

**SUMMARY OF JULY 17, 2020 MEETING OF THE
ATHENS STATE UNIVERSITY BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

Per the directive of Chairman Ronnie Chronister, the meeting of the Board of Trustees of Athens State University's Finance and Facilities Committee meeting was held at **1:15 pm on July 17, 2020, in Founders Hall Chapel** located at 300 North Beaty Street, Athens, AL. The meeting was conducted pursuant to Section 3 of Governor Kay Ivey's March 18, 2020 Proclamation concerning the operation of the Open Meetings Law during the state of emergency related to COVID-19. As such, all deliberations conducted, and actions taken, during the meeting were limited to matters within the board's statutory authority that were (a) necessary to respond to COVID-19, or (b) necessary to perform essential minimum functions of the board. One member of the board committee (Chairman Ronnie Chronister) physically attended the meeting at Founders Hall Chapel, and other committee members of the board participated in this meeting by means of electronic communications (through a telephone/Zoom conference call). Per the Governor's Order, the meeting was not open to physical presence by members of the general public. This summary of the meeting is provided no less than twelve (12) hours after the meeting, on the Athens State University website at <https://www.athens.edu/board-of-trustees/committees/#fin>. The summary recounts the deliberations conducted and the actions taken by the committee with reasonable specificity to allow the public to understand what happened.

Call to Order Chairman Ronnie Chronister, who was physically present at the Founders Hall Chapel, called the meeting to Order at 1:15 PM. The following committee members participated in the meeting remotely via telephone/Zoom conference call: Senator Arthur Orr (joined late), Missy Ming Smith, Debbie McGee (joined late), Aladin Beshir, Kim Troupe, Macke Mauldin (joined late) and Dr. Wanda Humphrey (joined late). The following persons were physically present with Chairman Chronister, at his request, their participation having been identified as necessary to the expected discussion and business of the meeting: Philip Way, President; Mike McCoy, Vice President for Financial Affairs; Jonathan Craft, Assistant Vice President for Financial Affairs; Kerry Warren, Director of Facility Operations; and Barbara Ferguson, Executive Assistant to the VP for Financial Affairs.

Roll Call The Executive Assistant to the VP for Financial Affairs called roll. Individuals answering present were: Ronnie Chronister, Missy Ming Smith, Kim Troupe, Mike McCoy, Dr. Philip Way.

Review of Minutes January 17, 2020 (Attachment A)

The committee accepted the January 17, 2020 minutes as presented by the following roll-call:

Ronnie Chronister – Y

Mike McCoy – Y

Missy Ming Smith – Y

Kim Troupe – Y

Debbie McGee – Y

Senator Arthur Orr – Y

New Business The first item of new business was the 2019-20 budget amendment #2 (Attachment B). Mr. McCoy reminded the committee about the first amendment for the 2019-20 budget for Higher Education Equalization Funds. Today's budget amendment #2 is to reflect additional funding received as detailed below:

Title III	\$	373,300.00
CARES (Institution)	\$	422,516.00

CARES(Student)	\$ 422,517.00
CARES (TITLE III)	\$ 41,170.00
Advancement & Technology	\$ 886,172.00
ETF Supplemental	\$ 280,000.00
Total	\$ 2,425,675.00

The Title III line item is specific restricted grant funding. The 3 line items for CARES funding are for restricted funds received related to the COVID-19 pandemic. The CARES student funds represent payments made directly to students who were in face-to-face classes that were converted to an online format during the spring semester. The CARES institutional funds represent spending on converting face-to-face classes to online delivery for the remainder of the Spring semester and for instructional technology enhancements. The University is moving to new modalities for online/hybrid course delivery such as HyFlex which will allow for face-to-face delivery with synchronous online delivery and possibly asynchronous delivery. Equipment is needed in classrooms to accommodate this delivery modality. Dr. Way indicated we would like to have several classrooms equipped for Fall semester for this type of course delivery. The A&T funds and ETF Supplemental funds were approved during the spring legislative session and have been received. These funds are being spent mostly for technology needs and plant expenditures, including a \$500,000 transfer to the plant fund.

The committee agreed with the presentation of the 2019-20 Budget Amendment #2 at the board meeting later today by the following roll-call:

Ronnie Chronister – Y
Mike McCoy – Y
Missy Ming Smith – Y
Debbie McGee – Y
Senator Arthur Orr – Y

The next item of new business was the proposed 2020-21 budget (Attachment C and D).

Mr. McCoy moved to discuss the power point attachment first to provide specific details about the proposed 2020-21 budget. He discussed the following highlights for the unrestricted budget:

- No tuition increase is in the proposed budget, as decided at the May Board of Trustees meeting
- The only increase in revenues in the proposed budget are for increases in our state appropriation
- An increase in operating expenses of \$424,828 which are mainly for new technology
- An increase in salaries and benefits of \$1,123,806 for new positions (primarily for new programs), step increases, CUPA adjustments, Summer salary increases, and reorganizations. Mr. McCoy indicated the salary budget increases somewhere in this range every year.
- Mr. McCoy pointed out that in order to balance the budget there was no transfer to the plant fund (reserves) and no requested critical needs were funded.

Senator Orr asked about the quarterly financial summary showing a decrease of \$2,019,673. Mike McCoy discussed the current year dip and the fact that he is budgeting for reserves and enrollment to stay relatively flat next year. Enrollment in the current year has been level with the prior year but no growth has been achieved as was projected. This is most likely related to the COVID-19 pandemic. Mr. Chronister asked about how other Universities are doing and Dr. Way indicated we are doing better than most due to the fact that we do not have athletics, dorms, and we have limited international students. Senator Orr asked about the restricted budget. Mr. McCoy indicated it is very similar to the restricted budget for the current year. Funding for the Title III grant is included because it is a five year grant, however the CARES funds were a one-time award. Mr. McCoy briefly touched on the plant funds. He indicated that revenues include an estimated amount of \$500,000 for the sale of the

Beaty-Mason home and \$4,800,000 in state bond proceeds. He has also included expenditures for the following projects: Nazaretian property, Pryor Street house, Brown Hall and Carter Gymnasium. He reminded the committee that expenditures of more than \$500,000 individually and \$1,500,000 in aggregate would require Board approval.

The committee agreed with the presentation of the 2020-21 Proposed Budget at the board meeting later today by the following roll-call:

Ronnie Chronister – Y

Mike McCoy – Y

Missy Ming Smith – Y

Debbie McGee – Y

Senator Arthur Orr – Y

The final item of new business was the Sandridge Student Center maintenance project. Mr. McCoy reminded the committee this project was first planned as an ACHE deferred maintenance grant. We were not awarded the grant and it is now critical to move forward with this deferred maintenance project. Mr. Warren informed the committee that the University issued a bid for this project but no responses were received. He has negotiated a contract for \$996,000 of which \$500,000 is being covered by the A&T funds represented in the budget amendment. Mr. Warren indicated that the project will include asbestos abatement, window replacement, fascia and coping replacement and building access control.

The committee agreed with the presentation of the Sandridge Student Center maintenance project at the board meeting later today by the following roll-call:

Ronnie Chronister – Y

Mike McCoy – Y

Missy Ming Smith – Y

Debbie McGee – Y

Senator Arthur Orr – Y

Adjourn Chairman Chronister asked if there was any other business that needed to be discussed. With no further business, the meeting was adjourned at 2:34 p.m.