

**FINANCE COMMITTEE  
TRUSTEES OF METROPOLITAN STATE COLLEGE OF DENVER**

**Tuesday, July 28, 2009  
1:30 p.m. – 3:30p.m.  
Administration Building, Room 570/575  
Auraria Campus**

**I. CALL TO ORDER**

PRESENT:

Finance Committee Members:

Trustees: Ellen Robinson, *chair*  
Bill Hanzlik  
Antonio Esquibel  
Dawn Bookhardt  
Hal Nees, Faculty Trustee

Staff: Dr. Stephen Jordan, President  
Natalie Lutes, VP for Administration & Finance  
George Middlemist, Associate VP for Administration Finance & Controller  
Stephanie Moran, Budget Director

Guests: Steph Chichester, North Slope Capital Advisors  
Rick Crosser, Chair of Accounting Professor

Other Trustees Present: Adele Phelan

Other Staff Present: Joan L. Foster, Carrie Besnette, Kathy MacKay, Sandra Haynes, Linda Curran, Sheila Thompson, Tat Sang So, and Cathy Lucas

**APPROVAL OF MINUTES**

A motion was made to approve the minutes from the May 18, 2009 Trustee Finance Committee meeting. The motion was seconded and approved.

**II. DISCUSSION ITEMS**

**A. FY2009-10 Budget:**

Additional State Appropriated Reductions: The June state revenue projections reflected the need for additional cuts to the state's budget. The Office of State Planning and Budget (OSPB) proposed an additional cumulative reduction to higher education funding of \$82.1 million. Since higher education institutions have already been reduced to the FY2005-06 levels, any further reductions to higher ed. institutions would require a waiver from the federal government in order to maintain the ARRA stimulus

funding. Allocation of the additional cut is estimated to be between \$5 and \$6 million to Metro State depending on the allocation method chosen by the Department of Higher Education (DHE).

Rightsizing Project: The institution has identified thirty-seven projects that have a high to medium benefit rate and are easy to moderate to implement. Funding for the projects includes \$1.1 million in prior year fund balance, which will be used to fund hardware and software costs that are designed to make the institution more efficient and effective at the end of the initiative. Additionally, the institution approved \$2.7 million in stimulus funds to hire temporary positions or consultants to get the projects successfully implemented.

Allocation of Remaining Fund Balance & Stimulus Funds: At the June board meeting the college was estimating \$6.5 million in available fund balance. The college ended the year with about \$6.8 million excluding program fee and ICR fund balances. In June the board approved allocating \$3.3 million, leaving an estimated \$3.5 million to be allocated from the actual fund balance available. The board approved \$3.3 million in stimulus funds, leaving \$6.6 million to be allocated. Staff is evaluating the proposed requests for funding and will be approving allocations in the next few weeks.

**B. Bond Update:**

Staff has a Request for Proposal (RFP) in circulation for the bond underwriter.

The college is investigating the option of a pooled deal, which would allow the participant institutions to get better rates and be more attractive to investors. Other institutions that are interested in investigating the pooled deal with Metro are Mines, Mesa, and UNC. The main risk of waiting to bring a pooled deal together is interest rate risk. Currently, staff is working with bond counselors to put together the necessary documents for both a pooled and an independent bond offering.

**C. Internal Audit Update:**

The service learning internal audit plan will incorporate a curriculum piece, which will involve the development of a internal audit course. Due to the timing of curriculum approvals, fall 2010 is likely the earliest the course could be offered, however a pilot course could be offered in spring 2010. This would most likely eventually be turned into a graduate course in the future. The question of what to audit would be determined through a risk assessment. Mr. Middlemist will work with Dr. Cross to begin the risk assessment.

**D. FY2009-10 Trustee Finance Committee Meeting Schedule:**

Proposed future meeting dates were discussed. The committee members will confirm their availability via email. The next meeting is scheduled on October 19<sup>th</sup> from 3:00 to 5:00 p.m. in Administration Building 570/575.

**E. Masters Programs Update:**

The financial model will be determined by the curriculum proposals from the academic areas, which are in the final stages of completion. Once the final proposals come

forward, a financial model will be created that incorporates expected enrollments, as well as operating and other costs.

**III. Other:**

What impact does the foundation have on where we are today? VP Besnette will respond to this request at the Board Retreat in September. She will discuss at that time how to move forward with updating the Finance Committee and /or full Board.

**IV. ADJOURNMENT:**

Motion for meeting adjournment. Motioned seconded. Motion passed unanimously; meeting adjourned at approximately 3:30 p.m.