

University of Central Missouri
Board of Governors
Finance and Administration Committee of the Whole
April 18, 2013

The University of Central Missouri (UCM) Board of Governors Finance and Administration Committee met as a committee of the whole on Thursday, April 18, 2013, at 1:30 p.m. in UN 237A on UCM's main campus in Warrensburg, Missouri. In attendance were Board President Marvin E. Wright and Governors Mary Dandurand, Mary Long, Walter Hicklin, Gus Wetzell II, John Collier, and Kyle Shell. Governor Weldon Brady was unable to attend today's meeting and was excused. Others present included University President Charles Ambrose, General Counsel Henry Setser, Vice President for Finance John Merrigan, and Assistant to the Secretary Monica Huffman.

Call to Order

Mr. Wright called the meeting to order and determined that a quorum was present to conduct business. He turned the meeting over to Mr. Collier .

Approval of the Minutes – Agenda Item No. 1

Mr. Collier accepted the minutes of the March 21, 2013, meeting as submitted. He then asked Mr. Merrigan to present the proposed FY 2014 Operating Budget.

FY 2014 Operating Budget and Salary Increase - Agenda Item No. 2

Mr. Merrigan presented information (Attachment) for the proposed FY 2014 Operating Budget, noting there are currently two State of Missouri – Higher Education appropriation recommendations being considered for FY 2014. The Missouri House of Representatives recommendation includes an approximate 2.25% increase equating to \$1,168,000 in increased state funding. The Missouri Governor's recommendation includes a 3.4% state funding increase for higher education that is based on performance funding. The Governor's recommendation is supported by the Missouri Senate Appropriations Committee. Under the performance funding model, UCM meets 80% of the performance criteria, which under the Governor's recommendation would equate to \$1,556,000 in increased state funding for UCM in FY 2014.

Two budget scenarios were prepared based on the two State of Missouri budgets under

consideration (2.25% increase and 3.4% increase) and are outlined in the attached briefing paper. Mr. Merrigan reviewed budget assumptions, revenues, expenses and net gain/loss for both scenarios. He also pointed out that under Scenario 1 (2.25% increase), employees making less than \$50,000 would receive a salary increase of \$800 for the year; and under Scenario 2 (3.4% increase), a 1% across-the-board salary increase would be provided to all employees with a \$600 minimum. Mr. Merrigan also noted that in each scenario UCM's expenditures exceed its revenues creating a net budget shortfall of approximately \$1.4 million, which is primarily due to a 16.5% increase in MOSERS, totaling \$1.5 million for UCM. Dr. Wetzel asked if this is a one-time cost. Mr. Merrigan stated that this is built into the base budget and will be paid in future years. Mr. Wright asked what would happen if the Board approves these scenarios and the final State budget is something different. President Ambrose said that if this were to happen, staff would prepare a budget based on the approved budget and present to the Board for a consideration.

Agenda Items 3-10

Mr. Merrigan gave a very brief overview of agenda items 3-10 related to:

Aviation Flight Fee Increase

Investment Banking Services Contract Award

Banking Depository Services Contract Award

Annual Contract for Bulk Fuel Purchase

Voluntary Domestic and Limited Waiver International Student Sickness & Accident

Insurance Policy

Fire Alarm Upgrades

Studio Transmitter Link/Master Control Equipment

Bids and Contracts Summary

Other – Agenda Item No. 11

There was no other business to discuss

Adjournment

The meeting adjourned at 2:30 p.m.