



Business and Finance Committee Meeting			
11.21.19		1:30 p.m.	317 College Street
Meeting Type	Business and Finance Committee Meeting		
Note Taker	Hannah Allen		
Attendees			Present (Y/N)
		Mr. Billy Atkins, Chair	Y
		Ms. Katherine Cannata	Y
		Mr. Larry Carroll	Y
		Mr. Don Jenkins	Y
		Mr. Mike O'Malley, ex-officio	Y
		Mr. Mitch Robinson, ex-officio	Y
		President Alisa White	Y
		Dannelle Whiteside, Vice President for Legal Affairs and Secretary to the Board	Y
Call to Order			
Discussion			
Trustee Atkins called the meeting to order at 2:17 p.m. and roll was called.			
Conclusions			
Trustee Atkins determined there was a quorum.			
Action Item A - Consideration of the October Revised Budget for Fiscal Year 2019-2020			
Discussion			
Trustee Atkins recognized Mr. Robinson, Vice President for Finance and Administration, to present information regarding the October revised budget for fiscal year 2019-2020. Mr. Robinson stated that the October revised budget is based on more recent information, including actual fall enrollments. He stated that changes in			

the revised budget are primarily due to less than expected tuition revenue resulting from a shift in the mix of newly enrolled students taking fewer semester credit hours overall . Tuition revenue is expected to increase next year as freshman applications have already increased. The Ft. Campbell Center enrollment and the out-of-state enrollment have increased and continue to increase. Mr. Robinson briefly discussed current enrollment trends and discussed the University's revised revenues, expenditures by function, and expenditures by natural classification.

A discussion followed regarding items included in the public service category of the expenditures by function section. Mr. Robinson stated that the public service category includes the TN Small Business Development Center matching funds, some athletic facilities functions, and the Tennis Center functions.

Trustee Cannata moved to approve the October revised budget for fiscal year 2019-2020. Trustee Carroll seconded the motion.

Conclusions

A roll call vote was taken and carried unanimously with 4 trustees voting yes.

Billy Atkins: Yes
Katherine Cannata: Yes
Larry Carroll: Yes
Don Jenkins: Yes
Yes: 4, No: 0

Action Item B - Consideration of Campus Projects

Discussion

Trustee Atkins recognized Mr. Robinson to present information regarding campus projects. Mr. Robinson stated that Board Policy 1:024 requires the Board of Trustees to consider the approval of projects in excess of \$500,000. Mr. Robinson provided project information and budgets for the Catherine Evans Harvill Food Venue renovation project (budget: \$3.8 million paid by the food vendor), the College and 4th St. Building renovation project (budget: \$985,000), the Welcome Center renovation project (budget: \$550,000), and the Browning Plaza improvements project (\$1.2 million).

Trustee Jenkins moved to approve the campus projects. Trustee Cannata seconded the motion.

Conclusions

A voice vote was taken and carried unanimously with 4 trustees voting yes.

Action Item C - Consideration of Long-Term Lease Agreement with Montgomery County

Discussion

Trustee Atkins recognized Mr. Robinson to present information regarding the long-term lease agreement with Montgomery County. Mr. Robinson stated that APSU is now seeking consideration of the annual base rental fee in the proposed lease agreement for use of the multi-purpose event center (MPEC), which will allocate dedicated space to APSU along with 30 event days per year. Mr. Robinson stated that the annual base rental fee is \$1 million per year for the first five years and then \$800,000 per year for years 6-30. Mr. Robinson explained the numerous revenue enhancements that will reduce the net outlay by the University. Furthermore, after consulting with a construction company to determine the cost to build a similar practice facility and renovate the Dunn Center to offer more amenities, it was determined that building on campus would require the University to take on an additional \$16 million in debt, with an anticipated debt service of \$1.4 million per year. Mr. Robinson stated that while they don't anticipate any changes for the annual base rental fees in the lease agreement, minor edits may still be negotiated between APSU and Montgomery County.

A discussion followed regarding the specific cost and revenue plan for the partnership.

Trustee Carroll moved to approve the annual based rental fee for the lease agreement with Montgomery County with the understanding that minor edits to the lease may still be negotiated between APSU and Montgomery County. Trustee Jenkins seconded the motion.

Conclusions

A roll-call vote was taken and carried unanimously with 4 trustees voting yes.

Billy Atkins: Yes
Katherine Cannata: Yes
Larry Carroll: Yes
Don Jenkins: Yes
Yes: 4, No: 0

Information Item A - Review 2020-21 THEC State Appropriations Distribution Recommendation

Discussion

Trustee Atkins recognized Mr. Robinson to present information regarding the 2020-21 THEC state appropriations distribution recommendation. Mr. Robinson presented preliminary recommendations from the fall quarterly THEC meeting for 2020-21 state appropriations distribution recommendation. For fiscal year 2020-21, THEC has

recommended an increase of \$1,935,200 in state funding for a total of \$52,438,300, a 3.8% increase overall. . Mr. Robinson then discussed THEC's outcomes formula.

A discussion followed about the funding for other state universities. Mr. Robinson presented a breakdown of the components part of the total recommendation.

Conclusions

This was an information item and required no action.

Information Item B - Review 2020-21 THEC Capital Outlay and Capital Maintenance Projects Recommendations

Discussion

Trustee Atkins recognized Mr. Robinson to present information regarding the 2020-21 THEC capital outlay and capital maintenance projects recommendations. Mr. Robinson presented preliminary recommendations from the fall quarterly THEC meeting for 2020-21 capital outlay and capital maintenance projects recommendation. For the 2020-21 capital outlay projects, THEC has recommended a total of \$310.18 million, and APSU's \$67,735,000 Health Professions Building is the third highest priority on THEC's list. The total request for state funding is \$60,961,500 with matching funds of \$6,773,500, which can be funded 60% by institutional reserves and 40% by gifts. Mr. Robinson stated that APSU's capital outlay team worked hard to improve the proposal from last year to receive such a high ranking this year. THEC also recommended a total of \$4,670,000 for three capital maintenance projects, which include the Dunn Center HVAC replacement, elevator upgrades, and the Sundquist Science Center exhaust systems controls Phase I. There is a possibility that the State will increase the capital maintenance funds for colleges and universities, and University administration is preparing additional maintenance projects in the event of this increase.

Conclusions

This was an information item and required no action.

Information Item C - Review 2020-21 THEC Tuition and Fee Recommendation

Discussion

Trustee Atkins recognized Mr. Robinson to present information regarding the 2020-21 THEC tuition and fee recommendation. Mr. Robinson presented preliminary recommendations from the fall quarterly THEC meeting for 2020-21 tuition and fees. THEC has set the preliminary binding tuition and mandatory fee range at 0% to 2.0% for fiscal year 2020-21. Mr. Robinson presented information on what the potential increase would look like for APSU. Mr. Robinson stated that 2020-21 would mark 5 consecutive years that APSU increased tuition and mandatory fees by less than 3.0%. Mr. Robinson explained that APSU could increase fees by the full 2.0%, with

all other universities remaining at zero, and still have the second-lowest in-state tuition and mandatory fee among public universities.

Conclusions

This was an information item and required no action.

Adjourn

Discussion

Trustee Atkins moved to adjourn the meeting. Trustee Cannata seconded the motion. The meeting adjourned at 3:02 p.m.