**Budget Advisory Council**

January 30, 2013 2 p.m.

Burke Library - Bedsole Conference Room (BL201)

Present: Fabian Balmori, Maureen Bergan, Sergio Castello, Sam Church, Joe Deighton, Mike Ferry, Stephanie Girard, Jim Hall, John Kerr, Rhonda Shirazi (co-chair), Carolyn Simmons, George Sims (co-chair), John Spence, Jeff Hilperts.

Dr. George Sims called the meeting to order at 2 p.m. Motion was made to nominate John Kerr to serve as council recorder for the time being. Motion was passed. The Budget Advisory Council reviewed the proposed agenda, which is attached, and adopted it.

Rhonda Shirazi presented a review of the current financial position of the college that showed current projections for the fiscal years that will end on June 30, 2013 and 2014. The projection for FY 2013 takes into account $200,000 in reductions to operating expenses, draws from unrestricted reserves, expected land sales, and the elimination of several staff positions. The projection for FY2014 illustrated the impact of $500,000 in reductions to operating expenses as well as potential cost savings and revenue enhancements from a variety of additional changes. The projection for FY2014 also showed that if all of the potential cost reductions and revenue enhancements were to be implemented, projected expenses would continue to exceed projected revenue by approximately $2,670,810.

Rhonda also briefly discussed current conversations and expectations from our banking partners. Carolyn Simmons asked for clarification on staff reductions and unfilled positions and Rhonda explained that staff reductions have not yet been implemented and that open positions are staff positions that are currently vacant. Sergio Castello inquired about the Italy Center and defining it as a “profit center.” Rhonda explained how the center is treated in the budgeting process, as an auxiliary enterprise, with revenue equal to expenses.

Carolyn Simmons and Michael Ferry inquired about reviewing all department budgets stating that it would provide better insight for making budget recommendations. Fabian Balmori moved that the operating budgets for all academic departments and administrative units be made available to the Council. The motion received a second. The motion failed by a vote of 5 in favor, 7 opposed, and 2 abstaining.

Carolyn Simons asked when to submit agenda items for Council meetings. Items can be submitted to the chair at any time prior to each meeting.

Michael Ferry moved that the new council by-laws that were reviewed and approved by the council in November be implemented immediately. The motion received a second. Joe Deighton moved that the motion be tabled until the next meeting of the Budget Advisory Council on February 6. The motion to table received a second. The motion was adopted with a majority vote in favor.

Noting the time, George Sims proposed that updates of Advancement initiatives and Admissions activities be deferred until the next meeting. The members of the Council agreed.

George Sims introduced the discussion of the proposal to convert the College’s Department of Public Safety to a sworn police force. Todd Warren presented the budget implications for the project, which are summarized in the attached schedule of “Estimate Cost for SHC Police Proposal.” Mr. Warren reviewed expected expenses in the following categories: Uniforms, Less Lethal, Ammunition, Training, Vehicle, Insurance, and Equipment. He noted expenses that can be covered with current budget allocations, expenses that can be deferred to the future, and expenses that are essential for conversion to a sworn police force. He estimated the total of essential expenses to be $4,965.

The Budget Advisory Council discussed the adequacy of the projected “essential” expenses for the effectiveness of a sworn police force and the safety of officers; the timeline for converting to a sworn police force; the implications of conversion to a sworn police force for increasing or reducing the College’s liability; the impact of a sworn police force on the College’s expenses for insurance; and plans for funding expenses that are being deferred to future years. On the basis of Mr. Warren’s presentation and the ensuing discussion, the Budget Advisory Council concluded

* The timeline for implementing a conversion to a sworn police force is contingent on the passage of authorizing legislation by the Alabama Legislature. The earliest that the conversion may occur will be during the fiscal year that ends on June 30, 2014.
* The additional cost required for converting to a sworn police force will be as much as $4,965. This will include additional costs for body armor, a taser and holster, travel expenses for officer re-certification, and additional emergency equipment for the patrol car. A portion of this cost may be offset by Department of Justice equipment grants or opportunities to purchase surplus equipment from other police forces.
* There is no anticipated expense for certification of officers or annual certification in the use of firearms because these processes are administered by the state of Alabama without fee. Expenses for re-certification processes are limited to the cost of travel to the certification site in Montgomery and the value of each officer’s time.
* Anticipated costs for uniforms, ammunition, and OC Spray can be covered with funds already budgeted for the Office of Public Safety.
* Anticipated costs for officer training in the use of taser and other less lethal methods can be temporarily avoided by coordinating with the Mobile Police Department or other local agency.
* Anticipated costs for in-house training and for additional equipment (for example, a patrol rifle and a shield) can be postponed. Some equipment may be available on loan. Other equipment may become available through Department of Justice grant programs or through additions to the operating budget in future years.
* No additional costs for liability insurance are anticipated. Any additional liability that may be incurred as a result of operating a sworn police force will be offset by reduced liability as a result of enhancing the security of the campus.
* The Budget Advisory Council’s review did not include a review of expenses that will be incurred as essential equipment reaches the end of its service life and additional equipment needs are identified as a result of experience.

Dr. Sims reminded the Budget Advisory Council that the College Senate requested a report on the Council’s review of the proposal. Stephanie Girard moved that the Council’s conclusions be reported to the College Senate. Her motion was seconded. By a show of hands, the Budget Advisory Council adopted the motion, with one member opposing the motion.

The Budget Advisory Council set its next meeting for 2:00 p.m. on Wednesday, February 6, in the Bedsole conference room. At 3:05 p.m., the meeting of the Budget Advisory Council adjourned.

Respectfully submitted-

1-31-2013

John W. Kerr

George Sims

Spring Hill College

Budget Advisory Council

January 30, 2013

Agenda

1. Call to order
2. Appointment of member to record minutes
3. Review of agenda
4. Continuing review of financial position (Shirazi) 20 minutes
5. Update on Advancement initiatives (Hilperts) 5 minutes
6. Update on Admissions process (Stewart) 5 minutes
7. Review of proposal to establish sworn police 25 minutes
8. Adjournment