

Fitchburg State University

Board of Trustees
Finance and Administration

Minutes of Meeting

Held at Fitchburg State University
Fitchburg, Massachusetts

On

April 25, 2013

Minutes of Meeting Held on April 25, 2013 at 1:00 p.m.

**FITCHBURG STATE UNIVERSITY BOARD OF TRUSTEES MEETING
Finance Committee
Thursday, April 25, 2013
1:00 p.m.
President's Conference Room
300 Highland Avenue, Fitchburg, MA 01420
Sanders Building**

Committee Members Present: Donald Irving, Michael Mahan, Anthony Mercadante, Carol Vittorioso

Committee Members Absent: Martin F. Connors, Jr.

Also Present: Robert V. Antonucci, Robin Bowen, Jay Bry, Cathy Daggett, Gail Doiron, Nathan Gregoire, Kelli Lundgren

The meeting was called to order by Chairman Vittorioso at 1:00 p.m.

President Antonucci began by announcing Jay Bry has been promoted to Vice President for Finance & Administration and also that Cathy Daggett has been promoted to the Comptroller.

President Antonucci then referenced the FY2014 budget packet. He explained this is a multi-step process; in January the Governor issues the budget, the House of Representatives and the Senate issues their respective budgets, and finally the House and Senate meet to compromise on a final budget.

The President stated this is a draft budget. He also pointed out that there is an error in the book and that this is not a level funded budget. Rather there was an increase of 6.3%. He stated we did not recommend raising fees, but will have a \$275 capital fee recommendation. This fee is for payment on the bond that financed the campus center and parking projects. He further stated that the science building is the only building that is a non-fee driven building.

The President then referenced page two of the budget packet. As mentioned above, we are also proposing a \$275 capital fee increase to offset the cost of the campus center and parking projects. Even with this increase, we will still be left with a deficit. Current reserves will be used to cover the deficit.

While discussing the science center, Mr. Mercadante asked if the project ran under budget, would we be able to purchase equipment. Mr. Bry stated that was the case and we have been able to supply quite a bit of equipment.

In reviewing the staffing portion of the book, it was noted that Fitchburg State's payroll is \$34 million. The state appropriation of \$27.3 million falls short to full fund payroll.

There was a discussion of student/professor ratio. Mr. Bry will provide that ratio at the full board meeting on April 30.

The President then gave an overview of page three, revenue sources, operating expenses and the investment portfolios.

There was some discussion regarding these summaries. At this point, Ms. Cathy Daggett gave an overview of the investments.

President Antonucci then reviewed page four of the packet; background information. The President stated we are still in the process of improving the campus with a variety of modernization projects. He also mentioned technology is very costly and is ever changing, but it is necessary for our students to keep technology current.

There was also discussion regarding the cost containment initiative. Mr. Bry stated that the university has changed its credit card processing system and reviewed insurance costs. By re-visiting both, we have significantly reduced costs in both areas. Facilities also evaluated the utility costs with significant savings. President Antonucci stated utilities remain costly as a number of our buildings are older.

President Antonucci then discussed the FY2012 to FY2014 Operating Budget chart. We anticipate an increase in state appropriation, which will make the budgeting process much easier.

There was a question as to why there was only \$5 million in the capital expense line. That amount will increase with the vote to roll over funds from year to year.

Mr. Bry mentioned the biggest need currently on campus is the Conlon Building. With the new Game Design major, it is imperative to increase office and lab space. Currently there are approximately 100 applicants for the program, with 48 slots available. Mr. Bry further stated he is working on a plan to utilize current space as well as renovate the building. To renovate the building, it is estimated at an approximately \$3 million.

The President also indicated that Industrial Technology and Communications Media continue to grow and therefore it is important that we continue to upgrade technology as well as address the Conlon building space.

The President then referenced the graphs stating that this is, in reality a maintenance budget. We were conservative in our approach and the financials look good.

Mr. Irving asked about the tuition and fees student incur to attend Fitchburg State. The current tuition is \$970 yearly for Massachusetts residents and the fees are \$8740 for commuter students. A resident student can expect costs to total approximately \$17,000 per year. Mr. Bry will obtain a full fee schedule for the April 30th meeting.

President Antonucci then moved on to the vote recommendations. The votes will be brought forward to the full Board at the April 30 meeting.

Upon a motion duly noted by Mr. Irving and seconded by Mr. Mahan it was

Voted: to accept the recommendation of a \$275 Capital fee increase as presented.
(4-0)

Upon a motion duly noted by Mr. Irving and seconded by Mr. Mahan it was

Voted: to accept the recommendation to approve the FY2014 budget as presented.
(4-0)

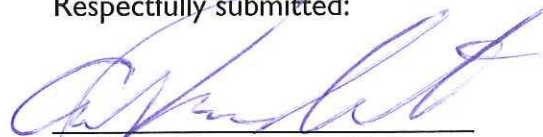
Upon a motion duly noted by Mr. Irving and seconded by Mr. Mahan it was

Voted: to accept the recommendation to approve that on-going capital projects roll
(4-0) forward into the FY2014 university budget as presented.

President Antonucci thanked the Board.

With no further business before the Board, the meeting was adjourned at 1:55 p.m.

Respectfully submitted:



Anthony Mercadante, Chairman
Finance Committee
Board of Trustees

