Union WELL, Inc. Board of Directors – Special Meeting
Wednesday, April 29, 2026
Zoom Meeting

Minutes

1. **Call to Order, 7:32am, Harris**
   a. Present: Christine Flowers, Drew Harris, Deborah Williams, Gabriel Conejo Gallegos, Lisset Cruz, Bill Hebert, Nikki Khamsouksay, Aniesha Mitchell, Nneka Omekam
   b. Also Present: Bill Olmsted, Rina Chhong, Jill Farrell, Zenia LaPorte, Erica Wood, Norma Sanchez, Andrew Singletary, Andrew Reddish
2. **Public Comment**
   a. **None**
3. **New Business:**
   a. Funding Request for Auxiliary Cost Allocation Support: **MSP: Omekam, Conejo Gallegos**
      i. Olmsted reviews the funding request for auxiliary cost allocation support to University Enterprises, Inc. (UEI). In response to audit findings in 2025, the University was tasked with altering their method for cost allocation, which is how the University recovers funds from auxiliaries for campus-provided services. Using the new methodology, UEI was originally allocated $4.8 million and Union WELL, Inc. (UWI) $1.5 million in cost allocation due to the University. However, after a period of review and feedback from the auxiliaries, the amounts decreased to $4.1 million and $1.275 million, respectively. The new methodology uses a percentage calculation based on the total expenditures for each auxiliary. The cost allocation UEI paid in the fall was based on a calculation of expenditures for the 2024–25 fiscal year which from audited financial statements was $51 million. For fiscal year 2024–25, UWI's expenses for salary and benefits was $10.2 million. UEI and UWI have a MOU that UEI will provide payroll and HR services to UWI and UWI will reimburse the amount for salary and benefits for its staff, plus a fee. Due to this arrangement, the $10.2 million figure was included in both UWI and UEI's expenditures that was used to calculate cost allocation. UEI requested the University to reduce their calculated cost allocation by 19.9%, a reduction of $815,900.00, for a new total of $3.2 million, removing what was seen as a duplication in expense. The University denied this request, so the UEI Board of Directors is now asking UWI to share responsibility of paying this amount, a total of $407,950, since it is directly related to UWI's personnel costs. UWI currently has undesignated reserves which are meant to cover various known and unknown expenditures such as cost allocation increases, however this decision could only be authorized by the UWI Board of Directors. Cost allocation for the first year with the new methodology is higher due to the University's need to recover monies from previous years and is projected to decrease next year.

Omekam asks, "When you said the University denied the request, do you know the reason why?" Olmsted responds that from his understanding, the review and feedback period had passed, and campus had already determined their budget with the calculated figures. Olmsted explains that if approved, this expense would take place in the current fiscal year, and documentation would be drafted to request UWI not be penalized with the next year's calculation for cost allocation which is based on expenditures.

4. **Adjournment, 8:03am**

Respectfully submitted,

Authorized Signature

9-9-2026
Date