certain what to expect from the Reawakening Committee, but those guidelines will be followed as well.

**Cook** added she is working with McCain Auditorium regarding cancelation of event contracts and asked if the Union had many larger events scheduled or contracts that needed to be canceled.

**Johnson** responded by saying there were several larger events such Manhattan Technical College and Manhattan Christian College, who both hold their commencement ceremonies in our facility. We had to cancel those, as well as two Red Cross Blood Drives and the University Support Staff Recognition Ceremony. The Union typically does not have contracts, so that was not an issue.

**Cook** asked if there are individuals trying to schedule events for next year and what are they being told?

**Johnson** indicated there are a few events already on the books. We are talking with them about distancing rules and the maximum number of people that can attend, and whether it would be enough to hold the event. We have a wedding planned the week before school starts. They were expecting 300 people which is obviously well more than the maximum number allowed, however they are still interested in having the event space. We are beginning to get some student groups requesting meeting spaces for the academic year. Johnson added there have not been many room requests from departments, but he anticipates requests will increase as the start of the semester gets closer.

**Bontrager** asked about the renovation projects planned for the ballroom and other banquet rooms.

**Johnson** indicated the ballroom project is on hold, not necessarily due to the pandemic. We had some funds left over and were hoping to be able to address that project, however we found the funds will cover about half of the cost of the Ballroom renovation. Johnson said we had two ballrooms scheduled to be renovated over the semester break. Those have been completed. The third room was supposed to be completed in July after Orientation & Enrollment but since the building has been closed, the renovation began early and should be completed around the middle of May.

**Williamson** asked Cindy Bontrager about the central committee that was being developed early on that would review event or program requests. Do we anticipate that committee proceeding forward, or will the Union be making the decisions on which events are appropriate?

**Bontrager** said there was talk of creating a committee, but it never materialized. She asked if there was a need for a committee.

**Williamson** answered by saying the document was very helpful, especially the flow chart that was developed on what programs would be approved, versus which ones would not be approved. He said that resource would be very helpful and would be utilized until we were in Phase 3 when we felt more comfortable with larger events. The flow chart gave some great indicators as to whether the event should be remote or in person, does the event exceed the number allowed or whether there are any high-risk individuals expected to attend. There were several criteria that were developed that I believe we would utilize within our operation.

**Cook** said we will receive some clear direction from Riley County Health Department once the governor releases the stay-at-home announcement. Riley County will also develop a

set of criteria which will continue to evolve. Cook said there will also be some criteria on testing, which will help you in determining how to handle events. It is difficult at this time to say what the requirements will be.

**Bontrager** said it may be a good idea to have flow charts for each phase as part of the Reawakening. There should be guidance to help the community make decisions that will align with our criteria.

**Lane** shared in the Reawakening Plan there is a section on Student Life which includes Housing & Dining and the K-State Student Union. It also addresses McCain Auditorium and summer programs. Lane added there will likely be some central guidance on events in the operational areas to be used in the planning process.

## **2. COVID-19 FY21 Budget Scenario Planning**

**Williamson** shared a quick summary of the budget plans up to this point. This budget was based off previous assumptions, except for the information we have learned as we moved forward. The budget for the upcoming fiscal year was created with the understanding we would not realize any revenues during the month of July and that we will begin to earn revenue in August. We are anticipating a decrease in student privilege fees somewhere between two and three percent, so we budgeted conservatively, with the anticipation of a three percent cut. This would result in a decrease in our operational budget of about \$52,000. Additional decreases are expected in the areas of Repair & Replacement and Repair & Replacement Reserve. Williamson said we are also anticipating the declining trend with the bookstore to continue, with possibly a more significant decline this year. Overall, we are projecting a \$21,151 loss for next year's budget based off previous year's assumptions. We have identified three scenarios on the impact of COVID-19. The first is business as usual, the second would be online classes but providing in-person services and the last would be the current state of online classes with no on campus services. Williamson said if we were to proceed forward with scenario three, it would be the catastrophic scenario where we do not see a path forward, without some additional support or assistance. Our main focus was on scenario one and two. Adjustments were made in our budget that could potentially require some full-time and student staff adjustments. Williamson said he will continue to work closely with Dr. Jackson and Dr. Lane to review the scenarios.

## **3. Virtual Union Celebration – May 6, 3:30pm YouTube Premier**

**Williamson** announced the YouTube Premier on Wednesday, May 6<sup>th</sup>. This celebration is our opportunity to say thank you to those who have contributed to the success of the Union. The celebration will be a video presentation of our students that are being recognized, graduating seniors and some staff recognition. He added we would love to see you join us and experience our appreciation for our students and staff.

## **VIII. DISCUSSION, CONCERNS, ANNOUNCEMENTS**

### **IX. ADJOURN**

**Cindy Bontrager moved, and Marcus Kidd seconded the motion to adjourn the meeting at 3:00 p.m. Unanimous approval.**