MEMBERS PRESENT: Mike McCoy, Ronnie Chronister, John Berzett, Will Little, Dr. Ron Ingle, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Senator Arthur Orr and Tere Richardson

Mr. Chronister called the meeting to order at 1:10 pm. After roll call, the committee reviewed and accepted the minutes from the July 20, 2018 meeting.

The first item of business was the financial summary for the quarter and fiscal year ended 9/30/2018. Mr. McCoy pointed out that the fiscal year has just ended and the figures discussed today are unaudited and subject to change. He pointed out that total revenues are up approximately $600,000. The biggest factors contributing to this increase are: increased tuition revenue and also changes in the way the special state appropriation is categorized. Mr. McCoy explained that in prior years the graduate tuition was not reflected in the budget but was included in 2018. Also in 2018, all funds received for the special state appropriation were combined together in the unrestricted budget. He next informed the committee that total expenses are under budget by approximately $1,200,000. This is primarily due to salary savings. Also, some scholarships were not awarded during the 2018 academic year. He indicated these scholarships will carry forward.

Mr. McCoy reported that for the year ended September 30, 2018, the University projects to end up with excess revenues over expenses of approximately $1,818,886. This is an increase over last year of approximately $300,000. Mr. McCoy indicated that this excess will add to the University reserves. He reported that the reserve fund is approximately 5.9 months. This is up from 4.03 in 2015 and 4.96 in 2017.

The next item of business was discussion of the Board action item for amended expenditures for the Sandridge Student Center renovation. Mr. McCoy reminded the committee that at the May Board meeting the Board approved $1,100,000. This amount was based on estimated construction costs from the architects. At the August bid opening no bids were received due to contractors indicating that the cost would be approximately $1,000,000 over the set budget. To avoid the time delay of rebidding and construction costs further increasing, the University sought unofficial quotes from 4 contractors. The University plans to value engineer the project to stay within the allowable 10% variance. The University is asking today for the board to approve an additional $680,000 for this project. The additional amount will come from plant funds and could potentially reduce reserves by .5 months.

The next item of business was discussion of the Board action item for the approval of expenditures for the Classroom Building renovation project. Mr. McCoy reminded the committee that the University received a $1,000,000 grant from the State for the remodeling of the first floor of the Classroom Building for a faculty commons area, technology suite and recording studio, and student lounge. The low bid received was $663,123. Furniture and
technology costs are estimated to be between $350,000 and $500,000. The University is asking for Board approval to execute contracts of not more than $1,200,000.

Finally, Mr. McCoy provided a brief update on campus projects. In addition to the Sandridge and Classroom Building projects just discussed, he mentioned the Beaty-Mason project and the renovation of the Security House. Design plans are still in development for the Beaty-Mason project. Mr. McCoy expects the work on the Security House to begin within the next month.

The meeting was adjourned at 2:10 p.m.