

MINUTES
Board of Trustees
Finance and Facilities Committee
May 17, 2024

MEMBERS PRESENT: Dus Rogers, Senator Arthur Orr (Zoom), Mike McCoy, Jonathan Craft, Dr. Catherine Wehlburg, Victoria Mould, Julia Roth, John Wilson and Barbara Ferguson, reporting.

MEMBERS ABSENT: Kerry Warren, Mac McCutcheon and Emily Corzine

Mr. Rogers called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from February 9, 2024. With no old business to address, the committee moved to new business.

The first item of business was the financial summary for the period ended 04/30/2023. Mr. Craft shared with the committee that revenues for this period were approximately \$30.6M and expenses were approximately \$23.7M, resulting in excess revenues of \$6.8M. He pointed out that the revenues presented capture the majority of summer tuition and reminded the committee that our revenues are received earlier in the fiscal year while expenses will continue throughout the year. He also discussed that the revenues show less in grants and contracts. He explained that this is due to the University no longer receiving TVA In Lieu of Tax funds from Morgan County. On the expense side, he pointed out that expenses are approximately \$2.0M more than for the same period last year. He mentioned that this is due to some vacant positions being filled, an increase in direct marketing expenditures, and a recent write-off of bad debt.

Mr. McCoy provided a projection for 09/30/24. He has projected ending with excess revenues over expenditures of \$960,269 that would be largely due to investment performance. He has also projected ending the fiscal year with reserves of 5.17 months.

The next item of business was the Tuition and Fee Schedule for the 2025 academic year. This will be presented to the full board for approval at today's meeting. The Finance and Facilities Committee will make a recommendation to move forward to the full board for approval. The options presented to the committee were:

- No increase
- Increase at CPI of 3.4% - generates \$582,381 in additional revenue
- Increase at 2% with a \$2 Tech. Fee increase – generates \$450,704 additional revenue
- Increase at 2% with a \$1 Tech. Fee increase – generates \$388,254 additional revenue

Mr. McCoy reminded the committee that several years ago the board set a general guideline of increasing tuition at the CPI rate. However, last year the board voted to increase tuition at approximately ½ of the CPI rate. Mr. McCoy shared tuition comparison data for the other state of Alabama universities. He mentioned that the University did not get the full appropriation amount requested from the state. He informed the committee that a balanced budget can be reached with any of the tuition options presented, but the impact may be less funding for program development and marketing. Dr. Wehlburg noted the need to continue funding increases for scholarships. Mr. Craft shared that should credit hours and revenue increase during the year, a budget amendment would be done and additional expenditures considered. After discussion by the committee members, a motion was made and approved to recommend a 2% tuition increase with a \$1 Technology Fee increase to the full board for consideration today.

Next, the committee discussed a contract to be considered at the full board meeting today. This contract is for the purchase of a new telephone system. This contract would normally go before the Executive Committee of the Board. However, due to the need to execute the contract in a timely manner, it is being considered by the full board. Mr. McCoy informed the committee that the current phone system is obsolete and will no longer be supported by the vendor. The proposed system would be purchased from the Sourcewell purchasing co-operative for \$254,000 and Advancement of Technology special appropriation funds would be used. The committee recommended moving this forward for discussion by the full board today.

Finally, Mr. McCoy provided updates on the following capital projects:

- New elevator in Founders Hall – PSCA funded - installation is on-going
- New chillers at Kares Library and Sandridge Student Center – PSCA funded - The chiller installed at Sandridge was faulty. The vendor is providing a rental unit until a replacement is available. There is a 20-30 week lead-time. There will be no additional cost to the University since the original unit was faulty.
- Brown Hall – funded by supplemental appropriation - Work begins next week and the duration should be approximately 1 year.
- Nazaretian House – funded by supplemental appropriation - The contract is not yet signed. A groundbreaking will be held soon and the project duration should be approximately 1 year.

With no further business, the meeting was adjourned at 2:00 p.m.