

MINUTES
Board of Trustees
Finance and Facilities Committee
July 19, 2019, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Ronnie Chronister, John Berzett, Tere Richardson, Dr. Ron Ingle, Jonathan Craft, Kerry Warren, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Senator Arthur Orr, Will Little, Julia Roth

Mr. Chronister called the meeting to order at 1:14 pm. After roll call, the committee reviewed the minutes from the May 17, 2019 meeting.

The only item of old business was a continuation of the discussion regarding the Beaty-Mason home. Dr. Ingle informed the committee that a number of meetings have been held with various community leaders and members of the neighborhood since the May meeting. He indicated that everyone present for the meetings understood that the University cannot continue on with a plan to renovate the home for a residence. There is an understanding that the University has more critical projects on campus. However, everyone understands that the historical significance and emotional connection to the property is important. One option going forward is to approach outside entities to partner to renovate the first floor to reflect an 1800's appearance as a museum and offer some kind of period type educational programs. Dr. Ingle is asking for the Board to organize a Friends of Beaty-Mason group to help develop a financing and directional plan for the future of the house. The committee discussed the need to have an expected timeline for the committee to develop definite plans and suggested this timeframe should be six months. At that point, if no plans or funding have been developed, Dr. Ingle would recommend for the Board to entertain selling the property.

The first item of new business was the financial summary for the quarter ended 6/30/2019. Mr. Craft pointed out that total revenues are up approximately \$7.7M from the same time period last year. This is primarily due to the early assessment of Fall tuition. Also, the University recently received the special Advancement in Technology appropriation. Expenses are up slightly from last year. This is primarily due to the Sandridge Student Center renovation and salary adjustments (COLA and CUPA). After backing out the revenue from the increases discussed above, the excess revenue over expenses is approximately \$130,000 below the same time period last year.

The next item of new business was the proposed 2019-20 budget to be voted on by the board at today's meeting. Mr. McCoy informed the committee that Athens State received an increase in the state appropriation of approximately \$1.6M. This increase in addition to the recently approved tuition increase results in increased revenues of approximately \$2.4M. He indicated that this proposed budget includes funding of a one-time payment of \$1000 to permanent, full-time and part-time employees in the December payroll. This one-time payment would be in lieu of a cost of living adjustment (COLA). Mr. McCoy provided a summary of recent Athens State COLAs in comparison to the recent COLAs of the Alabama Community College System. He also indicated that his research has shown that some four year universities choose one-time payments rather than COLAs. He also reminded the committee that the University undertakes periodic CUPA surveys to ensure competitive, market based salaries for our employees.

Next, Mr. McCoy discussed a proposed amendment to the 2013 Board resolution for capital improvements, alterations, remodeling and changing of capital improvements. The original 2013 resolution indicated that the President could approve up to \$500,000 in aggregate in a fiscal year for these type projects. Today's proposed amendment will allow the President to approve up to \$500,000

per project and \$1.5M in the aggregate, not including projects individually approved by the Board. This will be a more accurate representation of the intent of the original resolution.

Finally, Mr. McCoy provided a brief update on campus projects. He informed the committee that both Sandridge Hall and the Classroom Building received substantial completion on June 25. Occupants have moved back into Sandridge and occupants will start moving back into the Classroom Building next week. The temporary office buildings will be moved within the next month. 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. This project is included in the capital campaign and outside funding will be needed to complete the project. Regarding the Nazaretian house, he indicated that the University is in the process of hiring an architect to develop plans for renovation. He is expecting the Alumni Association to contribute \$50,000 to the project. The remainder of the cost will be covered from plant funds. Mr. McCoy informed the committee that plans are being developed for renovation of Carter Gym. These renovations would focus on accessibility issues, code upgrades, acoustics, and cosmetic enhancements. This project is not in the current budget. Mr. McCoy also provided updates on some smaller projects for the campus including the installation of a colonnade on the northwest side of Brown Hall and the installation of stamped concrete pavers at every entrance to the University to mark the boundaries of the campus. He expects funding from the Alumni Association for the colonnade and funding from the Fiddlers Convention for the paver project.

The meeting was adjourned at 2:15 p.m.