

May 10, 2018

Board of Governors



AGENDA
FSU BOARD OF GOVERNORS' MEETING
MAY 10, 2018, 9:00 A.M.
LOCATION: BOARD ROOM, FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV



- I. CALL TO ORDER**
 - A. Roll Call
 - B. Public Comment
 - C. Approval of Agenda*Action Item*

- II. APPROVAL OF MINUTES OF APRIL 19, 2018.....***Tab 1 Action Item*

- III. REPORTS AND PRESENTATIONS**
 - A. Constituent Report – Student Athletes

- IV. CONSENT AGENDA.....***Tab 2 Action Item*
 - A. Financial Reports (Month Ending: March 31, 2018)

- V. FINANCE COMMITTEE (John Schirripa, Chair)**
 - A. Approval of FY 2019 Pay Raise.....*Tab 3 Action Item*
 - B. Approval of FY 2019 Auxiliary Budgets..... *Tab 4 Action Item*
 - C. Approval of FY 2019 Capital Projects.....*Tab 5 Action Item*
 - D. Approval of Musick Library Elevator Funding Transfer.....*Tab 6 Action Item*

- VI. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code §6-9A-4 to Discuss Personnel and Property Issues**

- VII. ADJOURNMENT**

NEXT MEETING: JUNE 14, 2018, 9:00 A.M.,
LOCATION: BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES
APRIL 19, 2018
BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

I. CALL TO ORDER

A. Roll Call

Chair Dixie Yann convened a meeting of the Fairmont State University (FSU) Board of Governors on April 19, 2018, beginning at approximately 9:00 a.m. in the Board Room, 3rd Floor Falcon Center, at 1201 Locust Avenue, Fairmont, West Virginia.

At the request of Chair Yann, Serena Scully, Special Assistant to the President, conducted a roll call of the Board of Governors. Present for the meeting were board members Holly Fluharty, Mark Hart, Aaron Hawkins, Bill Holmes, Jay Puccio, Deborah Prezioso, Dr. Budd Sapp, John Schirripa, Alyssa Welling and Dixie Yann. Frank Washenitz participated by conference call. Dr. Chris Courtney was present after roll call.

Others present were President Martin and President's Council members Lyndsey Dugan, Christa Kwiatkowski, Christina Lavorata, John Lympany and Tim McNeely. Stephanie Slaubaugh, Construction Manager; RJ Gimbl, President of the Fairmont State Foundation; Chad Fowler, Acting Athletic Director; Ryan Courtney, Director of Internal Relations; Pat Snively, Director of Athletic Compliance; Alicia Kalka, Director of Housing; Monica Cochran, Director of Procurement; Richard Harvey, Dean, School of Business; Donald Trisel, Dean, College of Science & Technology; Deanna Shields, Dean, College of Liberal Arts; Angela Schwer, Faculty; Jessica Sell, Government Relations and Development Officer; Robynn Shannon, Director of Institutional Assessment and Effectiveness; Shawn Ragsdale, Classified Staff Council Chair; Galen Hansen, Faculty; and Bailey McInturff, Future BOG Student Representative; Members of local media were in attendance as well.

B. Public Comment

Bill Holmes reported that no one had signed up for public comment.

C. Approval of Agenda

Bill Holmes made a motion to approve the agenda. Aaron Hawkins seconded. The motion passed.

II. APPROVAL OF MINUTES OF FEBRUARY 15, 2018

Budd Sapp made a motion to approve the minutes of February 15, 2018. Jay Puccio seconded. The motion passed.

III. CHAIRMAN'S REPORT

- A. Chair Yann gave a special welcome to Dr. Mark Hart, new board member, and Bailey McInturff, new student representative who will take her place on the board in June.
- B. Chair Yann advised that Deborah Prezioso will be chairing the nominating committee. Holly Fluharty and John Schirripa will be on the committee as well.
- C. Chair Yann discussed the HEPC funding model. A resolution has been prepared and shared with the board.

Aaron Hawkins made a motion to approve the HEPC funding model resolution. Bill Holmes seconded. The motion passed.

Holly Fluharty and Budd Sapp advised that classified staff council and faculty senate will also be preparing and submitting a resolution for the funding model.

- D. Chair Yann invited everyone to the commencement ceremony on May 12. This year there will be two ceremonies to accommodate all friends and families of graduates.

IV. PRESIDENT'S REPORT

- A. President Martin briefly discussed a few noteworthy accolades: we are currently reducing costs, increasing enrollment, and experiencing increased visibility throughout WV and the nation. Recently, the concrete canoe team won their competition for the 15th consecutive year, and they will be going to national competition. Moody gave us a very favorable report and affirmed Fairmont State University's stable outlook with A2 rating. We also have prospective partnerships luring.
- B. President Martin deferred to her ELT team for more information on University updates.

V. REPORTS AND PRESENTATIONS

A. Constituent Report (Shawn Ragsdale)

Shawn Ragsdale, Coordinator of Student Activities & Greek Life and Classified Staff Council Chair, gave a presentation on his background and of his job duties.

Shawn discussed the many events that Classified Staff Council and Greek Life have hosted over the last year.

B. RJ Gimbl, President and CEO of the Fairmont State Foundation, reported that as of March 31, 2018, total assets equaled \$30,931,000 and the endowment balance was \$22,164,144.

Mr. Gimbl stated that since the last board meeting, there have been \$125,000 in new gifts that include: \$29,000 in endowed scholarship gifts, \$48,000 in university-wide program support gifts, and \$32,000 in athletic program support.

Mr. Gimbl reported that there are four pending gift proposals out right now and these include two scholarships, one for equipment support and one for a naming opportunity.

Mr. Gimbl also thanked the sponsors for the recent alumni event in Charleston. Over 100 alumni and friends attended the event.

C. Construction Project Updates (Tom Tucker and Stephanie Slaubaugh)

Stephanie Slaubaugh, Construction Manager, advised they are currently working on the Charles Pointe build-out. They will be receiving bids this afternoon.

The library roof project is currently out for bid. The project will begin immediately after graduation.

Upgrades across campus along with paving projects are also underway.

The MS4 program is currently in the fourth year. Recently, 2.69 tons of litter was collected from Coal Run Stream.

VI. CONSENT AGENDA

Aaron Hawkins moved to accept the following Consent Agenda:

Financial Reports for periods ending January 31, 2018 and February 28, 2018.

Deborah Prezioso seconded. The motion passed.

VII. ACADEMIC AFFAIRS COMMITTEE (Aaron Hawkins, Chair)

Mr. Aaron Hawkins, Chair of the Academic Affairs Committee asked that Dr. Christina Lavorata, Provost and Vice President for Academic Affairs, give a brief update.

Aaron Hawkins advised that four academic programs were presented for review this year.

Dr. Lavorata introduced the four program reviews for approval.

Aaron Hawkins moved to approve the following Program Reviews:

Bachelor of Science in Biology, Bachelor of Science in Chemistry, Bachelor of Science in Computer Science, Bachelor of Science in Forensic Science

Dr. Sapp seconded. The motion passed.

Dr. Lavorata gave a brief update on the following program reviews: Bachelor of Arts in Spanish and Bachelor of Arts in Theatre Arts.

Aaron Hawkins commented on the improvements that need to be addressed in Hunt Haught Hall, specifically problems related to water damage.

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

Frank Washenitz, Chair of the Athletic Affairs Committee asked that Chad Fowler, Acting Athletic Director, give an update for the Athletic Affairs Committee.

Mr. Fowler discussed the success of the men's and women's swim teams at the MEC conference; the women won the MEC conference.

This weekend the men's tennis team will be competing at the MEC conference championship.

Both baseball and softball teams are in a solid position to make it to the MEC championship.

Acrobatics and Tumbling made it to the national championships again this year; their current record is 6 and 1.

Thursday, May 3rd at 5:30 is the 56th annual all sports reception in Feaster Center. There will be over 75 student athletes recognized.

May 18th is the annual MVB golf tournament at the Bridgeport Country Club.

Saturday, April 21st is the 1st annual cross-country 5K on campus.

We have signed a contract with BSN. Fairmont State athletics is now officially supporters of Nike. This will now provide unity among all athletic teams.

IX. BY-LAWS COMMITTEE (Dixie Yann, Chair)

Dixie Yann advised that the by-laws committee has not met.

X. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Bill Holmes, Chair)

Bill Holmes, Chair of the Enrollment/Housing-Student Life Committee asked that Tim McNeely, Interim Vice President of Student Affairs and Operations, give an update for the Enrollment/Housing-Student Life Committee.

Mr. McNeely discussed the funnel report that was provided. Number of admitted students continue to increase.

Last week we hosted the first ever SOAR awards, one in Marion County and one in Wood County. We invited students from those counties and surrounding counties to hear President Martin speak and for the students to receive \$500 opportunity scholarships. There were over 185 students in attendance and over 300 guests. President Martin noted that we had a 99% yield rate for the students who attend the SOAR awards.

Mr. McNeely also discussed the housing summary. Numbers continue to trend upwards. We expect to be over 100% occupancy level at the beginning of fall 2018.

XI. FINANCE COMMITTEE (John Schirripa, Chair)

John Schirripa, Chair of the Finance Committee, provided a brief update.

The Finance Committee met on April 4 and reviewed the financial statements from January and February, along with many other topics.

John Schirripa, Chair of the Finance Committee, asked Christa Kwiatkowski, Interim CFO, to provide a brief update.

Christa discussed the tuition and fees & room and board fees for the upcoming year.

Aaron Hawkins noted the changes to the number of meal plans. There were previously 16 plans and there will now be 5 plans, making it much simpler for students and administrative tracking.

Deborah Prezioso motioned to accept the following:

- A. 2018-2019 Tuition and Fees & Room and Board Fees

Dr. Courtney seconded. The motion passed.

The president of the local university in Mauritius, an island nation off the southeast coast of the African continent, is seeking to establish an educational cross-country program that will award students in Mauritius a Fairmont State University degree through an on-site university, The American Campus (TAC). Fairmont State University's programs will be delivered on-site, and students will receive dual degrees from Fairmont State University and TAC. This agreement will create an external source of income for the University and it will expand the Fairmont State University footprint internationally.

Chris Courtney motioned to accept the following:

A. Fee for The American Campus at Mauritius

Bill Holmes seconded. The motion passed.

TEFL International is a company that does business in Asia and is recognized as the leading Teaching English to Speakers of Other Languages course provider. TEFL International certificate holders will be awarded 3-credit hours at Fairmont State University through Credit by Examination. These credits will count toward an MAT and/or M.Ed. programs.

Bill Holmes motioned to accept the following:

A. Fee for TEFL International

Alyssa Welling seconded. The motion passed.

Dr. Sapp provided a clarification to information provided in the board packet. Page 61, Section 4, bullet 2 – There are four courses and credit will be awarded once all four courses are completed.

Christa discussed the Moody's rating. Moody has affirmed the rating of A2, which was very positive. Fairmont State is the third highest rated institution in the state of West Virginia, behind WVU and Marshall.

Christa provided an update regarding the changes to collections. Currently, there has been a savings of \$56,675 from the initiative to bring collections in-house.

The new food service contract has been signed. In the future, there will be some very exciting news to share regarding retail sales that will be brought to campus.

Tab 2

**Fairmont State University
Board of Governors
May 10, 2018**

Item: March Financial Reports

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Finance Committee of the Board of Governors recognize and accept the March Unrestricted and Restricted reports.

Staff Member: Christa Kwiatkowski

Background: Summary of the reports submitted is attached.

Fairmont State University
Board of Governors
March 2018

Unrestricted Central E&G and Unrestricted Fund Manager

The unrestricted funds are resources of the institution which are expendable for any purpose in performing the primary objectives of the institution such as instruction, research, and public service.

Central E&G funds are the main operating budget of the institution. The sources of these revenues include tuition and fees, state appropriations, chargeback revenues from Pierpont, and other miscellaneous income. The funding supports academic units, student services, support services, information technology, library services, administration, and physical plant.

Fund Manager funds represent the funds assessed or earned by the academic schools or other departments that support costs specific to that department such as equipment and laboratory supplies.

March 2018

With 75% of the fiscal year completed, the Unrestricted Central E&G year to date operating revenues of \$25,992,580 represents 88.64% of the projected current budget. The year to date operating expenses of \$29,022,679 represents 66.30% of the projected current budget. The year to date non-operating revenues of \$8,121,337 represents 64.16% of the projected current budget. After adjusting for debt service, financial aid match and other transfers, the actual YTD balance at the end of March is a positive \$4,960,013. The primary contributor to this positive budget balance is the full recognition of the Spring term revenues and the efforts to reduce salary expenses through vacancies. Last year at this time, the actual YTD balance was \$3,901,754. Last year, we ended with a positive balance of \$7,990.

Fund Manager funds year to date operating revenues of \$2,442,519 represents 116.52% of the projected current budget. The year to date operating expenses of \$1,802,302 represents 63.10% of the projected current budget. After non-operating revenues and other transfers, the actual YTD balance at the end of March is a positive \$695,631. Last year at this time, the actual YTD balance was \$551,323. Last year, we ended with a positive balance of \$81,809.

Auxiliary Funds

Auxiliary enterprises are self-supporting activities conducted to primarily to provide facilities or services to students, faculty, and staff. Auxiliary activities include: operation of residence halls, public safety, Falcon Center, bookstore, dining, and intercollegiate athletics.

March 2018

With 75% of the fiscal year completed, the Auxiliary year to date operating revenues of \$12,535,270 represents 90.74% of the projected current budget. The year to date operating expenses of \$6,294,077 represents 74.54% of the projected current budget. After non-operating revenues, the first-half of debt service payments and other transfers, the actual YTD balance at the end of March is a positive

\$3,748,897. The primary contributor to this positive balance is the due to the full recognition of Spring term revenues. Last year at this time, the actual YTD balance was \$3,616,835. Last year, we ended with a positive balance of \$412,102.

Restricted Funds

The Restricted Fund group consists of those funds that are expendable for operating purposes by the University but are limited by grantors or an outside agency as to the specific purpose for which they may be expended. Restricted funds at FSU consist primarily of contracts and grants received from federal or state governments for financial aid, research, public service, or other restricted purpose.

March 2018

With 75% of the fiscal year completed, the Restricted year to date operating revenues of \$26,824,051 represents 81.39% of the projected current budget. The year to date operating expenses of \$33,394,364 represents 78.07% of the projected current budget. After adjusting for Pell Grant revenues and other transfers, the actual YTD balance is a negative (\$123,567). The negative balance is due to reimbursable grant expenses due to Fairmont State University.

March provided the following grant activity:

WVHEPC – Atomic Absorption Spectroscopy - \$20,000

Bowers Foundation – Spectroscopy - \$15,000

Education and the Arts – STEM Outreach through Competitive Robotics - \$10,000

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Central E&G

As of March 31, 2018

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	25,610,943	24,540,943	23,100,648	94.13
	Student Activity Support Revenue	471,765	435,765	420,610	96.52
	Faculty Services Revenue	684,799	684,799	126,560	18.48
	Operating Costs Revenue	1,608,764	1,607,856	1,023,638	63.66
	Support Services Revenue	1,824,852	1,810,642	1,207,319	66.68
	Other Operating Revenues	242,293	244,293	113,805	46.59
	Total:	30,443,416	29,324,297	25,992,580	88.64
OPERATING EXPENSE					
	Salaries	23,734,508	23,904,507	15,259,248	63.83
	Benefits	5,984,320	6,191,141	3,712,778	59.97
	Student financial aid-scholarships	3,619,117	3,619,117	3,505,587	96.86
	Utilities	1,423,306	1,419,636	1,089,781	76.76
	Supplies and Other Services	6,883,750	7,009,630	4,578,216	65.31
	Equipment Expense	523,867	425,178	139,365	32.78
	Fees retained by the Commission	185,560	185,560	134,786	72.64
	Assessment for Faculty Services	408,460	408,460	100,355	24.57
	Assessment for Support Services	235,806	187,607	109,760	58.51
	Assessment for Student Activity Costs	349,764	338,764	331,457	97.84
	Assessment for Operating Costs	96,283	85,520	40,789	47.70
	Total:	43,444,741	43,775,120	29,022,679	66.30
OPERATING INCOME / (LOSS)		(13,001,326)	(14,450,823)	(3,030,098)	20.97
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	13,472,214	14,579,417	9,768,209	67.00
	Gifts	0	3,300	3,300	100.00
	Investment Income	69,245	69,245	75,563	109.12
	Assessment for E&G Capital & Debt Service Costs	(2,143,319)	(1,994,319)	(1,725,735)	86.53
	Total:	11,398,140	12,657,643	8,121,337	64.16
TRANSFERS & OTHER					
	Capital Expenditures	(53,434)	(47,400)	(17,276)	36.45
	Construction Expenditures	(7,500)	(71,500)	0	0.00
	Transfers for Debt Service	(64,863)	(64,863)	(32,409)	49.96
	Transfers for Financial Aid Match	(81,239)	(81,239)	(15,680)	19.30
	Indirect Cost Recoveries	602	602	0	0.00
	Transfers - Other	(43,959)	(73,850)	(65,861)	89.18
	Total:	(250,393)	(338,250)	(131,226)	38.80
BUDGET BALANCE		(1,853,579)	(2,131,430)	4,960,013	(232.71)
Add: Estimated Unfilled Position Savings:		0	0		
ADJUSTED BUDGET BALANCE		(1,853,579)	(2,131,430)		
* Add: UNRESTRICTED NET ASSETS - Beginning of Year		6,961,393	7,610,679		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>5,107,814</u>	<u>5,479,249</u>		

* Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2017 in the amount of \$9,170,798

Unrestricted Net Asset Balance is 17.40% of the current budget total operating expense.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Fund Manager

As of March 31, 2018

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	1,966,775	2,006,543	2,322,708	115.76
	Other Operating Revenues	84,975	89,608	119,811	133.71
	Total:	2,051,750	2,096,151	2,442,519	116.52
OPERATING EXPENSE	Salaries	772,837	1,135,425	596,783	52.56
	Benefits	111,704	184,894	96,422	52.15
	Student financial aid-scholarships	32,310	20,200	27,238	134.84
	Utilities	4,500	16,500	2,037	12.35
	Supplies and Other Services	1,853,882	1,355,409	993,805	73.32
	Equipment Expense	575,586	143,970	86,017	59.75
	Total:	3,350,818	2,856,398	1,802,302	63.10
OPERATING INCOME / (LOSS)		(1,299,068)	(760,247)	640,218	(84.21)
NONOPERATING REVENUE (EXPENSE)	Gifts	500	500	854	170.88
	Interest on capital asset related debt	0	0	(16,909)	
	Total:	500	500	(16,054)	(3,210.86)
TRANSFERS & OTHER	Capital Expenditures	(28,339)	(20,000)	(10,371)	51.85
	Indirect Cost Recoveries	65,643	65,643	43,468	66.22
	Transfers - Other	7,550	103,023	72,471	70.34
	Total:	44,854	148,666	71,468	48.07
BUDGET BALANCE		(1,253,714)	(611,081)	695,631	(113.84)
Add: Estimated Unfilled Position Savings:		0	0		
ADJUSTED BUDGET BALANCE		(1,253,714)	(611,081)		
Add: UNRESTRICTED NET ASSETS - Beginning of Year		1,928,034	1,976,577		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>674,320</u>	<u>1,365,496</u>		

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of March 31, 2018

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	0	0	15	
	Auxiliary Enterprise Revenue	8,518,824	8,651,308	7,588,110	87.71
	Auxiliary Fees & Debt Service Support Revenue	5,143,400	4,928,400	4,771,534	96.82
	Other Operating Revenues	235,339	235,339	175,611	74.62
	Total:	13,897,563	13,815,047	12,535,270	90.74
OPERATING EXPENSE	Salaries	2,757,073	2,736,181	1,943,765	71.04
	Benefits	677,798	647,756	370,962	57.27
	Student financial aid-scholarships	884,706	838,706	795,565	94.86
	Utilities	884,706	884,706	649,994	73.47
	Supplies and Other Services	3,201,298	3,221,431	2,466,663	76.57
	Equipment Expense	103,316	115,327	67,127	58.21
	Total:	8,508,897	8,444,107	6,294,077	74.54
OPERATING INCOME / (LOSS)		5,388,666	5,370,940	6,241,194	116.20
NONOPERATING REVENUE (EXPENSE)	Gifts	0	535	535	100.00
	Interest on capital asset related debt	(13,602)	(13,602)	(13,602)	100.00
	Total:	(13,602)	(13,067)	(13,067)	100.00
TRANSFERS & OTHER	Capital Expenditures	(62,300)	(61,367)	(10,400)	16.95
	Transfers for Debt Service	(4,887,809)	(4,887,809)	(2,442,219)	49.97
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers for Capital Projects	0	(20,000)	(20,000)	100.00
	Transfers to Plant Reserves	0	(380,106)	0	0.00
	Transfers - Other	0	(5,166)	(6,610)	127.95
	Total:	(4,953,534)	(5,357,873)	(2,479,229)	46.27
BUDGET BALANCE - Projected Transfer to Reserves		421,531	0	3,748,897	
* Add: NET ASSETS - Beginning of Year		<u>7,542,464</u>	<u>7,530,263</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>7,963,995</u>	<u>7,530,263</u>		

* Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2017 in the amount of \$1,081,994

* Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities continue to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
For Period Ending March 31, 2018

	Approved Budget*	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE				
Federal Grants and Contracts	23,269,230	23,593,400	18,018,748	76.37
State/Local Grants and Contracts	6,819,242	7,381,939	6,410,425	86.84
Private Grants and Contracts	1,835,200	1,887,904	2,303,227	122.00
Other Operating Revenue	70,520	95,605	91,651	95.86
Total:	31,994,193	32,958,848	26,824,051	81.39
OPERATING EXPENSE				
Salaries	442,776	800,290	441,455	55.16
Benefits	40,253	128,974	73,362	56.88
Student financial aid - scholarships	40,229,776	40,245,799	32,337,162	80.35
Supplies and Other Services	1,264,663	1,640,942	486,508	29.65
Equipment Expense	(61,183)	(41,234)	55,877	-135.51
Total:	41,916,284	42,774,770	33,394,364	78.07
NONOPERATING REVENUE				
Federal Pell Grant Revenues	10,000,000	10,000,000	6,504,185	65.04
Gifts	0	0	0	0.00
Investment Income	0	0	0	0.00
Total:	10,000,000	10,000,000	6,504,185	65.04
TRANSFERS & OTHER				
Capital Expenditures	(23,396)	(102,641)	(44,245)	43.11
Construction Expenditures	(7,500)	(7,500)	0	0.00
Transfers for Fin Aid Match	84,664	87,432	33,431	38.24
Indirect Cost Recoveries	(54,838)	(87,836)	(46,626)	53.08
Transfers - Other	0	(13,000)	0	0.00
Total:	(1,070)	(123,545)	(57,440)	46.49
BUDGET BALANCE	76,839	60,533	(123,567)	
Add: RESTRICTED NET ASSETS - Beginning of Year	0	0		
PROJECTED RESTRICTED NET ASSETS - End of Year	<u>76,839</u>	<u>60,533</u>		

*Approved budget is listed at the July budget due to no approvals being required for restricted funds.

Tab 3

**Fairmont State University
Board of Governors
May 10, 2018**

Item: 2% Pay Raise Approval

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Finance Committee of the Board of Governors approve an across the board 2% raise for all employees.

Staff Member: Christa Kwiatkowski

Background: The WV Legislature appropriated an additional \$488,175 in funding to Fairmont State University for the fiscal year 2019 budget year. The increase was to support a 5% pay raise to state-funded employees. However, less than half of our employees are state-funded. To provide a 5% across the board pay raise to all employees, the annual cost to FSU would be \$1,377,098, leaving \$888,923 as unfunded. In order to ensure our financial stability and to not place this unfunded expense on the backs of our students, we propose to provide a 2% across the board pay raise to all employees. The cost of this pay raise is approximately \$479,543, leaving an excess of \$8,632. We will request this excess be appropriated to support market based pay raises in fiscal year 2019.

Tab 4

**Fairmont State University
Board of Governors
May 10, 2018**

Item: FY 2019 Auxiliary Budget Approval

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Finance Committee of the Board of Governors approves the attached FY 2019 Auxiliary budget.

Staff Member: Christa Kwiatkowski

Background: Attached is the Auxiliary budget report which shows in total the changes in budgets requested for FY 2019 for the Auxiliaries collectively. Overall, an increase in revenue of \$534,551 and an increase in expense of \$218,764 yields a net operating increase of \$315,787. After small changes in non-operating revenue and other transfers of \$37,535, the transfer to reserves is expected to increase by \$353,322 for a total transfer of \$733,428.

The Athletics budget plan includes an increase in Auxiliary Fee Revenue of \$126,493. An increase to Salaries and Benefits for the 2% across the board raise and PEIA increases total \$19,360. After increases to other labor, operating for OASIS user fee and supplies of \$118,356, Athletics is expected to transfer \$0 to reserves. The Athletics Special Equity budget saw a restoration of one-time budgets removed in FY18 and after transferring expenses to the general and E&G funds, currently projects a transfer to reserves of \$6,051.

The Facilities budget plan includes an increase in Auxiliary Fee Revenue of \$65,587, a decrease in Auxiliary Enterprise Revenue of (\$25,000) and an Other Operating Revenue increase of \$7,196, for a net increase in revenue of \$47,783. An increase to Salaries and Benefits for the 2% across the board raise and PEIA increases total \$10,621. After small operating increases for OASIS user fee and supplies of \$3,001 and removal of one-time budget changes netting \$26,327, Facilities is expected to increase its transfer to reserves by \$7,834 for a total projected transfer of \$42,793.

The Falcon Center budget plan includes an increase in revenue from commissions from the dining service contract of \$154,310. This is offset by a decrease in commissions from the bookstore contract of \$71,107, netting an increase in Auxiliary Enterprise Revenue of \$83,203. An increase to Salaries and Benefits for the 2% across the board raise and PEIA increases total \$10,133. After small operating increases for scholarships and the OASIS user fee of \$1,178, the Falcon Center is expected to increase its transfer to reserves by \$71,892 for a total projected transfer of \$342,978.

The Housing budget plan includes an increase in revenue from room rental income of \$218,072. The board approved a 1.5% increase in rent for traditional halls, 3% for Bryant Place and 4% for University Terrace. An increase to Salaries and Benefits for the 2% across the board raise and PEIA increases total \$9,610. Adjustments to the operating budget include an increase in utilities and expenses of \$45,017, a decrease in scholarships of (\$13,296), a decrease in lease interest expense of (\$13,602) and an increase in the debt service payment of \$2,412, Housing is expected to increase its transfer to reserves by \$187,930 for a total projected transfer of \$341,606.

Auxiliary
Budget vs Budget Statement of Revenues and Expenses
Board of Governors

		FY 2018 Budget 3/31/2018	FY 2019 Budget 7/1/2018	Difference
OPERATING REVENUE	Auxiliary Enterprise Revenue	8,651,308.00	8,927,583.00	276,275.00
	Athletic Sponsorships	0.00	0.00	0.00
	Auxiliary Fees & Debt Service Support Revenue	4,928,400.00	5,179,480.00	251,080.00
	Other Operating Revenues	235,339.00	242,535.00	7,196.00
	Total:	13,815,047.00	14,349,598.00	534,551.00
OPERATING EXPENSE	Salaries	2,736,181.00	2,847,427.00	111,246.00
	Benefits	647,756.00	635,676.00	(12,080.00)
	Student financial aid-scholarships	838,706.00	851,077.00	12,371.00
	Utilities	884,706.00	908,406.00	23,700.00
	Supplies and Other Services	3,221,430.81	3,340,609.87	119,179.06
	Equipment Expense	115,327.25	79,675.00	(35,652.25)
	Loan cancellations and write-offs	0.00	0.00	0.00
	Assessment for Auxiliary Fees & Debt Service	0.00	0.00	0.00
	Total:	8,444,107.06	8,662,870.87	218,763.81
OPERATING INCOME / (LOSS)		5,370,939.94	5,686,727.13	315,787.19
NONOPERATING REVENUE (EXPENSE)	Gifts	534.80	0.00	(534.80)
	Interest on capital asset related debt	(13,602.00)	0.00	13,602.00
	Loss/Gain on Disposal of Fixed Assets	0.00	0.00	0.00
	Total:	(13,067.20)	0.00	13,067.20
TRANSFERS & OTHER	Capital Expenditures	(61,367.00)	(59,600.00)	1,767.00
	Construction Expenditures	0.00	0.00	0.00
	Transfers for Debt Service	(4,887,808.69)	(4,890,273.66)	(2,464.97)
	Transfers for Financial Aid Match	(3,425.00)	(3,425.00)	0.00
	Transfers for Capital Projects	(20,000.00)	0.00	20,000.00
	Transfers to Plant Reserves	(380,106.05)	(733,428.47)	(353,322.42)
	Transfers for Scholarships	0.00	0.00	0.00
	Transfers - Other	(5,166.00)	0.00	5,166.00
	Total:	(5,357,872.74)	(5,686,727.13)	(328,854.39)
BUDGET BALANCE		0.00	0.00	0.00

Tab 5

**Fairmont State University
Board of Governors
May 10, 2018**

Item: FY 2019 Capital Projects Approval

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Finance Committee of the Board of Governors approves \$1,520,000 in funding for capital projects for FY 2019. Education & General Capital funds will be used in support of \$1,200,000 of these projects; Infrastructure funds will be used to support \$320,000 of these projects.

Staff Member: Christa Kwiatkowski

Background: The projection of E&G Capital Fee revenue in excess of debt service payments for fiscal year 2018 is \$1,208,663.

The projection of Infrastructure Fee revenue in excess of debt service payments for fiscal year 2018 is \$321,443.

Attached is a listing of capital project needs for the upcoming fiscal year that are necessary to the operation and maintenance of the physical plant of the institutions' shared facilities and grounds.

Please also note that Fairmont State University has been awarded \$600,000 in proceeds from the refunding of the EAST bonds. The projects funded are as follows:

Musick Library HVAC AHU #1 Replacement	\$200,000
Musick Library Elevator Upgrades	\$114,882
Hardway Hall Elevator Upgrades	\$100,000
Hunt Haught Hall HVAC	\$185,118

**CAPITAL PROJECT PLAN
FY 2019**

INFRASTRUCTURE PRIORITY LIST

<i>Priority</i>	<i>Building</i>	<i>Project</i>	<i>Amount</i>
1	Campus Wide	Landscaping	\$ 100,000.00
2	Campus Wide	Small Projects	\$ 20,000.00
3	Infrastructure	Paving	\$ 150,000.00
4	Infrastructure	Infrastructure & Utility Maintenance/Upgrades	\$ 50,000.00
			\$ 320,000.00

2019 Capital Projects Descriptions

Infrastructure Projects

1 Landscaping

Provide miscellaneous landscaping and required equipment for campus. Roads & Grounds Services, Mowing, Clearing of Roadways, Purchase of Salt.

2 Small Projects

See #1 E&G Projects

4 Paving

Following the routine maintenance schedule, we need to continue with resurfacing of asphalt lots that are deteriorating. And address drainage issues with the slope of the asphalt.

5 Infrastructure & Utility Maintenance Upgrades

Routine maintenance and upgrades to campus infrastructure including sidewalks, steps, and utility lines.

**CAPITAL PROJECT PLAN
FY 2019**

E&G PRIORITY LIST

<i>Priority</i>	<i>Building</i>	<i>Project</i>	<i>Amount</i>
1	Campus Wide	Small Projects	\$ 125,000.00
2	Campus Wide	Academic Fund	\$ 100,000.00
3	Hunt Haught Hall	AHU #1 & Condensing Unit	\$ 250,000.00
4	Education Building	Boiler Replacement	\$ 375,000.00
5	Colebank Hall	Boiler Replacement	\$ 150,000.00
6	Engineering Technology	Window Replacement 1st & 2nd Floor	\$ 200,000.00
			\$ 1,200,000.00

2019 Capital Projects Descriptions

E&G Projects

1 Small Projects

Addressing various projects which are above and beyond regular maintenance items. Supplements the Physical Plant operating budget.

2 Academic Fund

This fund is established every year. The Academic Deans for both institutions determine how this funding is awarded to projects/schools.

3 Hunt Haught Hall - AHU #1 & Condensing Unit

This equipment has reached its end of lifecycle and needs to be replaced in kind

4 Education Building - Boiler Replacement

This equipment is original to the building and is beyond its expected lifecycle. The existing equipment requires routine repairs and parts are becoming sparse. The existing should be replaced in kind with new high efficiency boilers.

5 Colebank Hall - Boiler Replacement

This equipment has reached the end of its lifecycle. The existing should be replaced in kind with a new high efficiency boiler.

6 Engineering Technology - Window Replacement 1st & 2nd Floor

The existing windows on the 1st and 2nd floor are original to the building. Many of the seals are bad causing the windows to leak and appear cloudy. They are inefficient single panes of glass; many no longer function properly and require replacement.

Tab 6

**Fairmont State University
Board of Governors
May 10, 2018**

Item: Musick Library Elevator Funding Transfer

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Finance Committee of the Board of Governors approve the transfer of funding for the Musick Library Elevator project to the Caperton Center Chiller Replacement project.

Staff Member: Christa Kwiatkowski

Background: The Musick Library Elevator was approved as a capital project for FY 2018 for \$125,000. After allocating the funds to that project and issuing a contract, we were notified of EAST bond refunding proceeds that would cover the cost of the project. Due to the chiller at the Caperton Center failing, I would request that the \$125,000 previously allocated to the Musick Library Elevator, which is now funded by EAST bonds, be reallocated to the Caperton Center Chiller replacement project.