Union Council Meeting Minutes
Monday, January 25, 2016

Present:
Juli Aulik, Alumni Rep
Jack Comeau, President
George Cutlip, Alumni Rep (WAA)
Susan Dibbell, Treasurer
Jessica Franco-Morales, ASM Representative
Mark Guthier, Secretary
Erin Harper, ASM Representative
Heidi Lang, Ex-Officio
Madison Laning, ASM Chair
William Lipske, Academic Staff
Mohan Mondali, WUD Representative
Jane Oberdorf, Acting Treasurer
Tyler O’Connell, VP-Development
Philip Ostrov, VP-Internal Relations
Khea Yashadhana, VP External Relations
Lori Berquam, Ex Oficio (via phone)
Peter Lipton, Faculty Representative
Brett Ducharme, ASM Representative

Absent:
Jessica Franco-Morales, ASM Representative

Guests:
Anna Tolle, Jacob Hahn, Kirbi Rodgers, Abigail Greenberg, Mark Aplin, & Riding Club Members

(5:45) Call to Order
Jack Comeau called the meeting to order at 5:45 pm.

Approval of Minutes
Jack Comeau made a motion to approve the minutes from the last Union Council meeting on December 10, 2015. Madison Laning seconds. All in favor. None opposed. Motion passed.

(5:50) Financial and Budget Process Update-Jane Oberdorf
Financial update based off the year to date snapshot of November 30:
-Net income: 394 thousand favorable.
-Strong terrace season which brought in revenue until closing September 1.
-Catering at Union South: doing better than anticipated,
-Hotel and conference services are bringing in revenue
- Expenses: under budget, there are more vacancies than anticipated because of shutting Memorial Union for construction and not needing as much staff and some positions are not filled.
- Unfavorable expense variance: major repairs/building expenses
- Planned deficit of 189 thousand but going into the slower months (December-January)

• Peter Lipton: How is understaffing good for the budget? Are there ways to assess?
• Jane Oberdorf: On the student side of staffing, we are looking for more student employees. For example, the Sett at Union South could use more student help.
• Mark Guthier states that they are researching and trying to find solutions as to why UW-Madison students are not working for the Union. Other campus units are facing this same issue—the Union is not alone.
• Jane Oberdorf: On the professional side of staffing, it is not problematic because of the planning done prior to construction.
• Peter Lipton: Why is it so hard to get students to work?
• Madison Laning states that State Street is competitive with student hourly positions at the Union and as is hourly wage.

FY’17 Budget Highlights
Jane Oberdorf continues to present the Union’s budget development process for fiscal year 17:
- Unit budgets were due first week in January
- Budget review meetings were held January 5-7 from 8am-5pm in which every department presented their budgets in 20 minute increments. Members included Susan Dibbell, Mark Guthier and Jack Comeau.
- Initial budget requests had expenses 1.6 million over revenue. Had to cut 1.6 million dollars.
- Dining helped out with promotions and events to generate revenue yet some requests were denied.
  - Budget proposal reflects a 100 thousand dollar deficit for fiscal year 17, which is challenging yet not surprising due to the construction at Memorial Union without catering and normal revenue typically coming in.
  - Union’s current budget is 51.3 million dollars (growing); 74% reflects operating revenue & 24% seg fees.
  - Ms. Oberdorf stated that the first floor dining operations at Memorial Union will open mid-September
  - Assumptions of budget proposal:
    - new expanded Terrace opening mid may (anticipated in time for graduation) & dining units in mid-September
    - 995 thousand increase in student wages (combination of hiring more students, raising the wage by 33 cents or $9.00 per hour)
    - 11% increase in WUD budget which includes stipends for Hoofer Club Presidents
- Project related expenses (need to fund through operations) small kitchen supplies, dishwasher machine, furniture
- Filled financial deficient with more Dining revenue and the use of gift funds
- Next steps:
  - Donna Halleran and Darrell Bazzell will go over budget on Wednesday, will provide feedback and the budget will then move to the Administration committee on Thursday afternoon
  - 1 week from today plan on final proposal of budget
  - Feb 22: present budget to SSFC
  - Feb 29: final decision on budget

Mark Guthier confirms that they must have the Administration Committee review the budget before Council can approve.
Feb 1 meeting will largely be dedicated to budget.
Feb 22 meeting will need to be rescheduled. Jack will be in touch on a new date.

(6:00) Director’s Report
Mr. Guthier states that Susan Dibbell has now been hired as the official Deputy Director and is a voting member on Union Council.
1) Campus Update: Rec sports master plan - near west playing fields are being renovated as part of the first step and continues to move forward.
2) Philanthropic Update: Days away from closing Terrace Paver Campaign. 1400 pavers were sold which broke 700 thousand dollars. Mr. Guthier states that the last day is January 31 for paver submissions.
3) Programmatic Update: There is a committee planning Union South’s fifth anniversary on Friday, April 15. There will be a series of events to celebrate. Contact Mark Guthier if interested in helping the committee plan.

(6:10) Officer Selection Process Description-Jack Comeau
- On February 22: presenting the budget to Student Services Finance Committee (SSFC). Will need to reschedule Union Council so be on the lookout for updates.
Jack Comeau will be contacting people within the next week to join him on the officer nominating committee which is composed of Jack Comeau, Susan Dibbell/Heidi Lang, Khea Yashadhana, a non-student rep from Union Council and an ASM representative of Union Council.
- The expectations for this committee was included with the materials and there are more details to come.
- Applications are due February 11.
- Final Officer candidates will come to Union Council with prepared statements then Council will ask questions. Voting will occur at the meeting. Candidates will be notified at the end of the formal meeting.

(6:15) Hoofers Study Recommendations Continued-Philip Ostrov
• Philip Ostrov states that Hoofer Council approved the study recommendations.

• Philip Ostrov summarized the recommendations:
  - The Vice President – Development position is dissolved.
  - Hoofer Club Presidents will receive a stipend; Club Presidents will receive 60% of in state tuition. Money is in the general administration line item which is budgeted for fiscal year 16 and does not come directly from seg fees. It comes from operating revenues.

Discussion on the Hoofers Study Recommendations went as follows:

• Brett Ducharme: Hoofers will not be able to sustain this kind of funding. It is an extra 40,000 dollars.

• Jack Comeau: comments that each club has its own budget and we are making sure students are represented correctly.

• Brett Ducharme: stipends improve recognition but he does not see the benefits of this funding. Hoofers is partially separated from WUD according to 1984 study, questioning why funding stream is going to Hoofers

• Philip Ostrov: 1) all leaders are UW-Madison students which is promoting student leadership. 2) Student leaders are creating jazz festivals for community which is important for money making

• Madison Laning: questions the relationship between Union and Hoofers. What is the path we are going down? Feels as though stipends could cause consequences in the future.

• Jane Oberdorf: WUD budget went up by 11 percent, 29 thousand was for stipends, rest of increase was to put programming back to levels before construction.

• Juli Aulik: historical reference, how much does the Union currently support Hoofers? Inter relationship? Is this a change in direction or extension of existing practice?

• Mark Guthier: it’s both. Change in philosophy to create stipends for 6 presidents yet we have had stipends for members of WUD including the Hoofer Council President for decades.

• Juli Aulik: generally speaking, Hoofers is largely self-sustaining.

• Susan Dibbell: it is hard to put a dollar amount on what the Union gives to Hoofers, but want to make it clear that Hoofers is part of Union and there is space dedicated solely to Hoofers. Hoofers get free programming dollars (5,000 to encourage outdoor rec events for non-members). It is hard to put a number on it because it is very fluid and changes frequently. Union pays for outdoor service desk and student staff who answer question and take payments for all six clubs. It would be incredibly challenging without the support of the outdoor service deck.

• Madison Laning: Hoofers is comparable to other committees within WUD, biggest concern is how much money is going into the committees and what students are
getting from them. Hesitation in general of spending more money. Are we going down a path where members won’t have to pay to join Hoofers?

• Mark Guthier: It would be Council’s decision to switch from club model.
• Madison Laning: Agrees with Mark that paying the stipend “administrative cost” could help Hoofers function.
• Ronnie Pisano: Hoofers and WUD have come together to work on events.
• Brett Ducharme: As part of SSFC, the WUD budget is not made equally for all students, if we recognize any club president, we don’t subsidize every club president which is not a very large portion of budget so well within margin of error. Focus of Brett’s comments is whether or not the club is available for all students because it is a big criterion for stipends. Brett is not arguing against Hoofers just questioning whether funding should come from the Union.
• Jack Comeau: Reminder the Union has a 53 million operating budget and currently a lot of students are involved and are being represented. The Union is for campus and community. It is open to the UW community not solely students.
• Ronnie Pisano: Clarifies that the Hoofers have been around since 1929 and we are a part of the Union.
• Philip Ostrov: clarifies mission statement of Union: 1) students first 2) then community. Also, there are plenty of other student groups, honor societies, Greek Life that pay dues and support the cause of the entire organization.

Madison Laning moves to bring a motion of the amended recommendations of Hoofers Council Study to the floor. Philip Ostrov seconds.

• Brett Ducharme states that Hoofers membership is less than a quarter of the amount of money. Madison Laning feels that groups that do pay for funding can’t get seg fee funding.

• Tyler O’Connell moves to amend the proposal recommending that WUD and Hoofers meet at least once each semester rather than monthly. Philp Ostrov seconds.
  • Tyler O’Connell’s reasoning is that it is pretty hard to find a time for all to meet. Jack Comeau states that there is a joint retreat and a winter retreat so the groups would be together 4 times a year.

• Peter Lipton seconds. Bret Ducharme calls to question ⅓ vote needed. Mark Guthier, Madison Laning, Erin Harper, Juli Aulik are opposed. Motion passed. Amendment passed. Joint WUD-Hoofer meetings are now once a semester.

Brett moves to expand beyond proposal to have split funding 50/50 between Hoofers and Union. Peter Lipton seconds.
  Brett Ducharme’s reasons behind the motion:
1) Not extreme increase in integration, only so many meetings, not increasing in accessibility
2) Hoofers is not all students

Erin Harper: doesn't want to suggest funding structure because there is not a ton of info and would like more details.
Brett Ducharme: funding structure will not change unless it is addressed now.

Jack Comeau brings to question all in favor of 50/50 split. Brett Ducharme in favor. All opposed. Amendment **fails**.

Philip Ostrov clarifies the 6 recommendations that Union Council is voting on:
1) Hoofer Council President is a voting member Union Council
2) expectations same for members (WUD & Hoofer Presidents)
3) Hoofer Club President positions descriptions drafted to represent clear details of responsibilities
4) Stipends for Club Presidents (60% in-State tuition)
5) Update disciplinary procedure
6) outlines evaluation process

All in favor of voting for the 6 recommendations of the Hoofers Council Study. None **opposed**. No **abstentions**. Hoofers study **passes** unanimously.

**(6:45) Stable Proposal Based off presentation Presented by** Anna Tolle

Peter Lipton: asked what kind of people would you hire for the intern position
Anna: management position for recent graduate; 1 year position

Erin: how much room for growth is there in lessons?
Currently have 8 individuals who want private lessons. Turning down thousands of revenue each month.

Riding Team is top 10 in the nation. With Union support-team can become better. Students come to Madison from all over the country for the Team. Really successful equestrian team.

**PROPOSAL A-** (Hoofer Council endorsed)
**PROPOSAL B-(Favored option of the Riding Club)**
**PROPOSAL C-LIQUIDATION** (unknown time frame & least favored)

Anna: Club wants to do better than breakeven. Want to become top level barn. Is it responsible to ask student leaders to work until they are burn out and leave the club?
**Bottom line:** improved experience for student members and community members.
Brett: how will master plan go? 
Anna: certain facilities upgrades are needed now and to make the plan work. 

Madison: what is the role of the average UW-student in Riding Club? By adding more staff are we moving away from student involvement such as giving lessons? 
Anna: will keep students involved, but will reduce risk. Students will get training and learn how to work with kids at summer camp and be on exec board of Riding Club. 
Kirbi: barn manager, we are here because we believe in student leadership, general idea if you run a program the students can thrive within that. More potential for horsemanship. 
Ronnie: Hoofer Council voted in favor of proposal A, did not vote for proposal b, Reason why A: Hoofer Council feels as if it is safer for all clubs 
Susan: what is the balance of retained earnings? 
Juli: was there stakeholder input? Did you spend time sitting down with the MUBA, Union Council, and Union staff? 

Brett: 100-150 thousand per year for the next 20 years in addition to operating cost is needed. 
Anna: not asking for special treatment, club should have specific tech advisors for the club. Offer professional oversight. 
Madison: in terms of club in general, what is the role of having our own stable? Could we have a Riding Club without owning own stable? Has the stable become such a big entity that it’s taken away from student benefits? Could students could gain same valuable experience without owning stable? Can we create efficiency by creating partnerships? 
Tyler: are there no local options? 
Kirbi: yes, Madison is correct. First thing is how do we find a stable that will accommodate us? Reality is that unless we send students several hours away there are no options in Madison. Went stable by stable to find someone to run program. Even team wouldn't be able to exist. No local barns. 
Susan: In pursuing the current facility, Riding Club & Hoofer Council members passionately spoke up about the desire to have an equestrian center and their willingness to turn a cow farm into equestrian center. Club members wanted to make it happen. MUBA and Union Council would never agree to purchase a stable unless Hoofer Council and Riding Club demonstrated their desire and passion to run it. 
Tyler: with reduction in students will the staff be overworked? 
Mark Aplin: if you have intern it will provide real-life experience working long hours. If you have an intern setting up processes a lot of efficiency turns into revenue. 
Mark Guthier: 
1) If Union Council wants to pursue option A or B something will have to cut from the budget. This cost must come from somewhere- need real solution 
2) Want to save what we've had since 1939 and go back to viable solution. Is there nothing within 2 hours of Madison—no other options?
Jack: Riding Club debt isn't the responsibility of the Union. Union will not assuming their debt.
Anna: Would like to consider Proposal B. Union cover salary/Club can repay as soon as 5 years.
Peter: sees real passion, feels it’s worth preserving, once get manager the revenue will increase and will move in the right direction. Plan B is responsible. Investment worth making.
George: believes in Riding Club. Should look at business model that sells/leases facility to stable operator, mortgage payment, get out of stable business and go into riding club business. Potential to be better than is. Suggest exploring selling to private operator. If he puts on MUBA hat--sell to developer.
Heidi: asked Ronnie and Anna if there was discussion about how this impacts the Union-Hoofer dynamic
Heidi: the relationship itself is tricky to navigate. Was it talked about?
Anna: used comparison with Wisconsin Basecamp. Different purpose and scale but same goal. Want professional oversight. Theater committee (not responsible) for sweeping theater
Juli: lacking philosophy: what do we want in the end? Club or service model? To some extent the club was abandoned, Juli was a member of the Riding Club. It is a very hard situation to get out of. Some difficult decisions. Would be spending $3,000-8,000 per student. Council has a responsibility much larger than this issue. There is a huge opportunity cost- equity cost. This table needs to be asking tough questions. Construct motion that does not kick can down road but wonder if there is help. Wonder if there is someone who knows how to run a stable. Bring in the expertise that’s missing. Are there other options that preserve the core and mitigate these problems?
Ronnie: would not get approved. Hoofer Council would deny--would not want to take that risk.
Madison: strongly believe Hoofer Riding Club can exist even with liquidation.

Madison moves to bring a motion to proceed with liquidation. Susan Dibbell seconds. Denied proposals A and B.

Ronnie: using retained earnings would take away from other clubs being able to program.
Will: Union Council will not accept ownership of debt. New proposal on liquidation needs to occur.
Juli: having worst case scenario be liquidation. Exploring a third party solution that includes owner operation or partnering with another site.
Mark Aplin: 3rd party operator - lose attractiveness, prices will go up, need structure, need full time person or intern someone who is capable to teach. Will see financial returns if it is run more like a business.
Peter: really silly to make a decision, a lot of information that has come up. Feels uncomfortable. Favor adjourning. How urgent is financial situation?
Ronnie: wish we had more time. Can’t wait. Hoofers retained earnings will be negative. We need to figure something out.
Madison: do we have the fiscal ability to function? What are those financial implications going to be? Hoofer leadership could change, be on a lower scale, intertwined equestrian club, different entity.
Anna: time to hire intern is now.

Philip moves to amend that Council with create a team and explore privatization and report on Monday. Does Hoofer Council meet between now and Monday?
Ronnie: 31,000 is retained earnings. For Hoofer.


Ronnie: Hoofer Council voted in favor of proposal A, if Union was not in favor, would move to C. No solution after that.

Anna: we do have enough information? Most developed is option B. Benefits/risks. Most easily developed. Liquidation is complete mystery.

Mark Guthier: Council Exec would come back to Union Council with membership of a committee to look at liquidation that would save club/team.
Brett: what costs will be added into the fiscal year?
Mark: expense would show up estimated actual. Works itself in.
Madison: have done the research, doesn’t see any real option possible, pro-longing decision not necessary, make decision now, try A and B or make other options. Finding an exit plan and liquidation strategy.

Committee will explore the liquidation plan. All in favor. Brett Seconds.

Move toward liquidation, but ask the Union Council Executive Committee to compose a committee of stakeholders and a timeline, moving toward getting out of the stable business and to investigate the future of the Riding Club and Team. The Exec committee will bring this proposed committee and timeline to the Feb 1 Council meeting.

Motion passed.

Voted to call the question. All in favor. But Madison is opposed.

Peter: doesn’t feel comfortable voting down proposal B. boils down to whether or not it can be paid for. Doesn’t feel ready to liquidate. Maybe throwing something out.
Tyler: ignoring master plan, this proposal has negative $2,500.
Mark: can’t see how this can happen by Monday.
Meeting Adjourned