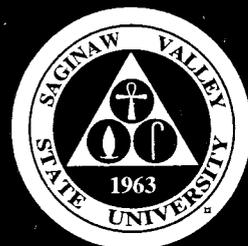


SVSU®

BOARD OF CONTROL
MINUTES

NOVEMBER 27, 2000



SAGINAW VALLEY STATE UNIVERSITY

BOARD OF CONTROL
NOVEMBER 27, 2000
SPECIAL FORMAL SESSION
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MINUTES
BOARD OF CONTROL
Special Formal Session
November 27, 2000
1:30 p.m.
Board of Control Room - Wickes Hall

Present: Braun
Gilbertson
Law
Sims
Vitito
Walpole (via conference telephone)

Absent: Escobedo
Kelly

Others

Present: C. Jerome
R. Maurovich
J. Muladore
R. Payne
M. Shannon
J. Stanley
S. Stroebel
N. Taylor
R. Thompson
J. Woodcock
R. Yien
Press

I. CALL TO ORDER

Vice Chair Vitito called the meeting to order at 1:31 p.m. He noted that a quorum was present, and that Trustee Walpole was participating via conference telephone. He welcomed Professor Marcia Shannon, representative of the SVSU Faculty Association.

II. ACTION ITEMS

1) Resolution to Approve Auxiliary Services-Bonded Facilities Operating Budget for FY2000-2001

RES-1428 **It was moved and supported that the following resolution be adopted:**

WHEREAS, Revenues and expenditures have been forecasted including adequate provisions for debt service and contributions to reserves;

NOW, THEREFORE, BE IT RESOLVED, That the attached Operating Budget be adopted for the 2000-2001 fiscal year; and,

BE IT FURTHER RESOLVED, That the Administration is authorized to make capital expenditures as considered appropriate from the Repair and Replacement Reserve with the understanding that a minimum of \$200,000 is to be retained in the Reserve Account as of June 30, 2001. (See Appendix One: Auxiliary Services Operating Budget)

President Gilbertson told the Board the Auxiliary Services-Bonded Facilities Operating Budget is comprised of a number of functions which are generally intended to be self-supporting. The biggest components of this budget are the parking lots and the housing and dining complex. In a sense they are operated as a subsidiary operation of the University, outside of the General Fund, which is where the institution's State support and student tuition go.

Mr. Jerry Woodcock, Vice President for Administration and Business Affairs, noted that this budget is brought to the Board at this point in time because the number of students residing in the various facilities on campus is now known.

Total revenues in this budget are \$7.6 million, which includes the revenue from the

University Village Phase I, which was opened this fall. The corresponding expenditures incorporate the costs of operating that facility, as well as debt service on it. Because of this, debt service costs increased from \$1.4 million last year to \$2.2 million this year, for a total of expenditures and debt service of \$7,022,497. The \$601,715 shown in revenues over expenditures will go into the reserve account, to be used for future facility development, replacement of roofs and other types of equipment within the facilities.

Vice Chair Vitito asked Mr. Woodcock to comment on the \$775,000 shown as “Less Actual/Est. Reserve Expenditures.”

Mr. Woodcock stated that this amount represents projects that have been approved and are in the process of being completed by June 30, 2001, i.e., the residing of Pine Grove Apartments. Capital expenditures and replacement of equipment and furnishings do not come out of operations – they are expenditures from the reserves.

The motion was APPROVED unanimously.

2) Resolution to Approve Auxiliary Services-Bonded Facilities Student Housing Rental Rates and Miscellaneous Rates for FY2001-2002

RES-1429 **It was moved and supported that the following resolution be adopted:**

WHEREAS, Occupancy levels, revenues and operating expenses have been projected for the Auxiliary Services-Bonded Facilities system;

NOW, THEREFORE, BE IT RESOLVED, That effective August 13, 2001 for the 2001-2002 academic year, the room and board rates, apartment and new student housing rental rates and various auxiliary miscellaneous rates per the attached schedules be approved.
(See Appendix Two: Rates)

President Gilbertson told the Board that Resolution 1429 would set rates for next year’s

budget. It is being brought to the Board now in order to give the students ample time to know what the budget for living on campus will be so they can make choices about whether – and where – to live in campus facilities.

Mr. Woodcock noted that SVSU's on-campus housing is the 6th least expensive of the 12 public four-year universities in the State of Michigan that have on-campus housing programs. The administration is recommending rate increases for next year that range from 3.5% to 3.8%, which is slightly higher than inflation and has been planned to assist in paying for the upgrading of facilities and building new units. SVSU has state-of-the-art living facilities which are very attractive to students. There is a waiting list for housing on campus in spite of the opening of the new units this fall.

Trustee Sims asked what was meant by "traditional declining balance," "thrifty declining balance" and "declining balance plus."

President Gilbertson replied that the University had converted to these food plans following the construction of the addition to Doan Center with the Food Court. The purpose of the change was to allow more food options to students than could be offered under the "traditional all you can eat format." The program utilizes a declining balance debit card system. Students pay only for what they eat, and the varying levels of food plans give students different options. Thus those who eat less are charged less than those who eat more. The new system also allows commuter students and faculty and staff to eat together.

The motion was APPROVED unanimously.

3) Resolution to Modify the General Fund Operating Budget and to Approve an Increase in the General Service Fee for FY2000-2001

RES-1430 **It was moved and supported that the following resolution be adopted:**

WHEREAS, The Board of Control adopted on June 12, 2000 the General Fund Operating Budget for the fiscal year 2000-2001; and

WHEREAS, Subsequent to that date, the University has revised its revenue and expenditure estimates to reflect changes to various revenue categories and expenditure allocations required for compensation, services, supplies, and equipment;

NOW, THEREFORE, BE IT RESOLVED, That the attached schedule indicating a recommended revised base budget be adopted for fiscal year 2000-2001;

AND, BE IT FURTHER RESOLVED, That the general service fee be increased by \$1.45 per credit hour to \$10.55 per credit hour effective for the winter semester 2001 for campus construction projects. (See Appendix Three: Modify General Fund)

President Gilbertson stated: "This is the point in the budget cycle at which we come to you – now that we know what our State allocation and fall semester enrollments were – and ask you to modify the budget you had originally enacted back in the early spring, prior to the time of State action, based solely on what our estimates were at that point in time. We are asking you to modify the budget in a couple of ways.

"First, the State allocation was not what we had hoped it would be . . . so we're asking you to recognize a net change of 1.83%. On the other hand, our tuition and fees income was more than we had projected – we had projected a 4.25% increase over the previous year, and there was roughly a 5.25% increase in total credit hours.

"There was no significant difference in the miscellaneous category.

"On the compensation side . . . we eliminated two faculty positions that were unfilled. There were some other small changes, but basically we came out with a net change in the budget of less

than half of a percent – \$24,850. So this is pretty close to the budget we had recommended to you earlier, although the revenue pieces are different than we had anticipated in those two ways.

“The net change in tuition income was a result of two things. One was an enrollment increase beyond what had been projected. The other is the recommended increase in the General Service Fee that we have before you as part of this resolution. You will recall our increase in total tuition and mandatory fees was 2.7%. We have room under the State-imposed cap to go to 4%. We chose not to go all that way, although we do have some considerable needs that we want now to begin budgeting. The proceeds from this increase in the General Service Fee will be designated to our capital fund. We have a number of capital projects that are either on the way or soon to be. The most urgent of these is for an increase in our parking. . . . Given our continued enrollment increases we have an immediate need for campus parking, certainly no later than next fall.

“There are three other major projects that are about to begin. One is the interior renovation of the existing Science Building. As you recall, the IF3 project was \$25 million. We had hoped to accomplish both the construction of the new space and the renovation of the old space with those funds. It will not happen that way, so we’ll probably have to borrow up to \$1.5 million, perhaps even \$2 million on that project.

“The Board has already discussed the Macomb Education Center. We can expect to begin movement there rather shortly.

“Finally . . . we are now working with the architects on the construction of a Student Activity Center. This is part of the Board’s five-year plan, which will bring to about 1,500 the number of

students living on campus and will create additional space for clubs and organizations and other kinds of activities to support the additional campus residential population.

“So the purpose of the General Service Fee is essentially to begin developing a capital fund for debt service on a variety of capital projects, the most urgent of which I have just mentioned to you.”

Trustee Law asked whether the \$1.45 increase in the General Service Fee would be an increase of one percent.

President Gilbertson replied that it was roughly one percent of the total mandatory fee, which is comprised of both tuition and the General Service Fee.

The motion was APPROVED unanimously.

4) Resolution to Reconcile the 1999-2000 General Fund Budget to Actual Revenue and Expenditure Patterns

RES-1431 **It was moved and supported that the following resolution be adopted:**

WHEREAS, The audited financial statements for the 1999–2000 fiscal year are completed; and,

WHEREAS, The variances in actual revenue and spending patterns have been reviewed with the Finance and Audit Committee in accordance with Resolution 535 approved March 8, 1982;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Control receive this report and approve variances in revenue and spending patterns from the fiscal year 1999 -2000 General Fund Operating Budget. (See Appendix Four: Reconcile)

President Gilbertson told the Board that Resolution 1431 was its final action on the fiscal year which ended June 30, 2000. The slight positive balance of \$169,635 will be added to the University’s fund balance. He noted it had been a good solid year, and that the administration was

pleased with the financial performance of the institution and the management of its funds.

Vice Chair Vitito noted the budget had been reviewed by the Finance and Audit Committee.

He asked for questions or comments. Hearing none, he called for the vote.

The motion was APPROVED unanimously.

III.. ADJOURNMENT

5) Motion to Adjourn

BM-940 **It was moved and supported that the regular formal session be adjourned.**

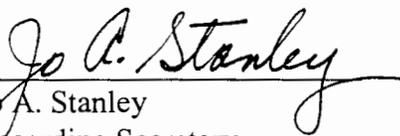
The motion was APPROVED unanimously.

The regular formal session was adjourned at 1:49 p.m.

Respectfully submitted:

Burnett S. Kelly
Chairman

D. Brian Law
Secretary


Jo A. Stanley
Recording Secretary

SAGINAW VALLEY STATE UNIVERSITY
 AUXILIARY SERVICES-BONDED FACILITIES
 OPERATING BUDGET SUMMARY

Appendix One:
 Auxiliary Services Operating Budget

	Budget		Actual		Budget	
	FY00	FY01	FY00	FY01	FY00	FY01
REVENUES						
Housing Contracts	\$3,467,875	\$3,441,321	\$3,441,321	\$4,303,105		
Other Operating Income	2,512,087	2,803,017	2,803,017	2,991,905		
Summer Income	98,170	66,974	66,974	68,200		
Non-program Revenues	225,002	668,521	668,521	761,002		
	6,303,134	6,979,833	6,979,833	7,624,212		
EXPENDITURES						
Program	4,169,199	4,281,977	4,281,977	4,801,272		
Debt Service	1,097,305	1,440,263	1,440,263	2,221,225		
	5,266,504	5,722,240	5,722,240	7,022,497		
Revenue Over (Under) Expenditures	1,036,630	857,593	857,593	601,715		
Reserves Balance, Beginning of Year	2,431,945	2,431,945	2,431,945	2,945,034		
Less Actual/Est. Reserve Expenditures	578,000	344,504	344,504	775,000		
Reserves Balance, End of Year	\$2,853,945	\$2,945,034	\$2,945,034	\$2,771,749		

SAGINAW VALLEY STATE UNIVERSITY

Room & Board Rates, Apartment and
Student Housing Rental Rates

AY 2001-2002

First Year Suites - Academic Year Rates	
Traditional Declining Balance	\$ 5,200
Thrifty Declining Balance	4,875
Declining Balance Plus	5,620
Extra Charge for Single Room	1,035

Living Center - Academic Year Rates	
Efficiencies-Double/Triple	\$ 3,250
Apartments-2 Bedrooms	4,565
Apartments-4/5 Bedroom	3,605
Extra Charge for Single Room	1,415

University Village - Academic Year Rates	
Single Occupancy Units	\$ 4,175
Townhouses	3,600

Apartments - Monthly Rent	
1986 Construction	\$ 285
Individual	675
Family	
1996-97 Construction	
Individual	425

Note: Rates include all utilities except long distance telephone

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C: Merryboard\housing\rates

SAGINAW VALLEY STATE UNIVERSITY
Miscellaneous Room and Board Rates
AY 2000-2001

Conferencing

First Year Suites & Pine Grove	
Conference	Room Rate/Night/Person
Count	
1-49	\$13.50
50-99	13.00
100 and above	12.50
Single Rooms (1)	18.00
Internal Sponsored Activities	7.75

Living Center & University Village	
	Room Rate/Person
Per Night	\$21.00
Change of Linen	4.00

(1) Space permitting
 Note: Board rates negotiable with Campus Dining through Conference Bureau

Saginaw Valley State University
Miscellaneous Room and Board Rates
AY 2000-2001

Summer

	Student		Guest			
	Weekly	Monthly	single occupancy	double occupancy	single occupancy	double occupancy
First Year Suites	N/A	N/A	N/A	N/A	N/A	N/A
Pine Grove						
1986 Construction Individual	\$ 71.25	\$ 285.00	\$ 155.00	\$ 118.00	\$ 620.00	\$ 472.00
Family	168.75	675.00	196.00	N/A	784.00	N/A
1997 Construction Individual	106.25	425.00	155.00	118.00	620.00	472.00
Living Center						
Efficiencies - Double-Triple	101.50	406.00	175.00	150.00	N/A	N/A
Apartments 2 Bedroom	142.50	570.00	175.00	150.00	N/A	N/A
Apartments 4/5 Bedroom	112.50	450.00	175.00	150.00	N/A	N/A
University Village Townhouses	112.50	450.00	N/A	N/A	N/A	N/A

Note: All rates include utilities except long distance.
Faculty and staff are charged students rates.
Special group rates may be negotiated with the approval of the Director of Business and Auxiliary Services.

SAGINAW VALLEY STATE UNIVERSITY
 GENERAL FUND BUDGET SUMMARY
 FY2000-2001

Modified Budget

RESOURCES	FY01 Original	FY01 -Modified	NET CHANGE	
			\$	%
State Appropriation	\$27,450,000	\$26,947,150	(\$502,850)	(1.83)
Tuition and Fees	24,850,000	25,315,000	465,000	1.87
Miscellaneous	1,636,000	1,649,000	13,000	0.79
Total Resources	53,936,000	53,911,150	(24,850)	(0.05)
EXPENDITURE ALLOCATIONS				
Compensation	38,551,000	38,531,349	(19,651)	(0.05)
Supplies, Materials & Services	12,208,000	12,425,908	217,908	1.78
Capital Expenditures	3,177,000	2,953,893	(223,107)	(7.02)
Total Expenditures	53,936,000	53,911,150	(24,850)	(0.05)
Resources Over/(Under) Expenditures	\$0	\$0	\$0	

SAGINAW VALLEY STATE UNIVERSITY
 GENERAL FUND BUDGET SUMMARY
 FY 2000

	Board Approved December, 1999		Revised 2000 Base		
	Budget	Actual 6/30/00	Budget	Actual 6/30/00	Variations (Over) Under
REVENUES					
State Appropriation	\$24,955,312	\$24,955,313	\$24,955,312	\$24,955,313	\$1
Tuition and Fees	22,475,000	23,144,275	22,760,000	23,144,275	384,275
Miscellaneous	1,539,000	1,832,129	1,642,500	1,832,129	189,629
Total Revenues	48,969,312	49,931,717	49,357,812	49,931,717	573,905
EXPENDITURE ALLOCATIONS					
Compensation	35,645,872	34,981,845	35,783,372	34,981,845	801,527
Supplies, Materials & Services	11,109,340	13,894,445	11,366,050	13,894,445	(2,528,395)
Capital Expenditures	2,214,100	885,792	2,208,390	885,792	1,322,598
Total Expenditures	48,969,312	49,762,082	49,357,812	49,762,082	(404,270)
Revenues Over/(Under) Expenditures	\$0	\$169,635	\$0	\$169,635	\$169,635
UNRESTRICTED FUND BALANCE					
Balance, 07/01/99		\$798,242		\$798,242	
Revenue Over/(Under) Expenditures		169,635		169,635	
Less Change in Contractual Commitments		(119,635)		(119,635)	
Balance, 06/30/00		\$848,242		\$848,242	