

MINUTES
Board of Trustees
Finance and Facilities Committee
May 17, 2019, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Ronnie Chronister, John Berzett, Senator Arthur Orr, Tere Richardson, Julia Roth, Dr. Ron Ingle, Jonathan Craft, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Will Little

Mr. Chronister called the meeting to order at 1:15 pm. After roll call, the committee reviewed the minutes from the January 18, 2019 meeting.

The first item of new business was the financial summary for the quarter ended 3/31/2019. Mr. Craft pointed out that total revenues are down slightly from the same time period last year. Expenses are up slightly from last year. This is primarily due to the Sandridge Student Center renovation and salary adjustments (COLA and CUPA). The excess revenue is approximately \$4.0M compared to approximately \$4.3M last year. He reported that the reserve fund is approximately 7.25 months as of 03/31/19. This is up from 6.96 months at 3/31/18.

The next item of new business was the 2019-20 tuition and fee schedule to be approved later at the board meeting. Mr. McCoy reminded the committee of the board's decision last May to tie future tuition increases to the increase in the consumer price index (CPI). Mr. McCoy informed the committee that the CPI for calendar year 2018 was 1.9 percent. Therefore, the proposed schedule reflects a 1.9% tuition increase. He explained that the proposed schedule also reflects a restructure of mandatory fees, including a \$50 per credit hour technology fee and a \$1 per credit hour bond surety fee. All other per credit hour student fees are being removed. The bond surety fee will be collected and paid to the Alabama Community College System since they are the guarantor of our 2010 bond issue. He also explained that the technology fee is needed because even traditional, face to face classes use the same technology as distance learning classes. He discussed the University's desire to bring the two tuition rates closer together.

Mr. McCoy also discussed how the proposed tuition increase factors into the proposed budget for 2019-2020. The budget will be presented at the July board meeting for approval. The budget overview shows revenues of \$36 Million. This includes the expected increase in the state appropriation as well as the proposed tuition increase. The legislature has not yet approved the education budget but Athens State expects an increase of approximately \$1.48M. Mr. McCoy also indicated that he expects over \$1.0M in advancement of technology funds to be approved.

Next, Mr. McCoy provided a brief update on campus projects. He informed the committee that he expects the Classroom Building renovation to be complete and ready for occupancy by the beginning of July. Additionally, he informed the committee that the Sandridge Student Center renovation should be complete by late July. He also discussed ongoing plans for Brown Hall. Architectural plans are being developed to send to the State of Alabama Building Commission. This will be a costly project due to the age of the building and its historical significance. The project cost is estimated to be approximately \$3.5M. This project is included in the capital campaign and outside funding will be needed to complete the project. Mr. McCoy next addressed the ongoing renovations for the Beaty-Mason home. He indicated that the University will not proceed with plans to the building commission for the next phase of renovation due to lack of funding and no defined plans for use of the structure. Mr. Chronister discussed that it is time for the Board of Trustees to make a recommendation for future plans for the Beaty-Mason home. Ms. Richardson discussed the possibility of a community foundation

to oversee the home. Dr. Ingle will follow-up with Ms. Richardson on this idea. Mr. Chronister suggested that he would discuss at the board meeting that a final recommendation should be presented at the July board meeting.

Lastly, Mr. Craft presented a couple of information items for the committee members. The first item was a notice from the State Attorney General regarding the authorization for the University to write off \$162,966.52 in uncollectible debt. The second item was a notice from the State Examiners of Public Accounts regarding a compliance audit of the University they are currently conducting.

The meeting was adjourned at 1:52 p.m.