

Budget Advisory Committee Meeting
1:30 p.m., 4/14/11

- The minutes of the BAC meeting on 3/10/11 were approved. They may be shared with others outside the committee as necessary.
 - Diane said she still needs to define “fund balances” and distribute it to the committee to be shared with campus.
- Janet Wilson will take over as BAC chair on 5/1/11.
- Lynn Burley's last BAC meeting is today; she thanked all members for their service.
- Diane Newton went over two handouts: the Cash Position Statement and the Operating Summary.
 - Cash Position Statement
 - § We are still in good shape. It is too soon to give an accurate estimate of the exact amount, but we should have several million going to reserves at year-end, and E&G and Auxiliary will both be in the black.
 - § The hope is that by the end of FY12, we will have the reserves where they need to be. This is based on the assumption that enrollment comes in at least flat.
 - § FY13 will hopefully be the year where people can budget for things they've been patiently awaiting.
 - Operating Summary
 - § We are a little behind where we were at this time last year, but we should still have money going to reserves at year-end.

The recent article in the newspaper about the Board of Trustees discretionary fund was discussed. The article made it sound as though the BOT gave out \$25,000 checks at any time to anyone they wished; however, this is not the case. Instead, the chair of the BOT can annually designate an area or project to receive a one-time allocation of \$25,000 from the university's funds. The disbursement of the funds then follows the same procedures and approvals applicable to all university spending.

- The BOT Finance/Administration committee is being put together. Diane is working with Randy Sims – the Board appointee to the committee – to do this.

- Janet Wilson, as the BAC chair, will be the appointee to this committee for BAC.
- The first meeting will be next week.
- When year-end gets closer, emails will be sent to campus to remind everyone that our checks will be smaller after July 1st because of the retroactive pay we started receiving in January.
- The President's Residence Advisory Committee (PRAC) has not yet made any recommendations; they are still in the "discovery" phase. All options are being considered.
 - The group works well together and is taking their charge very seriously. They hope to provide recommendations to the Board at the August meeting.
 - Dr. and Mrs. Meadors do not plan to move back into the house before the August BOT meeting, and lots of work will be done to the house in the time between now and then while the house is vacant.
 - The current minor repairs are being funded from a pot of maintenance money in the Physical Plant that was set aside for this project.
 - The major repairs (HVAC, windows) are funded from capital reserves in plant funds.
- Capital reserves are fed through a variety of sources – planned transfers, gifts, etc. This money is earmarked for specific projects. Capital reserves and fund balances represent different accounting concepts. Fund balances are a measure of the excess of assets over liabilities whereas capital reserves represents monies designated for spending on long-term assets.
 - This year, critical needs have taken priority for money from capital reserves. These include items that have to do with infrastructure, roof repair, etc.
 - Next fiscal year, priority will be given to items needed in Academic Affairs as identified by the deans.
- Responsible UCA recommended and supported the changeover of the football field from grass to artificial turf because it saves up to \$400,000 per year, and in the long range, it saves even more.
- Formal BAC meetings are not planned for the summer months, but if something occurs that merits a meeting, one will be scheduled at that time. For now, the next actual meeting will not be planned to take place until September.

- The meeting was adjourned at 2:20 p.m.