

Fairmont State University Board of Governors
Meeting of October 29, 2009
Falcon Center Board Room
1:30 p.m.

AGENDA

Call to Order

1. Approve Agenda *Action Item*
2. Opening Comments
3. Last Call for Public Comment Sign-up

Operations Reports

1. Faculty Senate Report (*Chuck Shields*)
2. Classified Staff Report (*Harriet Bower*)
3. Student Government Report (*Emily Miller*)
4. Foundation Report (*Bun Perkinson*)
5. Alumni Association Report (*Devanna Corley*)
6. Athletic Association Report (*Rusty Elliott*)
7. President's Report (*Thomas Krepel*)
8. Chairman's Report (*Andy Kniceley*)

Consent Agenda

1. Approval of Minutes (9/17/09) *Action Item*
2. Financial Report *Tab 1*
3. Capital Project Budget Update *Tab 2*

Tab 3

Committee of the Whole

1. Approve the percentage of personnel placed in the category of non-classified staff to be 20%, (10% traditional and 10% critical) *Action Item*

Old Business

1. Textbook costs *FYI*
2. FSU BOG & FS Foundation BOD MOU *FYI*
3. FSU BOG By-Laws *FYI*

New Business

Public Comment

Executive Session

_____ moved pursuant to 6-9A-4(b)2A of the WV Code that the Board shall go to into Executive Session to discuss personnel and personnel matters, which if discussed in public might adversely affect the reputation of any person.

Fairmont State University
BOARD OF GOVERNORS
MINUTES

September 17, 2009

1. Call to Order

A meeting of the Fairmont State University Board of Governors was held on September 17, 2009 beginning at 1:30 p.m. in the Board Room of the Falcon Center. Present at the meeting were Board Members: Kelley Bronson, Matt Jacques, James Kettering, Andy Kniceley, Bob Mild, Rocco Muriale, Mark Pallotta, Shirley Stanton and Ron Tucker. Board members Janet Crescenzi, Bob Kittle and Skip Tarasuk were absent. Also in attendance were: FSU President Thomas L. Krepel, Michael Belmear, Bill Finley, Sarah Hensley, Rick Porto, Maria Rose and David Tamm.

2. Approval of Minutes

Jim Kettering moved the minutes of June 18, 2009 and August 13, 2009 be approved. Rocco Muriale seconded. Motion carried.

3. Operation Reports

- 1) Chuck Shields reported for Faculty Senate.
- 2) Harriet Bower reported for Classified Staff Council.
- 3) Kelley Bronson reported for Student Government.
- 4) Keith Foster reported for Foundation.
- 5) Devanna Corley reported for Alumni Association.
- 6) Rusty Elliott reported for Athletic Association.
- 7) Tom Krepel gave the President's Report.
- 8) Andy Kniceley gave the Chairman's Report.

4. Consent Agenda

Rocco Muriale moved the Consent Agenda items be approved. Ron Tucker seconded. Motion carried. The following items were approved:

1. Executive Committee Report
 - a. Affirmation of the Executive Committee's approval of the bid award to Lombardi Development Company in the amount of \$421,750 for the Education Building Re-roofing Project.
 - b. Affirmation of the Executive Committee's approval of the change order for the Feaster Center Capital Projects.
2. Financial Report
3. Approval of Fund Manager Spend Down Plan
4. Approval of Classified Staff Step Increase
5. Capital Project Budget Change and Update

5. Committee of the Whole

1. Rocco Muriale moved the Board approve the Institutional Compact Update Report. Jim Kettering seconded. Motion carried.
2. Shirley Stanton moved the Board approve the Delegation of Powers. Mark Pallotta seconded. Motion carried.

There being no further business the meeting was adjourned.



Chairman

**Board of Governors
Fairmont State University
Financial Report
for the Period Ending October 16, 2009**

Unrestricted Education and General Fund:

Unrestricted Education and General budget balance increased to \$107,337 after budget updates for classified staff step increases and related benefit budget updates and changes to budgets related to restructuring of the Grants office. Through this reporting period the E&G operating budget of the University continues to maintain a positive budget balance after the update of the fund manager spend down plan approved at the September meeting. It is not recommended that we make any student fee revenue budget or corresponding expense budget adjustments at this time. We will keep an eye on revenues compared to budget thru the end of January to determine if an adjustment to budget will be needed then.

Auxiliary Fund:

The Auxiliary fund budget balance is at \$0.00 with a planned transfer to plant at the end of the 2010 fiscal year of \$426,150.

Attached please find the attached Unrestricted Education and General and Auxiliary Fund reports along with a report for the Restricted Fund.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
 Current Year 2010 Prior Year 2009 Period October Current Unrestricted
LEVEL 2

		Budgeted Current Year	Actual Current Year	Actual to Budgeted Current Year
OPERATING REVENUES				
	Tuition and Fees	21,164,590.00	10,129,502.59	47.86
	Tuition and Fees Support Services Revenue	547,829.00	271,491.00	49.56
	Faculty Services Revenue	1,268,259.00	0.00	0.00
	State/Local Grant and Contracts	0.00	(2,400.00)	0.00
	Auxiliary enterprises revenue	0.00	0.00	0.00
	Operating Costs Revenue	2,596,204.72	419,368.56	16.15
	Support Services Revenue	3,761,839.78	555,406.19	14.76
	Other Operating Revenue	462,254.00	134,484.44	29.09
	Subtotal:	29,800,976.50	11,507,852.78	38.62
OPERATING EXPENSES				
	Salaries	22,539,068.14	4,723,237.22	20.96
	Benefits	5,748,183.34	1,314,329.06	22.87
	Student financial aid-scholarships	1,654,260.00	691,071.16	41.78
	Utilities	1,579,464.00	305,450.70	19.34
	Supplies and Other Services	7,395,561.94	1,851,204.79	25.03
	Equipment Expense	953,587.31	395,418.63	41.47
	Loan Cancellations and write-off	0.00	0.00	0.00
	Fees retained by the Commission	167,829.00	44,656.25	26.61
	Assessment for Faculty Services	1,502,589.00	0.00	0.00
	Assessment for Support Services	358,571.95	43,318.27	12.08
	Assessment for Tuition, Aux, & Capital Costs	2,877,011.00	1,391,409.00	48.36
	Assessment for Operating Costs	236,271.90	14,708.02	6.23
	Subtotal:	45,012,397.58	10,774,803.10	23.94
NONOPERATING REVENUES (EXPENSES)				
	State Appropriations	13,769,754.00	6,058,297.00	44.00
	Gifts	25,000.00	6,250.00	25.00
	Investment Income	266,166.00	10,774.57	4.05
	Other nonoper rev - OPEB Liability	0.00	0.00	0.00
	Reappropriated State Funding	1,250,000.00	250,000.00	20.00
	Subtotal:	15,310,920.00	6,325,321.57	41.31
EXCLUDE OPERATING ACCOUNT				
	Exclude - Assets	(499,100.20)	(95,680.00)	19.17
	Exclude - Transfers for Fin Aid Match	(170,107.00)	(79,078.00)	46.49
	Exclude - Indirect Cost Recoveries	582,876.75	128,523.00	22.05
	Exclude - Transfers for Capital Projects	94,162.00	0.00	0.00
	Exclude - Transfers - Other	6.23	30.78	494.06
	Subtotal:	7,837.78	(46,204.22)	-589.51
OPERATING LOSS WITHOUT STATE APPROPRIATIONS		(15,211,421.08)	733,049.68	-4.82
BUDGET BALANCE		107,336.70	7,012,167.03	6532.87
NET ASSETS - Beginning of Year		7,324,058.00		
PROJECTED NET ASSETS - End of Year		7,431,394.70		

FSU Auxiliary Support
Actual vs Budget Statement of Revenues and Expenses

Current Year 2010 Prior Year 2009 October Auxiliary

Auxiliary - Bd. Of Governors

		Budgeted Current Year	Actual Current Year	Actual to Budgeted Current Year
OPERATING REVENUES	Auxiliary enterprise revenue	7,882,678.94	4,387,404.57	55.66
	Auxiliary Support Services Revenue	4,797,696.00	2,369,326.00	49.38
	Other Operating Revenue	329,588.60	92,626.09	28.10
	Subtotal:	13,009,963.54	6,849,356.66	52.65
OPERATING EXPENSES	Salaries	2,041,015.00	563,571.56	27.61
	Benefits	530,271.00	110,822.06	20.90
	Student financial aid-scholarships	468,960.00	168,094.96	35.84
	Utilities	843,297.68	145,862.88	17.30
	Supplies and Other Services	4,893,724.80	2,764,651.09	56.49
	Equipment Expense	77,407.00	22,434.23	28.98
	Loan Cancellations and write-off	1,131.00	0.00	0.00
	Subtotal:	8,855,806.48	3,775,436.78	42.63
NONOPERATING REVENUES (EXPENSES)	Investment Income	0.00	0.00	
	Interest on capital asset related debt	-100,472.60	0.00	0.00
	Subtotal:	-100,472.60	0.00	0.00
EXCLUDE OPERATING ACCOUNT	Exclude - Assets	-19,260.00	-23,650.00	122.79
	Exclude - Transfers for Debt Service	-3,604,849.36	-1,782,340.76	49.44
	Exclude - Transfers for Fin Aid Match	-3,425.00	-1,713.00	50.01
	Exclude - Transfers to Plant Reserves	-426,150.10	0.00	0.00
	Exclude - Transfers for Scholarships	0.00	0.00	
	Exclude - Transfers - Other	0.00	0.00	
	Subtotal:	-4,053,684.46	-1,807,703.76	44.59
OPERATING INCOME/LOSS		4,154,157.06	3,073,919.88	74.00
BUDGET BALANCE		0.00	1,266,216.12	0.00
NET ASSETS - Beginning of Year		1,716,560.00		
PROJECTED NET ASSETS - End of Year		1,716,560.00		

**Board of Governors
Financial Report
Fairmont State University
Restricted Fund
For the period as of Oct 19, 2009**

Revenues:

Revenues increased	\$3,393.58
EXPEDITE close	(6.42)
Diversity of Scholarship	2,400.00
American Shakespeare	1,000.00

Expenditures:

Expenditures increased	\$3,393.58
EXPEDITE close	(6.42)
Diversity of Scholarship	2,400.00
American Shakespeare	1,000.00

The budget balance of \$-280,220.15 is covered by the restricted fund cash balance of 292,166.60 on June 30, 2009.

The budget balance on the September report should have been \$-280,220.15.
There was a number keyed into the manual report that incorrect by \$10,000.00
The report balance did not change for October 2009.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses

Current Year 2010 Prior Year 2009 Oct Current Restricted

LEVEL 2

		Budgeted Current Year	Actual Current Year	Actual to Budgeted Current Year
OPEATING REVENUES	Federal Grants and Contracts	29,187,083.52	12,021,742.84	41.19%
	State/Local Grants and Contracts	6,168,250.39	2,981,497.17	48.34%
	Private Grants and Contracts	3,156,175.00	752,540.51	23.84%
	Other Operating Revenue	79.22	0.00	0.00%
Sub Total		38,511,588.13	15,755,780.52	40.91%
OPERATING EXPENSES	Salaries	1,895,028.27	328,427.15	17.33%
	Benefits	293,145.58	58,581.21	19.98%
	Student Financial Aid-Scholarships	36,371,387.36	18,492,297.69	50.84%
	Utilities	22,400.40	1,583.00	7.07%
	Supplies and Other Services	5,896,518.08	609,854.67	10.34%
	Equipment Expense	1,948,135.57	443,899.74	22.79%
	Assessment for Support Services	0.00	0.00	0.00%
Sub Total		46,426,615.26	19,934,643.46	42.94%
NONOPERATING REVENUES (EXPENSES)	Federal Pell Grant Revenues	8,116,594.00	4,060,972.00	50.03%
Sub Total:		8,116,594.00	4,060,972.00	50.03%
EXCLUDE OPERATING	Exclude - Assets	-15,407.10	0.00	0.00%
	Exclude - Transfers for Fin Aid Match	116,527.60	53,579.00	45.98%
	Exclude - Indirect Cost Recoveries	-582,876.74	-128,523.00	22.05%
	Exclude - Transfers - Other	-30.78	-30.78	0.00%
Sub Total:		-481,787.02	-74,974.78	15.56%
OPERATING INCOME/LOSS		-7,915,027.13	-4,178,862.94	52.80%
BUDGET BALANCE		-280,220.15	-192,865.72	68.83%
NET ASSETS - Beginning of Year**		292,166.60		
PROJECTED NET ASSETS- End of Year		11,946.45		

**Net Assets adjusted for year end audit entries not budgeted

Capital Project Update: October 7, 2009

Academic Fund - Hunt Haught Hall Painting - Floors 3 & 4	Painting was completed on floors 3 and 4 the week of August 24th.
College Apartments Roof Replacement Bldg A/B	Project was completed the week of August 17th.
Education Building Roof & Waterproofing	Contractor has began work on exterior waterproofing. Portions of old caulking have been removed and washdown is in progress. Actual roof replacement is scheduled to begin week of Oct 12th.
Feaster Center Elevator	Project is 99% complete. Punch list work is continuing. Third floor elevator lobby is open for ADA access. Landscaping work is completed.
Feaster Center HVAC	Two new roof top units have been set in place and are running. Air balancing remains to be completed.
Hunt Haught Hall Glass Front	Project has not been started.
Infrastructure - Hardway Hall portico improvements	Architectural firm Ewing Cole was selected as firm to work with. We are waiting on proposal in order to award architectural service contract.
Infrastructure - IT Emergnecy Back-up	Project has not been started.
Infrastructure - painting of roads and parking lots & Inspections	Project was completed week of August 21st.
Infrastructure - Pierpont Signage	Temporary signage has been ordered. RFB is being put together for advertising for bids.
Folk Life Center	Interior framing is complete. Mechanical and electrical rough in 95% complete. Insulation is installed in both interior and exterior walls. Water has been connected to city service.
Locust Avenue	Schedule for work is to be determined by utility companies and WV Department of Highways.
Physical Plant - Landscaping	Several projects have been completed. There will be several more throughout the year.
Physical Plant Small Projects	Several projects have been completed. There will be many throughout the year.

CAPITAL PROJECTS

FY 2010

Project	Original Budget	Amended Budget	Actual Budget	Actual to Date	Actual to Date	Actual to Date	Actual to Date
Academic Fund	\$ 100,000.00	\$ (25,000.00)	\$ 75,000.00	\$ 54,400.00	\$ -	\$ 20,600.00	Painting HHH : \$54,400 9/1/09
College Apartments - Building A/B Roof	\$ 73,000.00	\$ -	\$ 73,000.00	\$ 48,930.00	\$ -	\$ 24,070.00	8/30/2009
College Apartments - Building G Carpet	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 7,315.88	\$ -	\$ 7,684.12	8/15/2009
Education Building - Exterior Waterproofing	\$ 185,000.00	\$ (12,500.00)	\$ 172,500.00	\$ 11,238.85	\$ 152,091.15	\$ 9,170.00	
Education Building - Roof Replacement	\$ 320,000.00	\$ (12,500.00)	\$ 307,500.00	\$ 12,769.45	\$ 268,650.55	\$ 26,080.00	
Feaster Center - Elevator & Steps	\$ 1,499,221.95	\$ -	\$ 1,499,221.95	\$ 1,326,608.85	\$ 172,613.10	\$ -	
Feaster Center - HVAC Phase II	\$ 298,774.00	\$ -	\$ 298,774.00	\$ 250,483.36	\$ 48,290.64	\$ -	
Hunt Haught Hall Glass Front	\$ 250,000.00	\$ (11,614.00)	\$ 238,386.00	\$ -	\$ -	\$ 238,386.00	
Infrastructure - Hardway Hall	\$ 400,000.00	\$ -	\$ 400,000.00	\$ -	\$ -	\$ 400,000.00	
Infrastructure - IT Emergency Back-Up	\$ 200,000.00	\$ (2,701.00)	\$ 197,299.00	\$ -	\$ -	\$ 197,299.00	
Infrastructure - Painting & Striping Roadway & Parking Lots	\$ 58,000.00	\$ -	\$ 58,000.00	\$ 57,543.08	\$ -	\$ 456.92	9/1/2009
Infrastructure - Pierpont Signage	\$ 58,734.00	\$ -	\$ 58,734.00	\$ -	\$ -	\$ 58,734.00	
IT Software - Card System	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	
Kennedy Barn - Folklife Center - Phase II	\$ 568,789.00	\$ -	\$ 568,789.00	\$ 172,255.07	\$ 321,733.20	\$ 74,800.73	
Locust Avenue	\$ 279,289.00	\$ (68,717.00)	\$ 210,572.00	\$ -	\$ -	\$ 210,572.00	
Physical Plant - Landscaping	\$ 100,000.00	\$ -	\$ 100,000.00	\$ 29,680.35	\$ 3,200.00	\$ 67,119.65	
Physical Plant Small Projects	\$ 202,959.39	\$ -	\$ 202,959.39	\$ 42,782.20	\$ 36,329.57	\$ 123,847.62	Parking Lot Proj; \$29,259.39; 8/15/09
	\$ 4,648,767.34	\$ (133,032.00)	\$ 4,515,735.34	\$ 2,014,007.09	\$ 1,002,908.21	\$ 1,498,820.04	

Fairmont State University
October 29, 2009

ITEM: Non-classified staff required to be moved to classified staff

COMMITTEE: Committee of the Whole

RESOLUTION: Approve the percentage of personnel placed in the category of non-classified staff to be 20%, (10% traditional and 10% critical)

STAFF MEMBER: Rick Porto and Steve Leach

BACKGROUND: State Code §18B-9-2-b limits the number of non-classified staff that an institution is allowed, see attached code.

Due to the separation of the two institutions (University and CTC) the University currently exceeds the limit we are allowed for non-classified staff and we are required to move non-classified staff to faculty, FEAP, or classified staff. The number required to be moved is twelve (12). We are recommending fifteen (15) to be moved.

This movement will cost additional personnel and benefit costs to make this change to match the equivalent classified paygrade that their position would fall into based on the duties and responsibilities of the position. This cost is estimated to be \$43,756. Current budget set aside for reclassifications for FY 2010 is \$33,000. This will leave \$10,756 required to be made up from other budget reductions or reduce the current budget surplus projection of \$107,337.

§18B-9-2. Definitions.

As used in this article:

- (a) "Classified employee" or "employee" means any regular full-time or regular part-time employee of a governing board, the commission or the council, including all employees of the West Virginia network for educational telecomputing, who hold a position that is assigned a particular job title and pay grade in accordance with the personnel classification system established by this article or by the commission and council;
- (b) "Nonclassified employee" means an individual who is responsible for policy formation at the department or institutional level, or reports directly to the president, or is in a position considered critical to the institution by the president pursuant to policies adopted by the governing board. The percentage of personnel placed in the category of "nonclassified" at any given institution may not exceed ten percent of the total number of employees of that institution who are eligible for membership in any state retirement system of the state of West Virginia or other retirement plan authorized by the state: *Provided*, That an additional ten percent of the total number of employees of that institution as defined in this subsection may be placed in the category of "nonclassified" if they are in a position considered critical to the institution by the president. Final approval of such placement shall be with the appropriate governing board;
- (c) "Job description" means the specific listing of duties and responsibilities as determined by the appropriate governing board, the commission or council and associated with a particular job title;
- (d) "Job title" means the name of the position or job as defined by the appropriate governing board, the commission or council;
- (e) "Merit increases and salary adjustments" means the amount of additional salary increase allowed on a merit basis or to rectify salary inequities or accommodate competitive market conditions in accordance with rules established by the governing boards, the commission or council;
- (f) "Pay grade" means the number assigned by the commission and council to a particular job title and refers to the vertical column heading of the salary schedule established in section three of this article;
- (g) "Personnel classification system" means the process of job categorization adopted by the commission and council jointly by which job title, job description, pay grade and placement on the salary schedule are determined;
- (h) "Salary" means the amount of compensation paid through the state treasury per annum to a classified employee;
- (i) "Schedule" or "salary schedule" means the grid of annual salary figures established in section three of this article; and
- (j) "Years of experience" means the number of years a person has been an employee of the state of West Virginia and refers to the horizontal column heading of the salary schedule established in section three of this article. For the purpose of placement on the salary schedule, employment for nine months or more equals one year of experience, but a classified employee may not accrue more than one year of experience during any given fiscal year. Employment for less than full time or less than nine months during any fiscal year shall be prorated. In accordance with rules established by the commission and council jointly, a classified employee may be granted additional years of experience not to exceed the actual number of years of prior, relevant work or experience at accredited institutions of higher education other than state institutions of higher education.




Office of the Assistant Vice President for Human Resources,
Safety, and Campus/Community Relations

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MEMORANDUM

To: Thomas Krepel

From: Stephen Leach 
Assistant Vice President

Date: October 20, 2009

Re: Justification of non-classified to classified

This memo is to provide a justification of the moves of fifteen (15) people from non-classified to classified status. As per §18B-9-2 (see attached), we can have ten (10) percent of the total number of employees of the institution who are eligible for membership in any state retirement system. Also, an additional ten (10) percent may be non-classified if they are considered to be critical to the institution's president.

As a historical reference, prior to the split of institutions, we had 519 employees. We had 107 non-classified. This included both FSU and Pierpont C&TC. Currently, Pierpont C&TC has eighty-two (82) full time, benefits-eligible employees with eight (8) being non-classified. Pierpont is eight (8) below the maximum allowed for non-classified. Fairmont State University has 437 full time benefits-eligible employees, meaning we can have eighty-seven (87) non-classified. We currently have ninety-nine (99) non-classified employees. *We need to move at least twelve (12) employees to classified status to be in compliance with §18B-9-2.*

I also recommend moving an additional three (3) or four (4) to allow for more flexibility with future hires.

SL:mm