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Campus Resources and Planning Committee
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Campus Resources and Planning Committee

January 25, 2010

Present: Pete Wyckoff, LeAnn Dean, Mark Privratsky, Sydney Sweep, Kathy Julik-Heine, Brook Miller, Sarah Mattson, Pam Gades, Bryan Herrmann, Zak Forde, Bart Finzel, Dave Swenson

Guests: Colleen Miller, Mike Korth, Janet Ericksen, Cheryl Contant, Pareena Lawrence, Gwen Rudney

Minutes from 11/30/09 meeting approved as presented with 1 abstention. Minutes from 12/07/09 meeting were approved as presented with 1 abstention.

Pete reminded the committee that we have been working with a spreadsheet model provided by Linc Kallsen. We are charged to come up with a plan for UMM finances that will carry us for the next five years. We are trying to determine what the appropriate baseline for budgets for next year and beyond might be. Colleen Miller is here today to give us information on two line items: SE&E and Utilities and Repairs. We need to think creatively about ways we might be able to save money.

Colleen explained that Linc's modeling starts with an FY2010 budget as a base and makes assumptions about enrollment, employees, rate of growth, etc.—and that the budget has to balance. There are relationships throughout the budget model so that when one line is changed, other linked items change automatically. Part of the work that we have been doing over the past year and a half is working to determine those relationships, so that the budget can be modeled accurately. Part of our initial struggle has been inconsistency actual financial transactions at UMM are classified and recorded.

Regarding Supplies, there is a relationship with other restricted income (external sales). An example used was Dining Services. As meal plans are sold, the revenue is included in external sales. Payments are made to the vendor, Sodexo. In FY2008, the payments were made to Sodexo were netted against the revenue. In FY2009, the payments were recorded in supplies—an example of inconsistencies in our bookkeeping methods. In FY2010, the UMM Bookstore was outsourced to the Twin Cities. So to have a comparable number, both the revenue stream (other unrestricted-external sales), materials for resale, and supplies had to be adjusted. Comparing “apples-to-apples” the SE&E expenses have been slightly declining recently at UMM (\$8.4 million in FY2008 to \$7.3 million in FY2010). Linc's model calls for an additional reduction to \$7.1 million.

Regarding Utilities and Repairs, the year to date actual includes HEAPR reimbursements. We have known expenditures yet to be included in FY2010 and we have budgeted an amount for parking lots. Because we do not know how much HEAPR funds we receive at the time of annual budget preparation, we do not budget for HEAPR reimbursements—HEAPR revenue becomes a “bonus” that can go to plant service reserves. We are reimbursed on a monthly basis for HEAPR projects and those costs include compensation and supplies. The reimbursement amount is treated as a negative repairs expense.

Bart asked if we have reason to believe we need a 5% growth rate in repairs. Brook wondered if we have any comparative modeling with similar institutions. Colleen thought 5% was fairly common. We will be in a better position if we have budgeted a higher number than we actually expend then we would be if we under budgeted. Colleen also believes there is comparative data out there, e.g. the Delaware Study. There is information available, you just have to go looking for it. Bart would like to have a better sense of the dollar amounts in Repairs—what is essential for 2011 and 2012 versus what projects might be delayed.

Pete said that we are still charged with fitting this model, and we need to get student numbers figured in and know the actual numbers for tuition and expenses related to scholarships before we can be expected to move forward. We need to start putting in real numbers. We need to decide what we are going to budget for repairs and maintenance. Bart is not sure that we have a good enough handle yet on where the money goes--the differences between the budgeted and actual numbers for many line items in recent years have been budget large.

Cheryl added that if we reduce repairs and maintenance, then we need to make sure we're also reducing the people that actually do the repair and maintenance. Bryan wondered how much of the repairs and maintenance is spread out in other budgets and

how much is the Plant Services actual budget? How much is rolled up into Plant Services or spread out throughout the campus.