

MINUTES
Board of Trustees
Finance and Facilities Committee
October 16, 2015, 1:00 pm

MEMBERS PRESENT: Cathy Dickens, Mike McCoy, Senator Arthur Orr, Macke Mauldin, Tazewell Shepherd, John Berzett, Dwight Lovell, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Dr. Ed Nichols

Ms. Dickens called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from the July 17, 2015 meeting. Mr. McCoy addressed the only item of old business; debt refunding. Mr. McCoy introduced Chris Williams and Belle Walker from Rice Advisory, LLC to explain the details involved in refunding the Series 2007 bonds at lower interest rates. Mr. Williams provided a handout and discussed the costs and savings of refunding the bonds. The estimated savings is approximately \$1.1 million. Mr. Williams indicated that this transaction will need to be closed by October 29. This is an agenda item for the full board at today's meeting.

Under new business, the next agenda item was the financial summary for the period ending 09/30/2015. Mr. McCoy provided a handout showing year to date excess revenues over expenses of just over \$1.5 million dollars. Mr. McCoy pointed out that this financial summary is prior to final year end adjusting entries. He reminded the committee that this excess revenue is primarily due to actual credit hours for distance learning classes being greater than budgeted credit hours and salary savings. Mr. McCoy also provided for comparison the financial summaries for 09/30/2013 and 09/30/2014.

The next item of new business was a discussion of credit hour production. Mr. McCoy provided handouts comparing budgeted credit hours with actual credit hours for the fiscal year 2015 as well as the current fall semester of fiscal year 2016. The actual credit hours for regular classes were below budgeted hours for all three semesters in FY2015. The actual credit hours for distance classes were above budgeted hours for Fall and Spring semesters but below budgeted hours for Summer semester. The increase in distance hours contributed to the excess revenues for FY2015 presented in the financial summary discussion. For fiscal 2016, the credit hour analysis shows that credit hours for regular classes are slightly over budget while credit hours for distance classes are measurably under budget. This has resulted in tuition and fee revenue being almost \$400,000 below budget.

Lastly, Mr. McCoy provided the committee with a handout updating campus projects. The meeting was adjourned at 2:05 pm.