

BOARD OF GOVERNORS



AGENDA
FSU BOARD OF GOVERNORS' MEETING
MAY 16, 2013, 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. Approve Agenda*Action Item*

- II. **REPORTS AND PRESENTATIONS**
 - A. Athletic Master Plan (Tim McNeely, Andy Fellingham)

- III. **CONSENT AGENDA.....** *Tab 1 Action Item*
 - A. Financial Report (Ending March 31, 2013)
 - B. Capital Projects 2013

- IV. **FINANCE COMMITTEE (Mark Pallotta, Chair)**
 - A. Facilities Fee (Parking and Safety).....*Tab 2 Action Item*
 - B. Falcon Center 2014 Budget Approval and Update of the 20-Year Falcon Center Master Plan.....*Tab 3 Action Item*
 - C. Housing 2014 Budget Approval and Update of the 20-Year Housing Master Plan.....*Tab 4 Action Item*
 - D. Education and General 2014 Budget Approval.....*Tab 5 Action Item*

- V. **POSSIBLE EXECUTIVE SESSION**
 - A. Under the Authority of West Virginia Code §6-9A-4 to discuss the purchase, sale or lease of property, advance construction planning, the investment of public funds, or other matters involving commercial competition.

- VI. **ADJOURNMENT**

NEXT MEETING: JUNE 20, 2013, 9:00 A.M., LOCATION: BOARD ROOM, 3RD FLOOR, FALCON CENTER, 1201 LOCUST AVENUE, FAIRMONT, WV

Tab 1

**Fairmont State University
Board of Governors
Financial Report
for the period ending March 31, 2013**

Unrestricted Fund:

The budget deficit planned for 2013 at the end of March decreased from \$-69,666 to \$-69,656, an improvement in the bottom line by \$10.00.

Tuition and Fee revenue through the end of March is at 88.67% and we received 83.02% of budgeted revenue through the end of March. Non-operating revenue is at 62.00% of budget. Operating expenses through March is at 67.31% of budget. The actual surplus condition at the end of February is \$3,713,854 with 3 months left to go in this fiscal year.

Auxiliary Fund:

The Auxiliary Budget Planned Transfer to Reserve decreased by \$9,672 to \$1,225,128. Benefit changes impacted this increase in the Housing Fund.

Auxiliary Enterprise revenue achieved 89.13% of budget and we received 90.00% of the overall operating revenue plan. Operating expenses through the end of March is at 76.28% of budget. The actual surplus condition through the end of March is \$2,068,627.

Note: The adjusted projected deficit condition for Athletics for the 2013 FY is currently \$-121,752. This is compared to a planned deficit of a negative \$-113,000 approved in June by the Board of Governors.

Restricted Fund:

New grant was awarded to the University as follows:

- Summer of Innovation II - \$12,000
- 2013 Challenge Grant - \$30,000

Existing grant increase/decrease is as follows:

- Community Link Supplement - +\$3,359

The Restricted Fund revenue achieved 85.42% of budget and the operating expense achieved 85.17% of budget. The actual surplus at the end of March is at \$371,594.

Please find the attached financial reports for the period ending March 31, 2013.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted
As of March 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	22,934,490	23,129,644	20,508,301	88.67
	Student Activity Support Revenue	580,820	580,820	537,535	92.55
	Faculty Services Revenue	1,272,439	1,272,439	1,340,734	105.37
	Operating Costs Revenue	2,319,839	2,213,532	1,327,036	59.95
	Support Services Revenue	3,502,054	3,506,243	1,890,039	53.90
	Other Operating Revenues	374,947	429,803	242,333	56.38
	Total:	30,984,588	31,132,481	25,845,977	83.02
OPERATING EXPENSE	Salaries	24,764,324	24,801,331	15,959,396	64.35
	Benefits	6,397,961	6,354,551	3,946,352	62.10
	Student financial aid-scholarships	1,894,339	1,919,089	1,742,487	90.80
	Utilities	1,749,920	1,747,900	1,039,565	59.48
	Supplies and Other Services	7,840,268	7,669,509	5,049,524	65.84
	Equipment Expense	1,029,576	1,266,351	1,288,275	101.73
	Fees retained by the Commission	185,560	185,560	142,445	76.76
	Assessment for Faculty Services	1,302,589	1,302,589	1,258,699	96.40
	Assessment for Support Services	290,965	279,899	135,904	48.55
	Assessment for Student Activity Costs	401,409	401,409	373,075	92.94
	Assessment for Operating Costs	124,691	135,289	73,130	54.05
	Total:	45,981,602	46,063,478	31,005,852	67.31
OPERATING INCOME / (LOSS)		(14,997,013)	(14,930,997)	(5,159,875)	34.56
NONOPERATING REVENUE (EXPENSE)	State Appropriations	17,880,671	17,880,671	11,980,050	67.00
	Gifts	12,500	38,471	2,543	6.61
	Investment Income	266,166	266,166	19,218	7.22
	Assessment for E&G Capital & Debt Service Costs	(2,545,328)	(2,558,111)	(2,313,216)	90.43
	Total:	15,614,009	15,627,197	9,688,595	62.00
TRANSFERS & OTHER	Capital Expenditures	(298,301)	(185,759)	(124,216)	66.87
	Construction Expenditures	(1,047,000)	(74,399)	(69,000)	92.74
	Transfers for Debt Service	(77,585)	(64,802)	(64,370)	99.33
	Transfers for Financial Aid Match	(84,926)	(88,162)	(81,084)	91.97
	Indirect Cost Recoveries	36,500	64,608	36,147	55.95
	Transfers for Capital Projects	0	(304,239)	(304,239)	100.00
	Transfers for Scholarships	0	(113,104)	(113,104)	100.00
	Transfers - Other	0	0	(95,000)	
	Total:	(1,471,312)	(765,857)	(814,866)	106.40
BUDGET BALANCE		(854,316)	(69,656)	3,713,854	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		13,980,018	13,980,018		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>13,125,702</u>	<u>13,910,362</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$7,643,321

Unrestricted Net Asset Balance is 30.35% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of March 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	6,356,953	6,474,463	5,770,440	89.13
	Athletic Sponsorship	0	13,100	5,500	41.98
	Auxiliary Fees & Debt Service Support Revenue	4,869,880	4,869,880	4,516,933	92.75
	Other Operating Revenues	312,438	312,438	210,554	67.39
	Total:	11,539,271	11,669,881	10,503,427	90.00
OPERATING EXPENSE	Salaries	2,424,398	2,425,286	1,801,434	74.28
	Benefits	590,920	636,884	365,341	57.36
	Student financial aid-scholarships	549,780	545,530	402,958	73.87
	Utilities	855,914	841,341	557,092	66.21
	Supplies and Other Services	2,308,971	2,487,081	2,099,367	84.41
	Equipment Expense	67,506	72,731	120,796	166.09
	Loan cancellations and write-offs	1,131	1,131	0	0.00
	Total:	6,798,620	7,009,984	5,346,988	76.28
OPERATING INCOME / (LOSS)		4,740,652	4,659,898	5,156,439	110.66
NONOPERATING REVENUE (EXPENSE)	Gifts	0	170,520	170,520	100.00
	Interest on capital asset related debt	(100,473)	(100,473)	(67,239)	66.92
	Total:	(100,473)	70,047	103,281	147.44
TRANSFERS & OTHER	Capital Expenditures	(212,712)	(463,376)	(259,432)	55.99
	Transfers for Debt Service	(3,160,827)	(3,160,827)	(3,136,340)	99.23
	Transfers for Financial Aid Match	(3,425)	(3,425)	(3,425)	100.00
	Transfers for Scholarships	0	113,104	113,104	100.00
	Transfers - Other	0	0	95,000	
	Total:	(3,376,963)	(3,514,523)	(3,191,093)	90.80
** BUDGET BALANCE - Projected Transfer to Reserves		1,263,216	1,215,422	2,068,627	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>7,873,002</u>	<u>7,873,002</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>9,136,218</u>	<u>9,088,424</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2012 in the amount of \$904,619

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

** Athletics will be using reserves from their Foundation Scholarship Fund, E&G Scholarship Fund, and Athletic Operating Fund for 2013 to cover the negative budget balance. This is planned for a one time condition until the Athletic Master Plan is complete.

FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of March 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	24,619,917	25,184,493	20,775,204	82.49
	State/Local Grants and Contracts	6,026,584	6,344,926	6,127,868	96.58
	Private Grants and Contracts	1,990,683	2,100,528	1,820,912	86.69
	Other Operating Revenue	0	0	2,258	
	Total:	32,637,183	33,629,947	28,726,243	85.42
OPERATING EXPENSE	Salaries	410,402	741,585	326,353	44.01
	Benefits	74,177	121,560	46,121	37.94
	Student financial aid - scholarships	40,674,450	40,732,394	36,136,677	88.72
	Utilities	3,257	3,166	3,166	100.00
	Supplies and Other Services	878,084	1,370,263	258,164	18.84
	Equipment Expense	220,271	241,196	33,577	13.92
	Total:	42,260,641	43,210,164	36,804,058	85.17
OPERATING INCOME / (LOSS)		(9,623,458)	(9,580,217)	(8,077,815)	84.32
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	9,500,000	9,500,000	8,409,386	88.52
	Gifts	0	0	2,307	
	Investment Income	0	0	15	
	Total:	9,500,000	9,500,000	8,411,708	88.54
TRANSFERS & OTHER	Capital Expenditures	(10,662)	(10,662)	(10,662)	100.00
	Transfers for Fin Aid Match	84,926	88,162	84,509	95.86
	Indirect Cost Recoveries	(18,132)	(64,608)	(36,147)	55.95
	Transfers - Other	0	0	0	
	Total:	56,132	12,892	37,700	292.44
BUDGET BALANCE		(67,326)	(67,326)	371,594	(551.93)
* Add: RESTRICTED NET ASSETS - Beginning of Year		90,583	90,583		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>23,257</u>	<u>23,257</u>		

CAPITAL PROJECTS

FY 2013

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Academic Fund	\$ 100,000.00	\$ 9,037.58	\$ 90,962.42	To be spent on programmatic changes approved by the academic deans.
Landscaping	\$ 100,000.00	\$ 88,295.17	\$ 11,704.83	Numerous purchases throughout the year for landscaping needs on all campus sites.
Physical Plant Small Projects	\$ 197,000.00	\$ 190,911.24	\$ 6,088.76	Numerous purchases for small projects throughout the campuses.
Aerospace Center - HVAC Units (FY12)	\$ 148,833.48	\$ 136,245.00	\$ 12,588.48	Completed June 30, 2012
Aerospace Center - Floor Replacement	\$ 38,000.00	\$ 34,940.75	\$ 3,059.25	Completed August 2012
Aerospace Center - HVAC Upgrades	\$ 60,000.00	\$ -	\$ 60,000.00	A&E working on specifications for bid documents. Plan to bid within the next few weeks.
Campus - ADA Restrooms	\$ 50,000.00	\$ -	\$ 50,000.00	
Caperton Center - Roof Renewal	\$ 400,000.00	\$ -	\$ 400,000.00	A&E firms have been interviewed and FSU is currently negotiating with the top pick.
Education Bldg - Temperature Controls	\$ 40,000.00	\$ 39,229.00	\$ 771.00	Completed October 2012
Feaster Center - HVAC Upgrade Pool Area	\$ 307,000.00	\$ -	\$ 307,000.00	A&E has been selected; draft contract is expected for review this week
Feaster Center - Natatorium Upgrades	\$ 740,000.00	\$ -	\$ 740,000.00	A&E firm has submitted AIA documents and working on specifications.
Hardway Hall Renovations	\$ 5,500,000.00	\$ 4,868,455.00	\$ 631,545.00	Weekly updates are posted on Physical Plant website. Project is still on schedule.
Hunt Haught Hall - Window Replacement (FY12)	\$ 120,000.00	\$ 25,000.00	\$ 95,000.00	A&E completing specifications for review.
Hunt Haught Hall - Green House	\$ 149,650.00	\$ -	\$ 149,650.00	Bids Opened 3/18/13 - All bids were over budget by \$200,000 or more. Met with A&E on 4/5/13 to review project. A&E will meet with additional Greenhouse vendors. Project scope may be paired down to replace glass and flooring and repair drainage inside only. A&E is conducting additional research on greenhouse options.
Hunt Haught Hall - Elevator Upgrades	\$ 100,000.00	\$ 81,300.00	\$ 18,700.00	Contracted with Otis Elevator; Work to start after graduation in May.
Information Technology -AC Unit	\$ 102,070.00	\$ 9,070.00	\$ 93,000.00	Low bid came in at \$93,000 and available budget was \$70,930; therefore we have moved \$22,070 from Campus Lighting to the Information Technology AC Unit. Letter of Intent has been sent to Contractor to request bonds, insurance, etc. Contractor has not submitted all necessary
Infrastructure - Merchant Wall (FY11)	\$ 350,000.00	\$ 7,015.50	\$ 342,984.50	Proposals were received on 4/4/13 - Six firms submitted proposals. Selection committee is scheduling interviews with 3 firms.

CAPITAL PROJECTS

FY 2013

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Infrastructure - Parking Lot #15 Paving (FY12)	\$ 158,560.00	\$ 131,688.00	\$ 26,872.00	Completed July 2012
Infrastructure - Sealing Parking Lots (FY12)	\$ 25,000.00	\$ 23,896.00	\$ 1,104.00	Completed June 2012
Infrastructure - Aerospace Parking Lot Paving (FY12)	\$ 80,000.00	\$ 79,567.50	\$ 432.50	Completed July 2012
Infrastructure - Access Road (FY12)	\$ 170,000.00	\$ 140,104.00	\$ 29,896.00	Completed July 2012
Infrastructure - Campus Lighting Upgrades	\$ 187,930.00	\$ -	\$ 187,930.00	Finalizing plan for updating and adding fixtures around campus.
Infrastructure - Paving Projects	\$ 321,095.20	\$ -	\$ 321,095.20	Preparing Specifications for open-end contract
Infrastructure - Painting & Striping	\$ 25,000.00	\$ 23,625.00	\$ 1,375.00	Completed August 2012
Jaynes Hall - Roof Renewal (FY12)	\$ 350,000.00	\$ -	\$ 350,000.00	A&E firms have been interviewed and FSU is currently negotiating with the top pick.
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00	FSU met with State Road to review some options on the lighting. Waiting on info from State Road as to when project will move forward.
Musick Library Work	\$ 51,500.00	\$ 51,500.00	\$ -	Completed as part of Elevator Project
Musick Library Elevator	\$ 939,440.98	\$ 939,440.98	\$ -	Completed Fall 2012
Musick Library - HVAC	\$ 293,500.00	\$ -	\$ 293,500.00	Contract has not submitted all required paperwork. Additional notice is being sent to contractor to submit paperwork.
School House Museum Repairs	\$ 70,000.00	\$ -	\$ 70,000.00	A&E updating specifications to prepare bidding documents.
Turley Center FFE	\$ 1,000,000.00	\$ 133,488.73	\$ 866,511.27	Vendor is updating changes and furniture will be completed.
Turley Center Renovations	\$ 6,502,680.00	\$ 6,297,985.45	\$ 204,694.55	Weekly updates are posted on the Physical Plant website.
Wallman Hall - Foundation Waterproof (FY12)	\$ 25,500.00	\$ 25,500.00	\$ -	Part of Wallman Renovations
Wallman Hall Renovations	\$ 4,908,599.02	\$ 4,466,267.05	\$ 442,331.97	Weekly updates are posted on Physical Plant website.
Wallman Hall Elevator Replacement	\$ -	\$ -	\$ -	Contracted with Otis Elevator - part of Renovations budget above; Work to be done this summer.

AUXILIARY CAPITAL PROJECTS

FY 2013

<i>Project</i>	<i>Project Budget</i>	<i>Expenses & Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Athletics - Football Locker Room	\$ 50,000.00	\$ 50,000.00	\$ -	Completed September 2012; Donor funds of \$25000 paid for lockers thru Foundations.
Athletics - Football Scoreboard Replacement	\$ 260,000.00	\$ 263,501.56	\$ (3,501.56)	Installed September 2012
Athletics - Men's Basketball Locker Room	\$ 125,000.00	\$ 122,798.25	\$ 2,201.75	Completed February 2013
Athletics - Women's Basketball Locker Room	\$ 125,000.00	\$ 12,500.00	\$ 112,500.00	A&E working on design and specifications
Colebank Hall - Painting & Signage	\$ 38,739.50	\$ 38,739.50	\$ -	Completed August 2012
Falcon Center Fabric Duct Replacement (FY12)	\$ 80,000.00	\$ -	\$ 80,000.00	
Falcon Center Fitness Equipment	\$ 34,382.00	\$ 34,382.00	\$ -	Fitness Equipment Orders from Gym Source & All Ways Fitness Equipment
Falcon Center - Miscellaneous Projects	\$ 78,880.00	\$ 78,880.00	\$ -	Tables & Racks Completed; ID Card Purchases Completed; Washer & Dryer Ordered
Falcon Center - Security Cameras	\$ 42,644.58	\$ -	\$ 42,644.58	
Starbucks Renovations	\$ 150,000.00	\$ 8,500.00	\$ 141,500.00	Funding Note: \$130,00- Falcon Ctr \$20,000 Aladdin A&E is finalizing specifications to bid project.
Parking Garage - Maintenance Caulking/Painting (FY11)	\$ 100,000.00	\$ 99,945.00	\$ 55.00	Maintenance & Caulking of Top Level of Parking Garage Completed.
Parking Garage - Maintenance Lower Levels	\$ 50,000.00	\$ -	\$ 50,000.00	Vendor has been contacted to quote maintenance for this summer
Residence Halls - Morrow Hall Pump Replacements	\$ 10,000.00	\$ -	\$ 10,000.00	
Residence Halls - Pence Hall - Boiler Replacement (2)	\$ 20,000.00	\$ 12,202.00	\$ 7,798.00	Completed August 2012
Residence Halls - Back Flow Preventers	\$ 20,000.00	\$ -	\$ 20,000.00	

Tab 2

**Fairmont State University
Board of Governors
May 16, 2013**

Item: Facilities (Parking & Safety) 2014 Budget Approval (Auxiliary Enterprise)

Committee: Committee of the Whole

Recommended Resolution: Approval of the 2014 fiscal year budget plan for the Facilities (Parking and Safety) Auxiliary Enterprise

Staff Member: Rick Porto

Background: With the exception of a loss of Student Fee Revenue due to enrollment declines this budget submission proposes:

- No new fee increase for this Auxiliary
- A transfer of the safety coordinator position to the Physical Plant E&G budget which will not increase that budget since a vacant position is being reorganized to incorporate the safety duties and responsibilities.
- Continuation of the Mercer Scale Step Movement and Increment salary adjustments required by the legislature.
- Addition of one-time funding to make adjustments to parking equipment in preparation for the opening of the Turley Center.
- A minor increase to the Debt Service Payment due in FY 2014.

All adjustments proposed for this budget will still allow for a transfer to reserve for future capital repair and replacement of \$114,945.

The request seeks your approval for the following:

1. The 2014 Operating Budget Plan.
2. The 2014 Capital Project of \$50,000 (from reserves) to fund continued maintenance on the parking garage. We hope to be able to seal and re-caulk the fifth floor and part of the fourth floor with this funding.

**FY 2014 BUDGET PLANNING DOCUMENT
FAIRMONT STATE UNIVERSITY
AUXILIARY FUNDS - FACILITIES**

Explanation of Budget Issue	Facilities	Facilities Budget Effect	Yes/No Decision
FY 2014 Budgeted Transfer to Reserves for Auxiliaries (as of March 31, 2013)	156,422		
Fee increase:			
0% Facilities Fee	0		
Fee Increase Sub-total:	0		Yes
Enrollment Growth/Decline:			
Fairmont	(24,341)		
Pierpont	<u>(27,049)</u>		
Enrollment Growth/Decline Sub-total:	(51,390)		Yes
Revenue Adjustments:			
Parking Fines	2,000		
Facilities Fee - Department Decal Collect	<u>6,000</u>		
Revenue Adjustments Sub-total:	8,000		Yes
Pay Raises 1%	0		No
Mercer Scale Cost for Step Movement	(5,982)		Yes
PEIA Rate Increase:	0		Yes
Increment Increase	(741)		Yes
Safety Coordinator (<i>Pos 767</i>) Moving to 100% E&G Funding	45,153		Yes
Public Safety Dispatcher (<i>Wage & Fringes for PG 12</i>)	(30,495)		Yes
Operating Budget Adjustment:			
Parking Meters	(3,500)		
Parking Garage Gate Relocation	<u>(1,500)</u>		
Operating Budget Adjustments Sub-total:	(5,000)		Yes
Utility Fee Increases:			
Utility Fee Increases Sub-total:	0		Yes
Custodial Costs	0		No
Audit Contract Costs	0		Yes
Annual BRIM Premium	0		Yes
Auxiliary Scholarships (<i>McClain</i>)	0		Yes
Debt Service Payment Increase	(1,022)		Yes
FY 2014 Net Budget of Transfers to Reserves for Auxiliaries	114,945		
FY 2014 Projected Budget Total of Transfer to Reserves for Auxiliaries		<u>114,945</u>	

MEMORANDUM

To: Rick Porto, Vice President for Administrative and Fiscal Affairs
Debbie Stiles, Budget Director

From: Jack Clayton, Chief of Police

Date: April 2, 2013

Sub: FY 2014 Facilities Budget Plan – Safety & Security (Revised)

Based on information and projections available at this time, the proposed FY 2014 Budget Plan for Safety & Security requests funding for all accounts at the same level approved in the FY 2013 Budget with the exceptions of those items noted below.

Expenses by Account: The following are requests reflecting increases from the prior fiscal year allocations along with implementation of a project pursuant to the Safety & Security Department's short and long range plans.

- Acct. 558000 (Miscellaneous Equipment) - \$5,000
 - \$3500 - Acquisition of parking meters to be installed in visitor parking areas behind the Hardway Building and Turley Center
 - \$1500 – To relocate gate to faculty/staff parking area on top level of the parking garage to require card swipe upon entrance to lot

- Acct. 501100 (Personal Services-Classified Staff) - \$30,495
 - (Grade 8 Communications Operator) – \$30,495. This is a new position that will begin the process of providing staffing for a central communications facility. Ultimately, the goal is to staff a communications point "24-7" to coordinate all telephone calls into the campus after hours and to provide call-out and radio communications support for the various departments. The requested allocation reflects current salary and benefit costs for one FTE.

Tab 3

**Fairmont State University
Board of Governors
May 16, 2013**

Item: Falcon Center (Student Activity Center) 20-year Master Plan Update and 2014 Budget Approval (Auxiliary Enterprise)

Committee: Committee of the Whole

Recommended Resolution: Approval of the Falcon Center 2014 fiscal year budget plan and approval of the 20-year Master Plan Update

Staff Member: Rick Porto

Background: The attached 20-year Operating and Capital repair and replacement plan proposes how the Falcon Center will be maintained and operated over the next twenty years and pay off bond debt.

This 20-year plan update details the FY 2014 budget changes from FY 2013 which are shown on the attached narrative page in **BOLD** print.

The 20-year plan update provides information about the assumptions made to predict the future years' operating revenues and expenses, major equipment replacements, and major capital repairs and replacements.

See attached 20-year updated financial proforma, updated equipment replacement plan, and updated capital repair and replacement plan.

The Falcon Center 20-year Master Plan was first approved by the Governing Board on October 20, 2011.

This request seeks your approval for the following:

1. The 2014 Operating Budget Plan
2. The 2014 Equipment Replacement Plan.
3. The 2014 Capital Repair and Replacement Plan.
4. The Falcon Center 20-year Master Plan Update.

Falcon Center 20 Year Budget Plan Update (Inclusive of FY14 Budget Proposal)

Assumptions for Falcon Center 20 Year Budget Projection – FY14 Update (Bolded items reflect FY14 budget changes)

- **Food Service/Dining Revenue has been increased by \$28,427 for FY14.** Revenue projections are based upon current operations and expected returns and incremented by historical Consumer Price Index trends. This is a 74.10% increase in revenue from 2014 to 2034. Fee schedule utilizes revenue projection percentage increases from the study.
- **Bookstore revenue has been increased by \$4,000 for FY14.** Revenue projections assume a 1% increase each year. This is a 22.02% increase from 2014 to 2034. Bookstore rent shows no increase.
- **Fairmont Student fees have been adjusted for the decline in enrollment by \$37,666 or 2.4%.**
- **Pierpont Student fees have been adjusted for the decline in enrollment by \$18,220 or 2.58%.**
- **Other operating revenues show an increase of \$33,193 or 7.19%, mostly due to a projected increase in rental income.**
- **Labor has been increased by \$4,299 for FY14, which is attributed to a requested increase in Student Assistants and Mercer increase projections.** Labor has a projected increase of 2.3% for two out of every three years, beginning in 2015.
- Operating Expenses are projected to increase 2% each year. **FY14 shows an increase of less than 1% or \$12,286. The increase is mainly due to the addition of expense budgets to reimburse areas that provide services for rentals, such as parking and housing and scholarship increases.**
- Debt Service payments have been updated for amount due after refunding of the bonds has been completed.
- **With requested updates, the transfer to reserves value will increase by \$12,459.99 to \$440,288.23. The previous target was \$427,828.24.**
- Turf Lease payments are projected for the full 20 years due to assumption of replacement. This represents half of the annual payment amount. The Athletics budget covers the other half of the payment.
- Interest is modestly projected at \$3,000. We have received \$5,126.46 to date for FY13.
- Project cost estimates are listed based on projections of replacement of equipment and building maintenance will need to occur.
- Both Fairmont State and Pierpont students pay fees for any class on the main campus (same rates) and all increases to these fees.
- Both Fairmont State and Pierpont students pay the same meal plan rates (who are required to have a meal plan) and all increases to this fee.

**Fairmont State University
Falcon Center Financial Analysis
20 Year Budget Projection**

	2010 Actual	2011 Actual	2012 Budget	2012 Actual	2013 Budget	2013 YTD Actual As of 4-30-13	2014 Projection
Food Service/Dining	752,025.93	806,490.08	820,000.00	843,723.00	838,395.00	417,820.43	866,822.00
Bookstore Rental	312,689.87	306,921.02	400,000.00	426,577.93	400,000.00	375,775.52	404,000.00
Subtotal	1,064,715.80	1,113,411.10	1,280,000.00	1,350,300.93	1,298,395.00	850,595.95	1,330,822.00
Falcon Center Student Fees - Fairmont	1,598,259.00	1,621,175.00	1,623,992.00	1,594,080.00	1,586,402.00	1,483,196.00	1,548,736.00
Falcon Center Student Fees - Pleiopot	626,837.00	696,897.00	693,616.00	705,326.00	707,191.00	650,015.00	688,971.00
Other Operating Revenue	541,111.77	565,048.08	461,754.00	577,964.62	461,754.00	407,989.98	484,857.42
Falcon Center Revenue Total	2,766,207.77	2,883,120.08	2,779,362.00	2,877,370.62	2,755,347.00	2,541,200.98	2,732,684.42
Total Revenue	3,830,923.57	3,996,531.16	4,059,362.00	4,212,671.55	4,053,742.00	3,379,796.93	4,063,486.42
Falcon Center	722,166.81	747,012.75	952,891.00	724,116.57	925,268.00	721,053.50	929,567.00
Falcon Center Labor Total	722,166.81	747,012.75	952,891.00	724,116.57	925,268.00	721,053.50	929,567.00
Total Labor	722,166.81	747,012.75	952,891.00	724,116.57	925,268.00	721,053.50	929,567.00
Falcon Center	1,033,132.14	1,128,868.02	1,172,586.19	1,046,716.43	1,257,073.19	864,235.37	1,269,358.98
Falcon Center Operating Total	1,033,132.14	1,128,868.02	1,172,586.19	1,046,716.43	1,257,073.19	864,235.37	1,269,358.98
Total Operating	1,033,132.14	1,128,868.02	1,172,586.19	1,046,716.43	1,257,073.19	864,235.37	1,269,358.98
Total Expenses	1,755,296.95	1,875,880.77	2,125,477.19	1,770,833.00	2,182,341.19	1,585,288.87	2,198,925.98
Net Total Revenue	2,075,626.62	2,120,650.39	1,933,884.81	2,441,839.55	1,871,400.81	1,794,508.06	1,864,560.44
Debt Service Payment	1,549,811.36	1,547,544.68	1,548,237.50	1,548,020.64	1,376,118.52	1,374,429.61	1,374,035.89
Annual Lease Payment - Turf	50,236.30	50,236.32	50,236.31	50,236.30	50,236.32	25,118.16	50,236.32
Transfers To Reserves	450,000.00	500,000.00	335,411.00	652,887.00	445,045.97	0.00	440,288.23
Net Revenue - after Debt Payment & Transfers to Reserves	25,578.96	22,869.39	0.00	(9,305.39)	0.00	394,960.29	0.00
Bookstore Escalator							1.01
Revenue Escalator - Operations Fee							1
Labor Escalator							1
Operating Escalator							1.02
Beginning Cash Balance - Reserves	1,303,993.89	1,773,282.48	2,324,046.96	2,324,046.96	3,022,862.75	3,022,862.75	2014 Projection
Interest	5,288.59	5,764.48	4,000.00	3,571.78	3,000.00	5,126.46	3,101,254.64
Transfers In - Reserves/ Bookstore Rental (FY10&11)	504,000.00	545,000.00	335,411.00	861,887.00	445,045.97	-	3,000.00
Less - Projects	(40,000.00)	-	(166,642.99)	(131,642.99)	(404,654.18)	(152,009.60)	440,288.23
Adjustment for Projects (Unspent and Carryover)			2,496,814.97	3,022,862.75	3,101,254.54	(217,644.58)	(458,547.75)
Ending Cash Balance - Reserves	1,773,282.48	2,324,046.96	2,496,814.97	3,022,862.75	3,101,254.54	2,659,335.03	205,903.17
Current Balance - Operating			596,628.42			600,500.79	3,291,898.19
Student Recreation Center (Building Fee) - cap	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Student Recreation Center (Building Fee) - per credit hour	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Student Activity Operations - cap	113.00	113.00	113.00	113.00	113.00	113.00	113.00
Student Activity Operations - per credit hour	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Meal Plan Escalator							
15 meals per week (+85 points)	1,502.00	1,547.00	1,593.00	1,593.00	1,640.00	1,640.00	1,673.00
19 meals per week (+75 points)	1,645.00	1,694.00	1,744.00	1,744.00	1,795.00	1,795.00	1,832.00
15 meals per week (+150 points)	1,581.00	1,628.00	1,678.00	1,678.00	1,726.00	1,726.00	1,761.00
12 meals per week (+225 points)	1,523.00	1,569.00	1,616.00	1,616.00	1,664.00	1,664.00	1,698.00

Fairmont State University
Falcon Center Financial Analysis
20 Year Budget Projection

	2015 Projection	2016 Projection	2017 Projection	2018 Projection	2019 Projection	2020 Projection	2021 Projection	2022 Projection	2023 Projection	2024 Projection
Food Service/Dining	910,009.00	994,508.00	1,005,816.00	1,053,656.00	1,123,093.00	1,120,503.00	1,186,706.00	1,215,187.00	1,270,637.00	1,270,637.00
Bookstore	408,040.00	412,120.40	416,241.60	420,404.02	424,608.06	428,854.14	437,474.11	441,848.85	446,267.34	446,267.34
Bookstore Rental	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Subtotal	1,378,049.00	1,466,628.40	1,482,057.60	1,534,060.02	1,607,701.06	1,609,357.14	1,684,180.11	1,717,035.85	1,776,904.34	1,776,904.34
Falcon Center Student Fees - Fairmont	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00
Falcon Center Student Fees - Pleasant	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00
Other Operating Revenue	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42
Falcon Center Revenue Total	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42
Total Revenue	4,110,713.42	4,199,292.82	4,214,722.02	4,266,724.44	4,340,355.48	4,342,021.56	4,416,844.53	4,449,700.27	4,509,568.76	4,509,568.76
Falcon Center	950,947.04	950,947.04	972,818.82	995,193.66	995,193.66	1,016,083.11	1,041,499.02	1,065,453.50	1,089,959.93	1,089,959.93
Falcon Center Labor Total	950,947.04	950,947.04	972,818.82	995,193.66	995,193.66	1,016,083.11	1,041,499.02	1,065,453.50	1,089,959.93	1,089,959.93
Total Labor	950,947.04	950,947.04	972,818.82	995,193.66	995,193.66	1,016,083.11	1,041,499.02	1,065,453.50	1,089,959.93	1,089,959.93
Falcon Center	1,294,746.16	1,320,641.08	1,347,053.90	1,373,994.98	1,401,474.88	1,429,504.38	1,458,094.47	1,487,256.36	1,517,001.48	1,547,341.51
Falcon Center Operating Total	1,294,746.16	1,320,641.08	1,347,053.90	1,373,994.98	1,401,474.88	1,429,504.38	1,458,094.47	1,487,256.36	1,517,001.48	1,547,341.51
Total Operating	1,294,746.16	1,320,641.08	1,347,053.90	1,373,994.98	1,401,474.88	1,429,504.38	1,458,094.47	1,487,256.36	1,517,001.48	1,547,341.51
Total Expenses	2,245,693.20	2,271,588.12	2,319,872.73	2,369,188.64	2,396,668.54	2,447,587.49	2,528,755.38	2,562,454.96	2,637,300.44	2,637,300.44
Net Total Revenue	1,865,020.22	1,927,704.70	1,894,849.30	1,897,535.80	1,943,696.94	1,894,434.07	1,888,089.15	1,867,245.29	1,872,268.32	1,872,268.32
Debt Service Payment	1,375,174.15	1,375,174.15	1,374,035.89	1,374,921.20	1,374,541.78	1,376,059.46	1,374,541.78	1,374,546.53	1,373,756.07	1,373,914.16
Annual Lease Payment - Turf	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00
Transfers To Reserves	439,610.07	502,294.55	470,577.41	472,378.60	518,919.16	468,138.61	403,904.83	443,253.22	448,118.16	448,118.16
Net Revenue - after Debt Payment & Transfers to Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bookstore Escalator	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Revenue Escalator - Operations Fee	1	1	1	1	1	1	1	1	1	1
Labor Escalator	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023
Operating Escalator	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Beginning Cash Balance - Reserves	3,291,898.19	3,417,986.71	3,794,117.83	4,100,591.23	4,315,420.46	4,640,022.86	4,924,605.80	5,226,776.49	4,959,628.12	4,959,628.12
Interest	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Transfers In - Reserves/ Bookstore Rental (FY10&11)	439,610.07	502,294.55	470,577.41	472,378.60	518,919.16	468,138.61	403,904.83	443,253.22	448,118.16	448,118.16
Less - Projects	(316,521.55)	(129,163.43)	(167,104.00)	(260,549.37)	(197,316.77)	(186,565.67)	(232,023.72)	(339,017.04)	(714,401.59)	(714,401.59)
Adjustment for Projects (Unspent and Carryover)	3,417,986.71	3,794,117.83	4,100,591.23	4,315,420.46	4,640,022.86	4,924,605.80	5,099,486.91	5,226,776.49	4,959,628.12	4,959,628.12
Ending Cash Balance - Reserves	3,417,986.71	3,794,117.83	4,100,591.23	4,315,420.46	4,640,022.86	4,924,605.80	5,099,486.91	5,226,776.49	4,959,628.12	4,959,628.12
Current Balance - Operating	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Student Recreation Center (Building Fee) - cap	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Student Recreation Center (Building Fee) - per credit hour	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00
Student Activity Operations - cap	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Student Activity Operations - per credit hour	1.03	1.03	1.02	1.03	1.03	1.02	1.03	1.03	1.03	1.03
Meal Plan Escalator	1,723.00	1,774.00	1,809.00	1,863.00	1,918.00	1,956.00	2,014.00	2,074.00	2,115.00	2,178.00
15 meals per week (+65 points)	1,686.00	1,642.00	1,900.00	2,039.00	2,100.00	2,120.00	2,206.00	2,272.00	2,317.00	2,386.00
15 meals per week (+75 points)	1,813.00	1,867.00	1,904.00	1,961.00	2,019.00	2,059.00	2,120.00	2,183.00	2,226.00	2,290.00
15 meals per week (+150 points)	1,748.00	1,800.00	1,836.00	1,891.00	1,947.00	1,985.00	2,044.00	2,105.00	2,147.00	2,211.00

**Fairmont State University
Falcon Center Financial Analysis
20 Year Budget Projection**

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection	2030 Projection	2031 Projection	2032 Projection	2033 Projection	2034 Projection
Food Service/Dining	1,341,532.00	1,265,695.00	1,357,213.00	1,317,782.00	1,374,204.00	1,401,053.00	1,450,631.00	1,417,166.00	1,449,036.00	1,509,106.00
Bookstore	450,730.01	455,237.31	459,789.69	464,387.58	468,931.46	473,721.77	478,458.99	483,243.58	488,076.02	492,956.78
Bookstore Rental	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
Subtotal	1,852,262.01	1,780,936.31	1,877,002.69	1,842,169.58	1,903,135.46	1,934,774.77	1,989,089.99	1,960,409.58	1,997,112.02	2,062,062.78
Falcon Center Student Fees - Fairmont	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00	1,548,736.00
Falcon Center Student Fees - Pierpont	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00	688,971.00
Other Operating Revenue	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42	494,957.42
Falcon Center Revenue Total	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42	2,732,664.42
Total Revenue	4,584,826.43	4,513,800.73	4,609,667.11	4,574,834.00	4,635,899.88	4,667,439.19	4,721,754.41	4,693,074.00	4,729,776.44	4,794,727.20
Falcon Center	1,089,958.93	1,115,027.98	1,140,673.63	1,140,673.63	1,166,909.12	1,193,748.03	1,193,748.03	1,221,204.24	1,249,291.93	1,249,291.93
Falcon Center Labor Total	1,089,958.93	1,115,027.98	1,140,673.63	1,140,673.63	1,166,909.12	1,193,748.03	1,193,748.03	1,221,204.24	1,249,291.93	1,249,291.93
Total Labor	1,089,958.93	1,115,027.98	1,140,673.63	1,140,673.63	1,166,909.12	1,193,748.03	1,193,748.03	1,221,204.24	1,249,291.93	1,249,291.93
Falcon Center	1,578,288.34	1,609,854.11	1,642,051.19	1,674,892.22	1,708,390.06	1,742,557.86	1,777,409.02	1,812,957.20	1,849,216.34	1,886,200.67
Falcon Center Operating Total	1,578,288.34	1,609,854.11	1,642,051.19	1,674,892.22	1,708,390.06	1,742,557.86	1,777,409.02	1,812,957.20	1,849,216.34	1,886,200.67
Total Operating	1,578,288.34	1,609,854.11	1,642,051.19	1,674,892.22	1,708,390.06	1,742,557.86	1,777,409.02	1,812,957.20	1,849,216.34	1,886,200.67
Total Expenses	2,668,247.27	2,724,882.10	2,782,724.82	2,815,565.85	2,875,298.18	2,936,305.89	2,971,157.05	3,034,161.44	3,098,508.28	3,135,492.60
Net Total Revenue	1,916,679.16	1,788,918.64	1,826,942.28	1,759,268.16	1,760,600.69	1,731,133.30	1,750,597.36	1,658,912.56	1,631,268.16	1,659,234.59
Debt Service Payment	1,375,748.02	1,375,606.90	1,373,433.56	1,376,026.26	1,374,002.69	1,373,370.33	1,374,002.69	1,375,773.31		
Annual Lease Payment - Turf	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00	50,236.00
Transfers To Reserves	490,695.14	362,873.74	403,272.72	333,005.90	336,362.00	307,526.97	326,358.67	232,903.25	1,581,032.16	1,608,998.59
Net Revenue - after Debt Payment & Transfers to Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Escalator	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Bookstore Escalator - Operations Fee	1	1	1	1	1	1	1	1	1	1
Labor Escalator	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023	1.023
Operating Escalator	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02	1.02
Beginning Cash Balance - Reserves	4,685,529.39	4,450,304.74	3,682,112.09	3,057,705.99	2,835,303.71	2,591,734.70	2,284,757.24	2,192,557.10	2,149,949.73	3,527,049.37
Interest	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Transfers In - Reserves/Bookstore Rental (FY10&11)	490,695.14	362,873.74	403,272.72	333,005.90	336,362.00	307,526.97	326,358.67	232,903.25	1,581,032.16	1,608,998.59
Less - Projects	(712,919.79)	(1,134,066.39)	(1,032,678.82)	(556,408.18)	(592,831.02)	(617,504.42)	(421,558.81)	(278,510.63)	(206,932.51)	(546,699.61)
Adjustment for Projects (Unspent and Carryover)										
Ending Cash Balance - Reserves	4,450,304.74	3,682,112.09	3,055,705.99	2,835,303.71	2,591,734.70	2,284,757.24	2,192,557.10	2,149,949.73	3,527,049.37	4,592,348.36
Current Balance - Operating	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
Student Recreation Center (Building Fee) - cap	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Student Recreation Center (Building Fee) - per credit hour	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00	113.00
Student Activity Operations - cap	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Student Activity Operations - per credit hour	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Meal Plan Escalator	2,243.00	2,287.00	2,355.00	2,425.00	2,473.00	2,547.00	2,623.00	2,675.00	2,755.00	2,837.00
15 meals per week (+65 points)	2,467.00	2,506.00	2,581.00	2,658.00	2,711.00	2,792.00	2,875.00	2,927.00	3,019.00	3,109.00
15 meals per week (+75 points)	2,360.00	2,407.00	2,479.00	2,553.00	2,604.00	2,682.00	2,760.00	2,817.00	2,901.00	2,988.00
12 meals per week (+225 points)	2,277.00	2,322.00	2,391.00	2,462.00	2,511.00	2,586.00	2,663.00	2,716.00	2,797.00	2,880.00

Falcon Center Project Cost Estimates		Projects Carried Over										
Building & Work Item	Inflation Rate	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
		Estimated Cost of Work	1	2	3	4	5	6	7	8	9	10
Falcon Center Capital Projects												
Roof		640,000.00										
Patio water Sealer		75,000.00						44,776.96		47,503.88	97,857.99	
Pool Equipment		75,000.00						17,910.76				335,979.09
Pool Resurface		15,000.00										67,195.82
PVAC Equipment		250,000.00	80,000.00						95,930.16		101,772.31	
Fabric Ducts		90,176.50										
Hood Exhaust Fans		50,000.00										
Rubber Flooring		156,000.00										
Sound System		50,000.00										
Carpet - Dining Area		50,000.00		10,609.00						63,338.50		
Carpet - Other Areas		30,000.00									39,143.20	
Bookstore Carpet		10,000.00										
Rubber Fitness Flooring		40,000.00										
Elevator Upgrade		100,000.00		159,135.00								
2nd Passenger Elevator		50,000.00										67,195.82
Painting of Colebank		38,000.00										51,068.82
Acoustical Walls		130,000.00	130,000.00									
Starbucks Renovation		100,000.00										
Painting of Building - Per Gym		210,000.00	260,000.00	169,744.00	0.00	112,550.88	115,927.41	62,687.75	95,930.16	110,842.38	238,773.49	521,439.56
Total		2,059,176.50										
Ongoing Repair and Replacement												
Cleaning of Glass windows		15,000.00						17,910.78		10,260.84		
9 Flat screen TVs for fitness room (each)		900.00	13,431.87							20,000.00	20,000.00	20,000.00
New Fitness room equipment		400,000.00	34,382.00									
New Spin bikes (each)		3,500.00		3,713.15	3,824.54	3,936.28	4,052.46	4,179.18	4,304.56	4,433.70	4,562.71	4,703.71
Replace BB hoops (each)		10,000.00		21,218.00		22,510.18		23,881.05		25,335.40		26,878.33
Replace illeguans stands (each)		3,500.00	4,165.90				8,114.92					9,407.41
Replace pool furniture		12,000.00										16,127.00
*Replacement of folding chairs (each)		40.00	6,327.08						4,919.50	5,067.08	5,219.09	5,375.67
*Replacement of folding rack for chairs (each)		500.00							1,229.87	1,304.77	1,384.77	
*Replacement of folding tables (each)		80.00		848.72	874.18	900.41	927.42	955.24	983.90	1,013.42	1,043.82	1,075.13
*Replacement of staging/stairs		77,600.00			84,795.62							
Replace Wash/Dryer		6,500.00	4,420.00									36,285.74
Replace 6 POS systems (each)		3,000.00	24,558.96									
Replace 5 DCT readers (each)		1,785.00										
Relace 3 ID camera's (each)		400.00				1,350.61			1,475.85			1,612.70
Replace 3 ID printers (each)		6,000.00							14,758.49	1,520.12	1,565.73	1,612.70
Replace 3 ID system computers (each)		1,200.00		1,273.08		1,350.61	1,391.13	1,432.86	1,475.85	1,520.12	1,565.73	1,612.70
Replace 3D vending machine readers (each)		1,000.00	2,060.00		1,092.73		1,159.27		1,229.87		1,304.77	
Pelto Furniture		40,000.00	30,000.00									53,756.66
Replace Gym Floor covers (tiles w/cart)-CB		20,000.00							10,976.62			
Replace Gym Floor covers (tiles w/cart)-Gym 1		22,273.48							14,758.49			
Purchase Gym Floor covers (tiles w/cart)-Gym 2		23,000.00								25,335.40		
Nickel Area Furniture		90,000.00	23,000.00							28,215.38		
Conference Area Furniture		62,000.00		95,481.00								
Board Room Furniture		20,000.00					71,874.99					
Dining Room Furniture (150 tables/600 chairs)		70,000.00	60,000.00									
Security Cameras for Building		50,000.00	50,000.00								65,238.66	
Student Lounge Furniture		25,000.00						29,851.31				
Custodial Equipment		25,000.00							30,746.85			
Starwell Refinish		3,180.29										
Colebank Hall Painting and Signage		38,728.50										
Total		990,278.48	194,654.18	146,777.55	129,163.43	54,553.12	144,621.96	134,629.02	90,635.51	121,181.33	100,243.55	192,962.04
Grand Total		3,049,454.98	404,654.18	316,521.55	129,163.43	167,104.00	260,548.37	197,316.77	186,555.67	232,023.72	339,017.04	714,401.59

Falcon Center Project Cost Estimates		Inflation Rate											
Building & Work Item		2013	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Estimated Cost of Work		3%	11	12	13	14	15	16	17	18	19	20	21
Falcon Center Capital Projects													
Roof		600,000.00			440,560.11	453,776.92							69,761.05
Patio water Sealing		75,000.00									131,512.95	27,091.67	
Pool Equipment		75,000.00											
Pool Resurface		35,000.00											
HVAC Equipment		250,000.00	346,058.47	356,440.22	367,133.43	378,147.43	389,491.85	401,176.61	413,211.91				
Paint DACT		90,176.50											
Flood Exhaust Fans		50,000.00	69,211.69	71,288.04	73,426.69	75,629.49	77,898.37	80,235.32	82,642.38				
Rubber Flooring		356,000.00											
Sound System		50,000.00											
Carpet - Dining Area		30,000.00											
Carpet - Other Areas		30,000.00											
Bookstore Carpet		10,000.00											
Rubber Fitness Flooring		40,000.00											
Elevator Upgrade		100,000.00	55,369.35	14,257.61	146,853.37								74,411.78
2nd Passenger Elevator		150,000.00	138,423.39										
Painting of Coribank		50,000.00											
Acoustical Walls		38,000.00											
Starbucks Renovation		130,000.00											
Painting of Building - Per Gym		100,000.00											
Total		2,059,176.50	609,062.90	513,273.92	1,027,973.60	907,553.83	467,390.22	481,411.93	578,496.67	51,072.99	131,512.95	27,091.67	307,878.75
Ongoing Repair and Replacement													
Cleaning of Glass windows		15,000.00				22,688.85							
9 Flat screen TVs for fitness room (each)		900.00						12,998.12					
New Fitness room equipment		400,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
New Spin bikes (each)		3,500.00	4,844.82	4,990.16	5,139.87	5,294.06	5,452.89	5,616.47	5,784.97	5,958.52	6,137.27	6,321.39	6,511.03
Replace BB hoops (each)		10,000.00				30,251.79		32,094.13		34,048.66		36,122.22	
Replace illegals seats (each)		3,500.00					10,905.77					12,642.78	
Replace pool furniture		12,000.00											30,000.96
**Replacement of folding chairs (each)		40.00	5,535.94	5,703.04	5,874.13	6,050.36	6,231.87	6,418.83	6,611.39	6,809.73	7,014.02	7,224.44	7,441.18
**Replacement of folding rack for chairs (each)		500.00	1,384.23	1,468.53	1,557.97	1,652.85	1,753.51	1,860.29	1,973.89	2,088.81	2,210.42	2,338.29	2,473.14
*Replacement of folding tables (each)		80.00	1,107.39	1,140.61	1,174.83	1,210.07	1,246.37	1,283.77	1,322.28	1,361.95	1,402.80	1,444.89	1,488.24
*Replacement of staging/stairs		77,600.00								132,108.81			
Replace Wash/Dryer		6,500.00								11,065.81			
Replace 6 POS systems (each)		3,000.00											48,765.00
Replace 5 DCT readers (each)		1,785.00											
Relace 3 ID cameras (each)		400.00											
Replace 3 ID printers (each)		6,000.00											
Replace 3 ID system computers (each)		1,200.00											
Replace ID Vending machine readers (each)		1,000.00	1,394.23	1,710.91	1,762.24	1,815.11	1,869.57	1,925.65	1,983.42	2,042.92	2,104.27	2,167.33	2,232.35
Patio Furniture		40,000.00											1,860.29
Replace Gym Floor covers (tiles w/cart)-CB		20,000.00											
Replace Gym Floor covers (tiles w/cart)-Gym 1		22,273.48											
Purchase Gym Floor covers (tiles w/cart)-Gym 2		23,000.00											
Nickel Area Furniture		90,000.00											
Conference Area Furniture		62,000.00											
Board Room Furniture		20,000.00											
Dining Room Furniture (150 tables/600 chairs)		70,000.00											
Security Cameras for Building		50,000.00											
Student Lounge Furniture		25,000.00											
Custodial Equipment		25,000.00											
Starwell Refresh					36,713.34								
Starwell Refresh						37,814.74							
Goldbank Hall Painting and Signage													
Total		990,278.48	131,153.98	199,845.87	306,092.79	425,124.89	589,017.96	761,519.09	939,007.75	1,124,485.82	1,314,997.68	1,514,840.84	1,719,820.86
Grand Total		3,049,454.98	740,216.88	712,919.79	1,134,066.39	1,032,678.82	556,408.18	582,931.02	617,504.42	421,558.81	278,510.63	206,932.51	546,699.61
													10,236,282.14

Fairmont State University
Dining Service
Pro forma A with 3%
2-20-12

cost inflation percentage	Year Ending	Revenue Index price increase	Retail Sales	Meal Plan Revenue	Food Cost Index cost increase	Food Cost	Labor Cost Index wage increase	Labor Cost	Direct Cost Index cost increase	Direct Cost	Mgmt Fee Index cost increase	Mgmt Fee % A + set	Mgmt Fee	Contract Performance Return	TOTAL CLIENT RETURN
104.20%	2012	103.5%	1,105,210	2,724,555	104.20%	1,165,013	103.5%	1,398,190	104.20%	340,772	104.20%	161,820	47,680	811,650	
103.00%	2013	103.0%	1,138,366	2,962,197	103.00%	1,250,672	103.0%	1,497,055	103.00%	401,855	103.00%	164,425	51,838	838,395	
103.00%	2014	102.0%	1,181,149	3,021,441	103.00%	1,288,192	103.0%	1,541,967	103.00%	391,377	103.00%	167,107	52,875	866,822	
102.60%	2015	103.0%	1,216,583	3,112,084	102.60%	1,321,685	103.0%	1,588,226	102.60%	343,704	102.60%	169,502	54,461	894,009	
102.80%	2016	103.0%	1,253,081	3,205,447	102.80%	1,358,692	102.0%	1,619,990	102.80%	369,284	102.80%	172,148	56,095	924,508	
103.00%	2017	102.0%	1,278,143	3,269,556	103.00%	1,399,453	102.0%	1,652,390	103.00%	372,194	103.00%	175,063	57,217	1,005,816	
102.30%	2018	103.0%	1,316,487	3,367,642	102.30%	1,431,641	102.0%	1,685,438	102.30%	394,965	102.30%	177,364	58,934	1,053,656	
101.60%	2019	103.0%	1,355,981	3,468,672	101.60%	1,454,547	103.5%	1,744,428	101.60%	384,285	101.60%	179,002	60,702	1,123,093	
102.20%	2020	102.0%	1,383,101	3,538,045	102.20%	1,486,547	103.5%	1,805,483	102.20%	389,239	102.20%	181,290	61,916	1,120,503	
103.40%	2021	103.0%	1,424,594	3,644,186	103.40%	1,537,089	103.0%	1,859,648	103.40%	448,444	103.40%	184,904	63,773	1,102,469	
102.80%	2022	103.0%	1,467,332	3,753,512	102.80%	1,580,128	103.0%	1,915,437	102.80%	416,278	102.80%	187,981	65,686	1,186,706	
101.50%	2023	102.0%	1,496,679	3,828,582	101.50%	1,603,830	102.5%	1,963,323	101.50%	420,245	101.50%	189,676	67,000	1,215,187	
102.30%	2024	103.0%	1,541,579	3,943,440	102.30%	1,640,718	102.5%	2,012,406	102.30%	437,955	102.30%	192,313	69,010	1,270,637	
102.70%	2025	103.0%	1,587,826	4,061,743	102.70%	1,685,017	102.5%	2,062,716	102.70%	435,903	102.70%	195,481	71,080	1,341,532	
103.40%	2026	102.0%	1,619,583	4,142,978	103.40%	1,742,308	102.0%	2,103,970	103.40%	523,508	103.40%	199,577	72,502	1,265,699	
103.20%	2027	103.0%	1,668,170	4,267,267	103.20%	1,796,062	103.5%	2,177,609	103.20%	473,667	103.20%	203,564	74,677	1,357,213	
102.80%	2028	103.0%	1,718,215	4,395,285	102.80%	1,848,407	103.0%	2,242,938	102.80%	574,127	102.80%	207,163	76,917	1,317,782	
103.90%	2029	102.0%	1,752,580	4,483,191	103.90%	1,920,495	102.5%	2,298,011	103.90%	508,198	103.90%	212,318	78,456	1,374,204	
102.80%	2030	103.0%	1,805,157	4,617,686	103.20%	1,981,951	103.5%	2,379,477	103.20%	524,460	103.20%	216,712	80,810	1,401,053	
103.20%	2031	103.0%	1,859,312	4,756,217	102.80%	2,037,446	103.0%	2,450,861	102.80%	539,145	102.80%	220,680	83,234	1,450,631	
103.50%	2032	102.0%	1,896,498	4,851,341	103.50%	2,116,906	102.5%	2,512,132	103.50%	560,172	103.50%	226,361	84,898	1,417,166	
103.90%	2033	103.0%	1,953,393	4,996,882	103.90%	2,199,466	102.5%	2,574,936	103.90%	582,019	103.90%	232,265	87,445	1,449,036	
104.10%	2034	103.0%	2,011,995	5,146,788	104.10%	2,289,644	104.10%	2,680,508	104.10%	605,881	104.10%	163,712	90,069	1,509,106	

Tab 4

**Fairmont State University
Board of Governors
May 16, 2013**

Item: Housing 20-year Master Plan Update and 2014 Budget Approval (Auxiliary Enterprise)

Committee: Committee of the Whole

Recommended Resolution: Approval of the Housing 2014 fiscal year budget plan and approval of the 20-year Master Plan Update

Staff Member: Rick Porto

Background: The attached 20-year operating and capital repair and replacement plan proposes how University Housing will be maintained and operated over the next twenty years and pay-off bond debt.

This plan incorporates the demolition and replacement of the College Park Apartments adding an additional 168 beds to this footprint. This plan further renovates Morrow, Pence, and Pritchard Halls.

Note: The hiring of an architect for the apartment phase of this plan is in progress and we plan to bring to the June meeting the architect selection and budget for your approval so that the design phase of this project can get started.

This 20-year plan update details the FY 2014 budget changes from the FY 2013, which are shown on the attached narrative page in **BOLD** print.

The 20-year plan provides information about the assumptions made to predict the future years' operating revenues, expenses, major equipment replacements, and major capital repairs and replacements and future debt to be incurred to accomplish the Master Plan goals.

The Housing 20-year Master Plan was first approved by the Governing Board on August 16, 2012.

This request seeks your approval for the following:

1. The 2014 Operating Budget Plan.
2. The funding of 2014 project maintenance of approximately \$59,000.
3. The Housing 20-year Master Plan Update.

Housing Master Plan Update (Inclusive of FY14 Budget Proposal)

Assumptions for Housing 20 Year Master Plan Projection – FY14 Update (Bolded items reflect FY14 budget changes)

- **Revenues from rent are requested to increase by 5% for traditional dorms and 5.5% for apartments for FY14. When combined with projected revenue for temporary triples, revenue is projected to increase by \$212,332.** Future years have been increased by previously projected percentages. Temporary triples room revenue is budgeted for FY14, FY19, FY22, FY25 and FY28, due to the need for addition beds in those years.
- **Other revenues are budgeted to increase by \$21,000 or 22.8% for FY14** and are projected to increase at 1% for all future years.
- Vacancy Losses are projected to be 3% of revenue. **Losses are projected to increase by \$13,750 for FY14.**
- **Labor is increased by the amounts requested by Housing for Student Assistants and Mercer increase projections, which is an increase of \$24,391 for FY14.** Labor currently has a projected increase of 2.3% for two of every three years.
- **Operating expenses is increased mainly for additional scholarship costs, which is an increase of \$4,818 for FY14**
- Debt Service payments have been updated for amount due after refunding of the bonds has been completed. Housing pays 100% of the previous 2003A bond and 59.4% of the previous 2002A bond.
- **With requested updates, the transfer to reserves value will increase by \$11,068 to \$882,769. The previous target for FY14 was \$871,701.**
- Interest income is projected at \$6,500. We have received \$4,572 from the state through April for FY13.
- Funding for equipment replacement and purchase and minor capital projects has been added annually.
- Additional Debt Service is projected for all future projects, which include:
 - Demolition of College Park buildings and rebuild FY15 through FY22 or sooner with additional 168 beds on same footprint
 - Renovate Morrow Hall in FY25 and reopen in FY26
 - Renovate Pence Hall in FY28 and reopen in FY29
 - Renovate Pritchard Hall in FY31 and reopen in FY32

Fairmont State University
Housing Financial Analysis
20 Year Budget Projection

	FY10 Actual	FY11 Actual	FY12 Budget	FY12 Actual	FY13 Budget	FY13 YTD As of 1-Apr-13	FY14 Projection
No. of Suites/Units/Apts							
Avg. No. of Beds/Suite/Unit							
No. of New Beds							
No. of Renovated Beds							
Rent Revenue - Including Triples	3,983,521	4,132,776	4,335,164	4,249,618	4,660,559	4,480,482	4,872,891
Other Revenue	100,355	104,889	92,000	151,388	92,000	59,685	113,000
Vacancy Loss	0	0	(260,110)	0	(137,096)	0	(150,848)
Total Revenue	\$4,083,876	\$4,237,665	\$4,167,054	\$4,401,006	\$4,615,463	\$4,540,167	\$4,835,045
Labor Escalator	598,007	608,227	656,909	600,304	716,276	464,370	740,687
Labor Expense	\$698,007	\$808,227	\$656,909	\$800,304	\$716,276	\$464,370	\$740,687
Operating Escalator							
Operating Expenses	1,482,272	1,615,874	1,605,213	1,601,875	1,780,773 *	1,391,149	1,785,581
Capital Lease - Alarm System					27,204	17,003	40,806
Total Operating Expenses	\$1,482,272	\$1,615,874	\$1,605,213	\$1,601,875	\$1,807,977	\$1,408,162	\$1,826,387
Net Total Revenue	1,963,597	2,013,564	1,904,932	2,198,828	2,091,210	2,867,645	2,267,981
Current Debt Service Payment	1,556,043	1,573,192	1,574,377	1,574,150	1,384,928	1,363,489	1,385,212
Transfers to Reserves	370,000	420,000	330,555	640,000	705,282	0	882,789
Net Revenue - after Debt Payment and Transfers	\$67,554	\$20,372	\$0	(\$16,322)	\$0	\$1,304,166	\$0
Beginning Cash Balance - Reserves							
Interest Income	\$1,924,873	\$2,246,843	\$2,397,670	\$2,397,589	\$2,836,859	\$2,836,869	\$3,499,641
Transfers In - Reserves	7,216	6,717	6,500	3,702	6,500	4,572	6,500
College Park Apts Maintenance	370,000	420,000	330,555	640,000	705,282	0	882,789
Less - Projects	(56,246)	(235,176)	(254,562)	(244,226)	(50,000)	(12,202)	(58,184)
College Park Apts Maintenance							
Additional Debt Service (E11)							
Adjustment for Projects (Unspent and Carryover)		(39,814)	50,150	39,814	0	(37,798)	0
Ending Cash Balance - Reserves	\$2,246,843	\$2,397,570	\$2,530,213	\$2,836,859	\$3,499,641	\$2,791,431	\$4,328,716
Housing Operating Fund							
					Cash Balance	Fund Balance	
					\$1,201,874	\$1,535,751	

*Note - FY13 includes an additional \$61,200 for Networks to address the increased bandwidth used by Housing

Fairmont State University
Housing Financial Analysis
20 Year Budget Projection

	FY15 Projection	FY16 Projection	FY17 Projection	FY18 Projection	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection	FY23 Projection	FY24 Projection
No of Suites/Units/Apts	42	-	-	-	-	28	-	-	28	-
Avg. No of Beds/Suite/Unit	4	-	-	-	-	4	-	-	4	-
No. of New Beds	168	-	-	-	-	112	-	-	112	-
No of Renovated Beds	-	-	-	-	-	-	-	-	-	-
Rent Revenue - Including Triples	6,215,559	6,562,827	6,825,340	7,030,100	6,685,943	7,747,764	7,980,197	7,646,401	8,805,641	9,069,810
Other Revenue	114,130	115,271	116,424	117,588	118,764	119,952	121,151	122,363	123,586	124,822
Vacancy Loss	(186,467)	(196,885)	(204,780)	(210,903)	(197,370)	(232,433)	(239,406)	(225,568)	(264,189)	(272,094)
Total Revenue	\$6,143,222	\$6,481,213	\$6,737,004	\$6,936,785	\$6,606,337	\$7,635,283	\$7,861,943	\$7,543,296	\$8,665,038	\$8,922,538
Labor Escalator	1,000	1,023	1,020	1,023	1,023	1,023	1,000	1,023	1,023	1,000
Labor Expense	820,667	839,542	858,522	878,605	898,813	919,486	940,634	961,813	983,034	1,004,242
Total Labor	\$820,668	\$839,543	\$858,522	\$878,606	\$898,814	\$919,487	\$940,635	\$961,814	\$983,035	\$1,004,243
Operating Escalator	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020
Operating Expenses	2,025,303	2,065,809	2,107,125	2,149,268	2,192,253	2,236,098	2,280,820	2,326,436	2,372,955	2,420,424
Capital Lease - Alarm System	40,806	40,806	40,806	40,806	40,806	40,806	40,806	40,806	40,806	40,806
Total Operating Expenses	\$2,066,110	\$2,106,615	\$2,147,932	\$2,193,074	\$2,233,059	\$2,276,904	\$2,321,626	\$2,367,242	\$2,413,761	\$2,461,230
Net Total Revenue	3,256,444	3,535,054	3,730,219	3,915,062	3,546,478	4,500,370	4,682,307	4,287,281	5,351,457	5,561,477
Current Debt Service Payment	1,386,032	1,384,135	1,385,133	1,385,190	1,385,190	1,386,151	1,384,044	1,385,311	1,383,666	1,383,659
Transfers to Reserves	1,870,412	2,150,919	2,345,086	2,530,284	2,161,288	3,114,219	3,298,264	2,911,970	3,967,791	4,177,818
Net Revenue - after Debt Payment and Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Cash Balance - Reserves	\$4,329,716	\$4,768,052	\$5,488,896	\$6,359,101	\$7,416,503	\$8,095,085	\$8,670,701	\$9,430,363	\$9,792,678	\$10,023,076
Interest Income	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Transfers in - Reserves	1,870,412	2,150,919	2,345,086	2,530,284	2,161,288	3,114,219	3,298,264	2,911,970	3,967,791	4,177,818
Less - Projects	(59,194)	(59,194)	0	0	(50,000)	(50,000)	(50,000)	(100,000)	(100,000)	(100,000)
College Park Apts Maintenance	0	0	(100,000)	(100,000)	(50,000)	(50,000)	(50,000)	0	0	0
Additional Debt Service (E11)	(1,379,382)	(1,379,382)	(1,379,382)	(1,379,382)	(1,389,207)	(2,445,102)	(2,445,102)	(2,456,154)	(3,643,893)	(3,643,893)
Adjustment for Projects (Unspent and Carryover)	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance - Reserves	\$4,768,052	\$5,488,896	\$6,359,101	\$7,416,503	\$8,095,085	\$8,670,701	\$9,430,363	\$9,792,678	\$10,023,076	\$10,463,501

Housing Operating Fund

Fairmont State University
Housing Financial Analysis
20 Year Budget Projection

	FY26 Projection	FY26 Projection	FY27 Projection	FY28 Projection	FY28 Projection	FY29 Projection	FY30 Projection	FY31 Projection	FY32 Projection	FY33 Projection	FY34 Projection
	Close	Open	Close	Open	Close	Open	Close	Open	Close	Open	Close
	Morrow Hall	Morrow Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall	Pence Hall
No. of Suites/Units/Apts	-	-	-	-	-	-	-	-	-	-	-
Avg. No of Beds/Suite/Unit	-	-	-	-	-	-	-	-	-	-	-
No. of New Beds	-	-	-	-	-	-	-	-	-	-	-
No. of Renovated Beds	-	143	-	124	-	144	-	-	-	-	-
Rent Revenue - Including Triples	8,648,353	9,588,646	9,502,397	10,424,058	10,736,780	11,403,649	11,745,758	12,098,131			
Other Revenue	126,071	127,331	129,891	131,189	132,901	133,826	136,516	137,861			
Vacancy Loss	(255,220)	(287,959)	(280,427)	(312,722)	(322,103)	(342,109)	(352,373)	(362,944)			
Total Revenue	\$8,519,203	\$9,430,018	\$9,351,860	\$10,242,526	\$10,547,578	\$11,196,704	\$11,529,902	\$11,873,068			
Labor Escalator	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023			
Labor Expense	962,269	984,401	1,007,042	1,030,204	1,050,204	1,075,136	1,078,139	1,102,936			
Total Labor	\$962,270	\$984,402	\$1,007,043	\$1,030,206	\$1,050,206	\$1,075,140	\$1,078,140	\$1,102,937			
Operating Escalator	1,020	1,020	1,020	1,020	1,020	1,020	1,020	1,020			
Operating Expenses	2,468,833	2,518,209	2,619,945	2,672,344	2,725,791	2,780,307	2,835,913	2,892,631			
Capital Lease - Alarm System	\$2,469,834	\$2,519,211	\$2,619,946	\$2,672,346	\$2,725,792	\$2,780,308	\$2,835,914	\$2,892,632			
Total Operating Expenses	5,088,099	5,935,405	6,165,635	6,539,975	6,791,181	7,282,650	7,559,130	7,819,647			
Net Total Revenue	1,386,049	1,384,470	1,385,575	1,384,678	1,384,012	1,384,774	1,384,915	1,384,915			
Current Debt Service Payment	3,702,050	4,550,935	4,339,295	5,156,296	5,407,169	4,868,255	5,897,736	7,819,647			
Transfers to Reserves											
Net Revenue - after Debt Payment and Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Beginning Cash Balance - Reserves	\$10,453,501	\$10,426,157	\$10,073,476	\$9,568,693	\$9,106,253	\$8,992,684	\$8,141,201	\$7,473,766			
Interest Income	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500			
Transfers In - Reserves	3,702,050	4,550,935	4,339,295	5,156,298	5,407,169	4,868,255	5,897,736	7,819,647			
Less - Projects	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)			
College Park Apts Maintenance	0	0	0	0	0	0	0	0			
Additional Debt Service (E11)	(3,643,893)	(4,750,578)	(4,750,578)	(5,526,238)	(5,526,238)	(5,526,238)	(6,471,671)	(6,471,671)			
Adjustment for Projects (Unspent and Carryover)											
Ending Cash Balance - Reserves	\$10,428,157	\$10,135,014	\$9,568,693	\$9,106,253	\$8,892,684	\$8,141,201	\$7,473,766	\$6,467,726			
Housing Operating Fund											

Tab 5

**Fairmont State University
Board of Governors
May 16, 2013**

Item: 2014 Education and General (E&G) Budget Approval

Committee: Committee of the Whole

Recommended Resolution: Resolved, that the Fairmont State University Board of Governor's approve the Unrestricted E&G Fund Budgets for the 2014 fiscal year.

Staff Member: Rick Porto

Background: The E&G Fund Budget Plan for the 2014 fiscal year shows a deficit budget balance of \$-1,080,601. The budget balance for 2014 prior to the addition of one-time 2014 needs (Strategic Planning and Capital Repair and Replacement needs) is a balance of \$538.

Please see the attached FY 2014 Budget Planning document that was reviewed and approved by the University Budget Committee, the President's Council, and the Finance Committee.

Please also see the attached FY 2014 Budgeted Statement of Revenues and Expenses comparing the FY 2013 budget plan thru April 30 to FY 2014 beginning budget plan.

Next please find attached the Unrestricted Fund OPEB Liability and Net Assets Report that demonstrates our strong net asset position. The projected net assets (after adding back the projected OPEB Liability) at the end of fiscal year 2013 is estimated to be \$15,731,717 and is 33.58% of the 2014 planned operating budget. This value compared to the actual unrestricted net assets at the end of the 2012 FY of \$13,910,352 (after adding back the OPEB Liability), is a projected growth of \$1,821,365. The 2013 Audit Report due in October 2013, will identify the actual increase in net asset reserves.

Finally, approving this budget plan for 2014 fiscal year will allow for the Mercer Step Pay raises in the net amount (after chargeback) of approximately \$65,300 to be effective July 1, 2013 and the faculty promotions to be effective at the beginning of their 2014 contract. (See attached letter required to be sent to the State Budget Office approving the Mercer Step Pay raises).

FY 2014 BUDGET PLANNING DOCUMENT
FAIRMONT STATE UNIVERSITY
EDUCATION & GENERAL FUNDS

8.94% Reduction to State Appropriations; 7.65% Fee Increase

As of April 30, 2013, Assumes a Budget Condition of:	(69,235)	
	Budget Effect	Running Total
FY 13 ONE-TIME BUDGETS REMOVED:		
One-time FY 2013 Budgets:		
One-time FY 2013 Athletic Department	113,104	
Feaster Center Pool HVAC	279,239	
Fund Managers Plan to Spend Reserves in FY 2013	100,277	
Carry Over of Strategic Planning Award Spending:		
FY 2011 Awards	186,466	
Round 1 (\$48,561)		
Round 2 (\$137,905)		
FY 2012 Awards	200,085	
IBM Initiative - Faculty Training (\$120,000 total support, \$30,000 transferred from labor reserve)	90,000	
Presidential Inauguration	35,000	
Architect-Basketball Locker Room	<u>25,000</u>	
One-time FY 2013 Budgets Sub-total:	1,029,170	959,935
FY 13 ONE-TIME BUDGETS REMOVED SECTION SUB-TOTAL:		
1,029,170 959,935		
PERMANENT BUDGET ADJUSTMENTS:		
Revenue Adjustments:		
State Appropriation 8.94% Reduction (Loss of Revenue)	(1,599,005)	
Fee Increase 7.65%	<u>1,509,761</u>	
<small>The 7.65% fee increase results in an approximate \$200 per semester per student or \$400 per academic year per student increase. The Athletic portion is \$48/\$96 and the E&G retained portion is \$152/\$304.</small>		
Revenue Adjustments Sub-total:	(89,244)	870,691
Enrollment Growth/Decline:		
Fairmont:		
Education & General	(565,187)	
Graduate Programs	65,455	
Student Programs (Student Government, Masquers, Student Publications & Ballroom Dance)	(7,437)	
Central Fees (Health Services)	<u>(2,658)</u>	
<i>Fairmont Sub-total</i>	<i>(509,827)</i>	
Pierpont:		
Student Programs (Student Government, Masquers, Student Publications & Ballroom Dance)	(3,122)	
Central Fees (Health Services)	<u>(1,115)</u>	
<i>Pierpont Sub-total:</i>	<i>(4,237)</i>	
Enrollment Growth Sub-total:	(514,064)	356,627
Mandatory Pay Raise Costs:		
Mercer Scale Cost for Step Movement	(86,886)	
- Chargeback Revenue - Mandatory Pay Raise Costs-Mercer Scale	24,461	
- Chargeback Expense - Mandatory Pay Raise Costs-Mercer Scale	(2,009)	
Faculty Promotions	<u>(58,693)</u>	
Mandatory Pay Raise Costs Sub-total:	(123,127)	233,500
Annual Increment:		
Increment Increase	(21,089)	
-Chargeback Revenue - Annual Increment	2,447	
-Chargeback Expense - Annual Increment	<u>(206)</u>	
Annual Increment Sub-total:	(18,848)	214,652
Phased Retirement:		
Phased Retirement Cost Estimate (Savings)	<u>27,865</u>	
Phased Retirement Sub-total:	27,865	242,517
Additional School of Nursing Hospital Contract Commitments:		
Reduction to Contract Revenue from Hospitals	<u>(20,400)</u>	
Additional School of Nursing Hospital Contract Commitments Sub-total:	(20,400)	222,117

	<u>Budget Effect</u>	<u>Running Total</u>
Annual BRIM Premium	(16,843)	
-Chargeback Revenue - Brim Premium	<u>4,941</u>	
Annual BRIM Premium Sub-total:	(11,902)	219,215
Lease Costs:		
Alumni Association Lease Increase	<u>(468)</u>	
Lease Expense Sub-total:	(468)	209,748
Admissions Office:		
Operating Budget Increase	<u>(30,000)</u>	
Admissions Office Sub-total:	(30,000)	179,748
Budget Savings:		
Degree Works	30,306	
Summer Diversity Camp	19,779	
Special Accreditation	<u>36,995</u>	
Budget Savings Sub-total:	87,081	266,828
Tuition Waiver Costs (9.35% Increase) :		
Full Ride Scholarships (McClain)	(19,074)	
Waivers Due to Increase of Fee	(54,031)	
Promise Beyond Scholarships	(80,000)	
Presidential Promise Beyond Scholarships	(20,000)	
Graduate School Waivers	(14,025)	
Athletic Waivers	(64,515)	
Athletic Scholarships - Football	<u>(20,000)</u>	
Tuition Waiver Costs Sub-total:	(271,645)	(4,817)
SEOG & Federal Work Study:		
SEOG Matching Contributions	<u>5,355</u>	
SEOG & Federal Work Study Sub-total:	5,355	538
PERMANENT BUDGET ADJUSTMENTS SECTION SUB-TOTAL:	(959,396)	538

FY 2014 ONE-TIME BUDGETS:

Fairmont State Campus Master Plan	(150,000)	
Feaster Center Concrete Repair	(100,000)	
Feaster Center Boilers - Replacement	(50,000)	
Feaster Center HVAC - Pool	(279,239)	
Press Box - HVAC	(50,000)	
Strategic Plan Carry Over Awards:		
Continue Increase-Student Enrollment	(90,000)	
Repair of Greenhouse	(39,650)	
Caperton Center - Instruction (Equipment)	(4,297)	
Lecture Capture System	(29,615)	
Architect - Women's Basketball Locker Rooms	(12,500)	
Women's Basketball Locker Rooms	(112,500)	
2014 Athletic One-time Support (continued from FY 2013 for one additional year)	(113,104)	
Fund Manager Projections	<u>(50,234)</u>	
One-time FY 2014 Budgets Sub-total:	(1,081,139)	(1,080,601)
FY 2014 ONE-TIME BUDGETS SECTION SUB-TOTAL:	(1,081,139)	(1,080,601)

BALANCE	(1,080,601)	
FY 2014 Beginning Net Asset Projection:	0	(1,080,601)
FY 2014 Budget After Projections:	(1,080,601)	

FY 15 will reflect an approximate budget balance of \$538 once the one-time FY 14 budgets are removed. This value is shown as the running balance prior to the "FY 14 One-time Budgets" section.

Fairmont State University
Budget Statement of Revenues and Expenses
Comparison FY 2013 Current Period to FY 2014

		Budgeted FY2013 04/30/13	Budgeted FY2014 07/01/13	DIFFERENCE
OPERATING REVENUE	Tuition & Fees	23,132,001.93	24,189,764.00	1,057,762.07
	Student Activity Support Revenue	580,820.00	566,488.00	(14,332.00)
	Faculty Services Revenue	1,272,438.68	1,272,438.68	0.00
	Private Grants and Contracts	0.00	0.00	0.00
	Auxiliary Enterprise Revenue	0.00	0.00	0.00
	Auxiliary Fees & Debt Service Support Revenue	0.00	0.00	0.00
	Operating Costs Revenue	2,213,532.46	2,215,136.60	1,604.14
	Support Services Revenue	3,499,971.31	3,541,804.08	41,832.77
	Other Operating Revenue	432,976.07	402,311.00	(30,665.07)
	Total:	31,131,740.45	32,187,942.36	1,056,201.91
OPERATING EXPENSE	Salaries	24,804,754.16	24,883,501.00	78,746.84
	Benefits	6,331,912.91	6,389,571.00	57,658.09
	Student financial aid-scholarships	1,921,289.00	2,186,184.00	264,895.00
	Utilities	1,747,900.25	1,747,900.25	0.00
	Supplies and Other Services	7,671,175.02	8,068,527.53	397,352.51
	Equipment Expense	1,264,270.97	1,270,887.54	6,616.57
	Loan Cancellations and write-offs	0.00	0.00	0.00
	Fees retained by the Commission	185,560.00	185,560.00	0.00
	Assessment for Faculty Services	1,302,589.00	1,302,589.00	0.00
	Assessment for Support Services	279,898.65	283,799.13	3,900.48
	Assessment for Student Activity Costs	401,409.00	391,314.00	(10,095.00)
	Assessment for Operating Costs	135,289.21	135,289.21	0.00
	Total:	46,046,048.17	46,845,122.66	799,074.49
OPERATING INCOME/LOSS		<u>(14,914,307.72)</u>	<u>(14,657,180.30)</u>	<u>257,127.42</u>
NONOPERATING REVENUE (EXPENSE)	State Appropriations	17,880,671.00	16,281,666.00	(1,599,005.00)
	State Fiscal Stabilization Funds	0.00	0.00	0.00
	Gifts	38,471.00	20,000.00	(18,471.00)
	Investment Income	266,166.00	266,166.00	0.00
	Loss/Gain on Disposal of Fixed Assets	0.00	0.00	0.00
	Assessment for E&G Capital & Debt Service Costs	(2,558,110.58)	(2,558,110.58)	0.00
	Reappropriated State Funding	0.00	0.00	0.00
	Total:	15,627,197.42	14,009,721.42	(1,617,476.00)
TRANSFERS & OTHER	Capital Expenditures	(185,759.16)	(146,671.00)	39,088.16
	Construction Expenditures	(74,399.29)	0.00	74,399.29
	Transfers for Debt Service	(64,802.42)	(64,802.42)	0.00
	Transfers for Financial Aid Match	(88,162.00)	(82,807.00)	5,355.00
	Indirect Cost Recoveries	64,567.84	12,000.00	(52,567.84)
	Transfers to Capital Projects	(326,964.50)	0.00	326,964.50
	Transfers for Scholarships	(113,104.00)	(113,104.00)	0.00
	Transfers - Other	6,498.44	(37,757.77)	(44,256.21)
	Total:	(782,125.09)	(433,142.19)	348,982.90
BUDGET BALANCE		<u>(69,235.39)</u>	<u>(1,080,601.07)</u>	<u>(1,011,365.68)</u>

Fairmont State University
Unrestricted Funds
OPEB Liability and Net Assets
Fiscal Years 2008 through 2012, Projected 2013

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Projected
Net Assets vs OPEB Liability						
Unrestricted Net Assets, as of June 30	6,045,285	7,324,058	5,898,192	5,838,762	6,308,912	7,863,373
PLUS: OPEB Liability, as of June 30	294,865	667,045	3,105,397	5,356,126	7,643,321	7,868,344
Total Unrestricted E&G Net Assets, June 30	6,340,150	7,991,103	9,003,589	11,194,888	13,952,233	15,731,717
OPEB Liability - % of Total Net Assets	4.65%	8.35%	34.49%	47.84%	54.78%	50.02%

The WV State Legislature passed a bill in 2012 that provides a funding plan to cover the Other Post Employment Benefits (OPEB) liability costs over 20 years. The OPEB liability will be gradually reduced on the financial statements without cost to the Institution.

Calculation of Net Asset Reserves
Total Unrestricted E&G Net Assets, June 30
Less: 15% Reserve of Unrestricted Operating Budget
Calculated: Excess Reserves as of June 30
Less: Current Deficit Budget Condition (FY 2014)
Potential Excess Reserves as of Current Operating Budget

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Projected
Total Unrestricted E&G Net Assets, June 30	6,340,150	7,991,103	9,003,589	11,194,888	13,952,233	15,731,717
Less: 15% Reserve of Unrestricted Operating Budget	6,151,301	6,242,844	6,061,092	7,049,991	6,909,522	7,026,768
Calculated: Excess Reserves as of June 30	188,849	1,748,259	2,942,497	4,144,897	7,042,711	8,704,949
Less: Current Deficit Budget Condition (FY 2014)						(1,080,601)
Potential Excess Reserves as of Current Operating Budget						7,624,348

Total Unrestricted Net Assets as % of FY 2014 Operating Budget (\$46,845,123) 33.58%

NOTES:

Fiscal Year 2013 Total Unrestricted E&G Net Assets is projected as of June 30, 2013.

The 15% Reserve of Unrestricted Operating Budget is based on the operating budget established for the coming year. For fiscal year 2013, the reserve is calculated as 15% of the FY 2014 Operating Budget.