

***University of Central Missouri
Board of Governors
Special Plenary Session
May 27, 2020***

The University of Central Missouri (UCM) Board of Governors convened in a Special Plenary Session via Zoom Video on Wednesday, May 27, 2020, at 11:00 a.m. The meeting originated from Room 204 of the Administration Building on UCM's main campus in Warrensburg, Missouri. Presiding over the meeting was Board President John Collier. Others participating in the meeting via Zoom Video included Governors Stephen Abney, Marvin E. Wright, Mary Long, Mary Dandurand, Gus Wetzel II, and Kenneth Weymuth; University President Roger Best; General Counsel Lindsay Chapman; Vice President for Finance and Operations Bill Hawley; Vice President for Student Experience and Engagement Shari Bax; and Executive Director for Administrative Services Susan Brockhaus. Assistant Board Secretary Monica Huffman participated from Room 204.

Call to Order – Agenda Item No. 1

Mr. Collier called the meeting to order and asked for a roll call. It was determined a quorum was present to conduct business. Mr. Hawley was asked to present the following agenda item.

Elliott Student Union – Lower Level Food Court Renovation Project – Agenda Item No. 1

Mr. Hawley referred the Board to Attachment 1 of the meeting packet containing a briefing paper providing background information related to the Elliott Student Union Lower Level Food Court Renovation Project (Attachment 1). Of significant importance is the funding source. Mr. Hawley explained that included in UCM's contract with Sodexo are capital funds to be used specifically for renovations. Funds from this source will be used for the entire renovation project and include the installation of new vendors and updates to *Taco Bell* and *Chick-fil-a*.

The Invitation for Bid for the project was placed in the *Kansas City Record*, *St. Louis Monitor*, *Daily Star Journal*, and the procurement website. Two companies responded to the Invitation for Bids. Mr. Weymuth asked if it is customary to receive only two bids on a project of this size. Mr. Hawley responded typically there are not a large number of respondents and that it usually ranges from two to four respondents. Mr. Weymuth asked if we are utilizing the resources available to ensure vendors are aware of Invitation for Bids the University issues. Mr. Hawley confirmed utilization of available resources and added many vendors are connecting to those same resources and receive notices.

Mr. Abney asked for the current status of the Sodexo capital fund. Mr. Hawley stated the capital fund dedicates \$6.25 million for capital projects. Later this summer, UCM will receive an additional \$1.5 million. To date, \$800,000 has been spent on Cru5h and smaller amounts have been spent for miscellaneous projects. Next year, a portion of the funds will be spent updating Todd's Dining Hall and the following year there are plans to update Ellis Dining Hall. Mr. Wright asked if sufficient architectural work has been done in preparation for the project; Mr. Hawley stated there has. Mr. Abney expressed concern about over runs and asked if the bid is approved, will it be completed prior to the start of the fall semester. Mr. Hawley said the work will begin in early June, with plans to complete by October; however, due to COVID-19 there could potentially be delays in obtaining equipment. A staging plan will be developed by UCM and Sodexo. Discussion followed concerning the timing of the project, and more specifically any delays due to

COVID-19, challenges related to obtaining equipment, and the perception it creates regarding the University's finances even though Sodexo funds are paying for the project(s). The Board asked if there is a better time to do it. President Best responded that with the exception of a possible challenge obtaining equipment, this is actually the best time to start the project when students aren't on campus. Delaying the project would cause other projects to be pushed back. Mr. Hawley reviewed some of the work included as part of the renovation project, noting that every effort will be made to minimize any disruptions.

Mr. Wright moved that the Board of Governors approve award of contract to Reasbeck Construction, Inc. for the Elliott Student Union Lower Level Food Court renovation project in the amount of \$1,500,675, and that the contract include a project completion date of October 15, 2020, and payment of liquidated damages if not completed by that date. The motion was seconded by Ms. Dandurand and carried with the following roll call vote:

<i>Marvin E. Wright</i>	<i>aye</i>	<i>Gus Wetzel II</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Stephen Abney</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>
<i>Kenneth Weymuth</i>	<i>aye</i>		

Academic Year 2020-2021 Room and Board Rates – Agenda Item No. 2

Mr. Hawley referred the Board to Attachment 2 of the meeting packet containing information related to the recommended rates for Academic Year 2020-2021 Room and Board (Attachment 2). He noted while there are no recommended increases to the meal plans, a 4% increase is recommended for the residence hall rates and a 5% increase is recommended for the apartment rates. For Academic Year 2020-2021, all residence hall rooms will be single occupancy in an effort to address social distancing and be charged at the double occupancy rate. However, students may request to have a suitemate if everyone is agreeable to doing so. The overall increase for room and board combined is 2%-2.6%. A table comparing room and board rates of other Missouri public institutions with UCM's was shared with the Board.

Dr. Wetzel asked how the quality of UCM's residence halls compare to those at other institutions. Dr. Bax, who has visited and stayed in residence halls at other schools, said room layouts are similar, though UCM's housing facilities may be a little more dated than those at some other institutions. Conversely, they are also better than others. Dr. Wetzel expressed concern that the condition of the residence halls could negatively impact enrollment and said a plan should be developed to address updates. Mr. Weymuth agreed. Mr. Wright stated a discussion is needed concerning UCM's bond rating to even know what is possible.

Mr. Hawley reviewed the various room and board rates for the 2020-2021 Academic Year. *Mr. Weymuth moved that the Board of Governors approve the recommended room and board rates for Academic Year 2020-2021 as outlined in the briefing paper. The motion was seconded by Dr. Wetzel and carried with the following roll call vote:*

<i>Marvin E. Wright</i>	<i>aye</i>	<i>Gus Wetzel II</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Stephen Abney</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>
<i>Kenneth Weymuth</i>	<i>aye</i>		

Fiscal Year 2021 Operating Budget – Agenda Item No. 3

Mr. Hawley referred the Board to Attachment C of the meeting materials which contained the proposed FY 2021 Operating Budget (Attachment 3). Mr. Hawley presented highlights of the proposed budget as part of his PowerPoint (included with Attachment 3) presentation.

Board members asked questions in response to the budget information provided. With regard to the enrollment assumption of 229,256 credit hours (a decline totaling approximately \$9.2 million), Mr. Abney asked what the budgeted enrollment credit hours were for FY 2020. Ms. Brockhaus stated 268,130 credit hours were budgeted for FY 2020, however, the current number of actual credit hours is 3% below this number. Overall, the University is projecting approximately 39,000 fewer enrollment credit hours for FY 2021. Mr. Wright asked what the enrollment assumption for FY 2021 for credit hours translates to in student numbers. Ms. Brockhaus explained for budgeting purposes, student credit hours are used instead of student headcount due to the uncertainty of students' status (full-time or part-time, the number of classes a student is taking, and other factors). President Best said we currently anticipate a 10,700-10,800 headcount; however, as noted by Ms. Brockhaus, it is difficult to translate headcount into dollars for the purpose of the budget. Mr. Abney asked what the headcount was for 2019; and President Best answered the headcount was 11,221 in fall 2019.

The Board discussed FY 2021 cost increases surrounding compensation, which includes increases to the student minimum wage effective July 1 to \$9.00 per hour, faculty promotions, faculty salary model, and wage adjustments for the Department of Public Safety. Governor Abney inquired about the timing of faculty salary increases. President Best listed some of the provisions of the Faculty Compensation Policy and discussed the faculty salary model, adding that given the status of the current national market, the Faculty Compensation Policy and faculty salary model help UCM retain faculty and demonstrate institutional commitment. Ms. Dandurand and Dr. Long agreed with President Best. Mr. Abney had no objections to this, but expressed concerns related to the budget and the need to identify savings during a difficult financial period. Mr. Wright suggested the Board review both the Faculty Compensation Policy and faculty salary model at some future date to ensure the Board has a clear understanding of them both.

Other mandatory costs and increases totaling \$750,000 include scholarships, tuition credit and waivers, a MOSERs contribution of \$10+million, and employee health insurance. Mr. Wright recalled under the current employee health insurance agreement that rates would remain flat for a three-year period. Mr. Hawley stated this is correct, but only for the EPO plan, which half of the employees subscribe to. The agreement does not include the PPO plan.

FY 2021 Unrestricted General Fund Revenue totals \$133 million as compared to FY 2020 when it totaled \$145.8 million. FY 2021 Unrestricted General Funds Expenditures total \$144 million and include a targeted reduction of \$4.3 million as compared to FY 2020 Unrestricted General Funds Expenditures that totaled \$145.8 million with no targeted reductions. Mr. Hawley reviewed those areas where reductions will occur. Mr. Abney noted a \$1.6 million reduction in Academic Affairs and asked if the Provost is working with the Deans to identify cuts within the Division. Ms. Brockhaus stated the Provost has worked with the Deans and has identified areas where funding could be cut.

The total deficit for FY 2021 is approximately \$17.5 million, which will be addressed by making reductions to the budget over a three-year period – approximately \$4.3 million in FY 2021; \$8.2 million in FY 2022; and \$7.6 million in FY 2023. Mr. Hawley said UCM has approximately \$100 million in cash that includes reserves and cash needed for operations. Mr. Abney asked if this includes deferred maintenance; Ms. Brockhaus said \$970,000 is allocated for deferred maintenance in the operating budget.

Mr. Abney thanked Mr. Hawley and Ms. Brockhaus for their work on the proposed budget and asked if the Board approves the budget and the State makes further cuts, would further adjustments be made. Mr. Collier asked if this occurred would the budget come back before the Board for review. In response to both questions, Mr. Hawley stated other budget scenarios are being considered in the event further cuts or withholdings are issued by the State, and proposed budget modifications would be presented to the Board. Mr. Collier asked if additional cuts are made by the State, would a furlough be necessary. Mr. Hawley answered yes.

Mr. Collier asked how low University reserves can reach before the current situation is considered a crisis. Mr. Hawley said approximately \$16.575 million of the reserves are being used, and he would not want to use any more of the reserves than this. President Best agreed with Mr. Hawley and confirmed his commitment to this, stating the \$16.575 million would be spread across two fiscal years – FY 2021 and FY 2022. Other efforts implemented are intended to keep use of reserves under \$16.575 million. Any additional withholdings or cuts from the State would accelerate some of these efforts. Noting the proposed budget includes using \$16.575 million from reserves, Mr. Wright asked if it became necessary to use additional reserves would the administration discuss it first with the Board. President Best answered yes. Mr. Abney asked what the University is doing to cover the FY 2020 shortage. President Best responded that we are hoping to receive funds from the CARES Act totaling \$3.45 million.

Mr. Wright moved that the Board of Governors approve the proposed FY 2021 Operating Budget and multiyear plan for addressing the projected budget shortfall, including the use of \$16.575 million in total from University Reserves for FY 2021 and FY 2022. Use of any additional Reserves would require approval of the Board of Governors. The motion was seconded by Ms. Dandurand and carried with the following roll call vote:

<i>Marvin E. Wright</i>	<i>aye</i>	<i>Gus Wetzel II</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Stephen Abney</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>
<i>Kenneth Weymuth</i>	<i>aye</i>		

Request for Closed Session – May 27, 2020 – Agenda Item No. 4

Dr. Long moved pursuant to the Missouri Revised Statutes, Section 610.021, that the UCM Board of Governors meet in closed meeting, with closed record and closed vote, for the purpose of considering real estate matters, legal actions, contractual matters, personnel matters, and other matters included under Section 610.021 of the Missouri Revised Statutes. The motion was seconded by Dr. Wetzel and carried with the following roll call vote:

<i>Marvin E. Wright</i>	<i>aye</i>	<i>Gus Wetzel II</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>Mary Dandurand</i>	<i>aye</i>
<i>Stephen Abney</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>
<i>Kenneth Weymuth</i>	<i>aye</i>		

Note: The Board recessed from Plenary Session at 12:40 p.m. and resumed meeting in Closed Session at 12:50 p.m. The Closed Session ended at 1:22 p.m. at which time the Board resumed meeting in Plenary Session.

Adjourn – Agenda Item No. 4

Mr. Wright moved that the meeting adjourn. The motion was seconded by Dr. Weymuth and carried with the following roll call vote:

<i>Marvin E. Wright</i>	<i>aye</i>	<i>Gus Wetzel II</i>	<i>aye</i>
<i>Mary Long</i>	<i>aye</i>	<i>Kenneth Weymuth</i>	<i>aye</i>
<i>Stephen Abney</i>	<i>aye</i>	<i>John Collier</i>	<i>aye</i>

The meeting concluded at 1:23 p.m.

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Attachments Listing***

<u>Attachment Number</u>	<u>Attachment Description</u>
1	<i>Elliott Student Union – Lower Level Food Court Renovation Project</i>
2	<i>Academic Year 2020-2021 Room and Board Rates</i>
3	<i>Fiscal Year 2021 Operating Budget</i>