



**UCRA Meeting Minutes
February 27, 2018
The President's Conference Room
3:00 p.m. to 5:00 p.m.**

Members Present: D. Hareza (Convener), C. Beam, R. Day, C. Dietz, J. Dillon, F. Navratil, N. Santilli, E. Swenson, G. Weinstein, C. Wenzel

Excused Members: B. Dolan, D. Kilbride, P. Shick, S. Vitatoe

Recording Minutes: P. Chiller

1. Approval of Meeting Minutes from November 28, 2017

The Committee approved meeting minutes from November 28, 2017.

2. Review current 2017- 2018 forecast

D. Hareza began the meeting by recalling the challenges the University faced only one year ago, the progress made and the realization of continuous work to reach a financially healthy state to invest.

J. Dillon reviewed the 2018 forecast. Higher student retention and increased staff vacancy rates will create a \$700K upside for capital funding and a breakeven financial performance on the Management Operating Budget report. Revenue will grow for the first time in 4 years, but the growth is not enough to generate a GAAP (Generally Accepted Accounting Principles) surplus.

D. Hareza reviewed the difference between the Management Operating Budget and GAAP. Simply stated, GAAP is a long-term approach accepted by Moody and Management Operating Budget is short-term primarily focused on internal cash flow. D. Hareza introduced GAAP to the Board of Directors in December 2017.

Senior Leadership is closely monitoring human capital metrics for full-time staff. Voluntary turnover is 2% or less. The SLT is currently working on human capital metrics for faculty.

3. Initial assumptions for 2018-2019 budget

Financial Budget Assumptions:

As a large senior class graduates, the number of students will decline in the next year, but students living on campus should increase as the total of freshmen and sophomores grows. Much thought is going into attracting transfer students and graduate students.

Of the \$1M of operating costs reductions, \$300K has been realized. The new Purchasing Director will focus on cost/operating efficiencies. The projected \$1M in academic efficiencies has not been realized. Revenue is forecast to increase, but no additional savings on costs are projected. Challenges remain, but the University is on track after the first year of a 3-5 year plan.

Advancement has collected \$2.5M in donations for the Magis Learning project, which will begin as soon as the estimated cost of \$5M cash is available. The project is vital for continued success in enrollment and retention.

Facilities Capital Plans:

C. Dietz reviewed a Facilities Age Profile for John Carroll University and defined Deferred Maintenance, Capital Renewal and Capital Improvement as three budget categories for the Universities Capital Investment Strategies. The University's Needs Assessment summary includes a large number of critical projects for buildings, athletic facilities, residence halls, masonry restoration, roofing repairs, mechanical, electrical, HVAC and plumbing repairs or equipment replacements

C. Dietz shared a prioritization matrix created to rate projects on a scale including, impact, value, need, risk and violations. The matrix helps define and prioritize the most important projects to complete each year. C. Beam requested that students be included for furnishing decisions.

Technology Capital Plan:

J. Burke reviewed strategic capital project planning through FY19, since it is challenging to keep good strategies beyond two years as technology is constantly changing. Information Technology is planning to spend \$315K on Deferred Maintenance projects, which are defined as upgrading or improving items beyond their expected life and will fail, causing service interruptions.

Capital Renewal and Security Projects costs budget is \$636K. Projects to enhance cybersecurity are a priority. J. Burke reviewed security audit results from internal and external penetration efforts. John Carroll University scored well with a B, but training on phishing will be mandatory for all. IT will test users with phishing to monitor failure percentages.

APPROVED: September 21, 2018