



MEETING: Board of Trustees, Georgia Military College, Usery Community Conference Room, Monday, April 22, 2019, 5:30 p.m.

PRESENT: Randall A. New, Chairman of the Board; Members: Mr. George Hogan Sr., Mr. Mike Cobb, Rev. Tony Fraley, Mr. Ken Vance, Ms. Doris Renfroe, The Honorable Mary Parham-Copelan, LTG William B. Caldwell, IV, President of Georgia Military College; Mr. Dudley Rowe, Chair of the GMC Foundation; COL Tom Torrance, Chair of the GMC Alumni Association and other interested parties.

**BUSINESS:**

1. Chairman of the Board, Randall A. New, having already declared a quorum to be present, called the meeting to order.
2. Chairman New asked for a motion for the minutes of the meeting on January 22, 2019 to be approved. Mr. Cobb made the motion, with Mr. Hogan seconding the motion. The minutes were approved by unanimous vote.

**3. CHAIRMAN'S REPORT**

Chairman New asked the Board if there were any objections to moving the July 15, 2019 Board meeting to July 22, 2019 due to one of the presenters scheduled for that meeting not being available on July 15<sup>th</sup>. There were no objections and the meeting is now scheduled for July 22, 2019 at 5:30 p.m. in the Usery Community Conference Room.

Chairman New asked COL Pam Grant, Preparatory School Principal, to share some of the Prep sports team's recent accolades. The following is a summary of her report:

- Three teams are going to state this week
    - Girls/Boys Soccer – Tuesday, April 23 starting at 5:30 pm (Home)
    - Baseball – Thursday, April 25 starting at 4:40 pm (Home)
    - Rifle Team – Saturday, April 27 starting at 8 am (Away)
4. Mr. Hogan yielded to COL Jim Watkins, Chief Financial Officer, to provide the finance committee update.
  5. COL Watkins informed the Board that the Finance Committee met on March 28<sup>th</sup> and reviewed the finance committee report. COL Watkins then presented a finance committee update. The update included the following:
    - FY19 Financial Statement Audit
    - FY19 State Amended Budget
    - FY20 State Budget: General Fund and Capital Budget
    - Comparison of State FY19 Funding to FY20 Funding
    - FY20 Budget Assumptions/Dual Enrollment
    - FY20 Cost Drivers
    - FY20 GMC Budget
    - FY20 Scholarship Overview-Prep School
    - FY21 Tuition Proposal, Preparatory School
    - Looking Ahead, FY21

A copy of this complete report is attached and made a part of these minutes.

6. Chairman New asked for a motion for the approval of the resolution requesting state bond (GSFIC) requests as presented by COL Watkins. Mr. Vance made the motion, with Mr. Hogan seconding the motion. The resolution requesting state bond requests was approved by unanimous vote.
7. Chairman New asked for a motion for the approval to increase the Preparatory School FY21 tuition for school year 2020-2021 from \$5,250 to \$5,475. Mr. Hogan made the motion, with Mayor Parham Copelan seconding the motion. The tuition increase for school year 2020-2021 was approved by unanimous vote.
8. Chairman New asked for a motion for the approval of the FY20 GMC Budget (pending the Governor's approval/signature) as presented by COL Watkins. Mr. Cobb made the motion, with Mr. Hogan seconding the motion. The FY20 GMC Budget was approved by all Board members except for Mr. Vance.
9. COL Jim Watkins, Mr. Mark Weaver, Prep School Fine Arts Director, and Mrs. Jenny Morris, Musical Theatre teacher briefed the Board on a proposal for the GMC Fine Arts Center for Education (FACE). The proposed facility is 30,000 sq. ft. with a theater, classroom spaces, and a large area for receptions and art displays. The current facility that is being used for our fine arts programs is the Goldstein Center for the Performing Arts. The Goldstein Center is used by the Preparatory School (6-12 grades), Junior College, and the Corps of Cadets. GMC would like to explore the idea of an additional facility in order to accommodate the growing interest and participation in the fine arts. Currently, we have explored the idea of potentially funding the facility by asking 1/3 funding from the State, 1/3 funding from the GMC Foundation, and 1/3 funding from the Institution. The Board gave their approval for General Caldwell and the GMC Team to further explore the possibility of building a GMC Fine Arts Center for Education (no vote was taken).

## 10. PRESIDENT'S REPORT

General Caldwell briefed the Board members on the following:

- GMC Milledgeville now offers preparatory programs for the U.S. Service Academies. For school year 2019-2020, we will have 8 United States Military Academy scholars, 6 United States Naval Academy scholars, and 5 United States Air Force Academy scholars. We won't know the total number of United States Coast Guard Academy scholars until this summer, but anticipate it will be at least 20 scholars.
- General Caldwell extended an invitation to the Board members to attend the following events:
  - Legally Blonde the Musical on April 25-27 at 7 p.m. in the Goldstein Center for the Performing Arts.
  - Mother's Day Parade on May 10<sup>th</sup> at 8 a.m. on Grant Parade Field. Guest speaker is MG Maria Britt, former Commanding General of Georgia's Army National Guard.
  - The Law Enforcement Memorial Event on May 15<sup>th</sup> at 7:40 a.m. on Grant Parade Field. Guest speaker is COL Mark McDonough, Commissioner of the Georgia Department of Public Safety; to be followed by an Appreciation Lunch meal to be given to all LE officials.
  - Memorial Day Parade on May 17<sup>th</sup> at 8 a.m. on Grant Parade Field. Guest speaker is Senator Mike Dugan, Majority Leader, Georgia State Senate.
  - GMC Milledgeville Junior College Commissioning Ceremony on May 23<sup>rd</sup> at 4 p.m. Guest speaker is MG Frank Muth, Commander of the U.S. Army Recruiting Command.
  - GMC Milledgeville Junior College Graduation on May 24<sup>th</sup> at 10 a.m. at the GMC Activity Center. Guest speaker is MG Gary Brito, Commanding General of the U.S. Army Maneuver Center of Excellence and Fort Benning.
  - GMC Preparatory School Graduation at 7 p.m. on Grant Parade Field. Guest speaker is Mr. Rob Posner, Chief Executive Officer of NewDay USA.
- The Prep School High Adventure Leadership Program (HALP) now has 33 students (including females) in the program from grades 6<sup>th</sup> and 7<sup>th</sup>. Looking to expand one more grade next year. There are 7 students on track to receive their Eagle Scout next year.
- Prep School senior class has about 10% of their class that has received an ROTC scholarship and one senior who has been accepted into the United States Air Force Academy.

- Kaylon Farley, Prep school graduate from last year, has received his appointment to the United States Coast Guard Academy after completing a year in the prep program.
- There is a Milledgeville City Council meeting on Tuesday, April 23<sup>rd</sup>. They are going to discuss the topic of speed monitoring devices in school zones. Georgia Military College fully supports this effort and will have a presence at the meeting.
- We will play one of our junior college football games this fall at Doughboy Stadium at Ft. Benning. The game is on September 22<sup>nd</sup> at 1 p.m. against the College of DuPage. There will be more details to follow.
- We will have our first associate degree and BAS graduates from our GMC Albany campus this spring.
- Our 4<sup>th</sup> and 5<sup>th</sup> grade classes for the next school year are full and now have students on a waiting list. Our 3<sup>rd</sup> grade class has 39 of 40 seats already taken. As our 3<sup>rd</sup>-5<sup>th</sup> grade enrollment fills up and those students return each year, the Prep school's 3<sup>rd</sup> grade and 6<sup>th</sup> grade classes are starting to be the only years where there will be available slots for new students to attend. The Future Bulldogs program already has a total of 19 students over each of the next three years who have signed up and paid to attend 3<sup>rd</sup> grade.
- We're still working to establish additional pathways for students with associate degrees to complete their BAS degree. Spring Faculty Assembly is on May 3-4<sup>th</sup> and our faculty will be voting on some of the initiatives related to this program.
- Please hold Thursday, August 1<sup>st</sup> available on your calendars so that you can attend the dedication ceremony for the Prep School Annex.
- Our #1 focus/priority for our "Grow enrollments" strategic initiative this coming year, and several beyond, will be our Online Campus. With the slight decline in in-seat students and the decrease in state funding for the dual enrollment program, GMC's Online Campus is where we predict the next growth in GMC. We will also focus on recruiting veterans and their families.

As a part of the President's Report, Mr. Jeff Gray, Vice President of Engineering, gave a facilities update that included property updates, current projects, and future projects. A copy of this report is attached and made a part of these minutes.

11. The next meeting of the Board was scheduled for July 22, 2019.

12. There being no further business, the meeting was adjourned.



Randall A. New  
Chairman



Doris Renfroe  
Secretary-Treasurer

Reviewed by:



LtGen. William B. Caldwell, IV  
President, Georgia Military College

# **Finance Committee Update for the Board of Trustees**

**April 22, 2019  
J. Watkins**

# Agenda

- **FY19 Financial Statement Audit**
- **FY19 State Amended Budget**
- **FY20 State Budget: General Fund and Capital Budget**
- **Comparison of State FY19 Funding to FY20 Funding**
- **FY20 Budget Assumptions/Dual Enrollment**
- **FY20 Cost Drivers**
- **FY20 GMC Budget**
- **FY20 Scholarship Overview-Prep School**
- **FY21 Tuition Proposal, Preparatory School**
- **Looking Ahead, FY21**

## FY19 Audit

- The Georgia Department of Audits and Accounts concluded its annual examination of GMC's Financial Statements on 28 March 2019.
- There were no findings or exceptions reported.
- Full Audit Report sent to each member of the Board of Trustees by the State.

# FY19 Amended Budget (State)

	Total	Prep School	College
FY 19 General Funding	\$ 6,580,422	\$ 2,642,390	\$ 3,938,032
FY 19 Amended Changes			
DOAS Risk Pool	\$ 23,691	\$ -	\$ 23,691
Prep Enrollment and Training and Experience	\$ 444,940	\$ 444,940	\$ -
One-time Grant-School Security	\$ 30,000	\$ 30,000	\$ -
FY 19 Total General Funding (as amended)	\$ 7,079,053	\$ 3,117,330	\$ 3,961,723

# FY20 General Funds (State)

	Total	Prep School	College
FY 19 General Funding	6,580,422	2,642,390	3,938,032
FY 20 Changes			
Merit-based pay adjustments, recruitment, retention	208,262		208,262
TRS adjustment	15,047	5,596	9,451
Adjustment in SHBP	(65,804)		(65,804)
DOAS Risk Pool	118,901		118,901
Transfer for proper alignment between Prep and College	(408,240)		(408,240)
One-time funding-Emergency Notification and Security System	213,810		213,810
Increase state base salary for certified employees by \$3,000	183,885	183,885	
Enrollment Growth and Training	373,951	373,951	
Restore to fully fund Prep School	133,398	133,398	
Transfer for proper alignment between Prep and College	408,240	408,240	
FY 20 Total General Funding	7,761,872	3,747,460	4,014,412



# **FY20 Capital Funds (State)**

In the State Budget GMC has two bond projects:

- (1) \$1.0M for Furniture Fixtures and Equipment (FFE) for the Jenkins Hall Renovated building; and,
- (2) \$275,000 for a new cooling system for Boylan Hall.

Request BoT Approval: The State (GSFIC) requests our BoT approve a resolution requesting these funds.

# Comparison of FY20 Funding to FY19 Funding (State)

	Total	Prep School	Junior College
FY20 General Funding	** \$ 7,761,872	\$ 3,747,460	\$ 4,014,412
FY19 General Funding	\$ 7,079,053	\$ 3,117,330	\$ 3,961,723
Difference	\$ 682,819	\$ 630,130	\$ 52,689

\*\* \$213,810 in FY20 funding is a one-time increase and will not be part of the base. Therefore, the FY20 base increase is \$469,009 (\$682,819 less \$213,810).

# FY20 Budget Assumptions

## Student Population

- Will see a slight decrease in Dual Enrollment Student/Credit Hour Numbers
- Will see a slight decrease in "In Seat" Student/Credit Hour Numbers
- Will see an increase in Online Student/Credit Hour Numbers  
(both in state and out of state)
- Will devote resources to increase Veteran/Active Duty numbers

## Campuses

- Overall number will remain the same
- Concern over the operation of the Columbus and Sandersville Campuses
- Continual decline in Milledgeville Campus operations = fewer # of students/credit hours  
thus less revenue (New leadership now in place)
- All other Campuses will continue to operate efficiently

# FY20 Dual Enrollment-Way Ahead/Impact

## There will be a State reduction in funding for Dual Enrollment (DE)

- The State is reducing the amount of funding available for DE = funding is capped
- This reduction will impact any further growth as we have experienced in the past few years
- Engaging with high schools previously with other colleges will be a possibility for growth, although minimal

## Reimbursement Rates for DE

- Uncertainty as to the amount of Credit Hour reimbursement that will be allowed, current cap is way above what we charge
- Uncertainty if the State will allow High School students to utilize HOPE funding while in HS

# Personnel Cost Drivers, FY20

# of Full Time Employees	583
# of Part Time Employees	1,048
Cost of Full Time Salaries	\$25,530,889
Teachers Retirement System (TRS) Cost	\$ 5,148,786
State Health Benefit Plan (SHBP) Cost	\$ 4,496,000
Social Security Cost (FICA and FICA MED)	<u>\$ 1,863,208</u>
TOTAL:	<b>\$37,038,883</b>

# Cost Drivers for Operations Costs

**Biggest FY20 Operations Cost Drivers Include:**

- **Purchases for Resale**
- **Campus Leases**
- **Scholarships**
- **Contracts**
- **Utilities**
- **Repairs & Maintenance**
- **Advertising & Promotion**

# FY20 GMC Revenue Budget

	<u>FY20 Budget</u>	<u>FY19 Budget</u>
Junior College Revenue:		
Junior College Total Tuition and Fees	66,005,835	61,758,945
Other Revenue- Lab Fees & Misc	499,905	534,756
Total JC	<u>66,505,740</u>	<u>62,293,701</u>
State Appropriations:		
Junior College	4,014,412	3,668,068
Prep	3,747,460	2,677,498
Total State Appropriations	<u>7,761,872</u>	<u>6,345,566</u>
Prep School Revenue:		
Prep School Tuition and Fee	3,727,500	3,517,500
Prep School Local Appropriation	350,000	350,000
Prep School ROTC Reimbursement	110,000	108,000
Prep, Other	64,575	33,700
Total Prep School	<u>4,252,075</u>	<u>4,009,200</u>
Auxiliary Revenues:		
Food Services	1,952,057	1,966,600
Housing	802,200	851,700
JC Athletics	61,000	63,250
Motor Pool	-	-
Other Bookstore Revenue	701,491	695,046
Total Auxiliary Revenue	<u>3,516,748</u>	<u>3,576,596</u>
Other Corporate Revenue	<u>864,250</u>	<u>781,750</u>
GMC Total FY20 Budgeted Revenue	<u>\$ 82,900,685</u>	<u>\$ 77,006,813</u>

# FY20 GMC Expenditure Budget

	<u>FY20 Budget</u>	<u>FY19 Budget</u>
<b>Expenditures:</b>		
Salary / Benefits	48,625,858	45,694,176
Travel	842,210	792,932
Operating Expenses	28,877,879	25,693,751
Equipment	3,900,000	3,600,000
<b>GMC Total FY20 Expenditures</b>	<b>\$ 82,245,947</b>	<b>75,780,859</b>
<b>FY20 Revenue in Excess of Expenditures</b>	<b>\$ 654,738</b>	<b>\$ 1,225,954</b>

Operating expenses include real estate rental, bad debt, contracts, maintenance, custodial services, utilities, advertising, dues and memberships, financial fees, instructional supplies, office supplies, attorney fees, postage, repairs, student awards, subscriptions, telecommunications and non-inventory equipment.

**Request BoT Approval (pending Governor's signature on State funding):**  
**GMC Budget for FY20 (1 July 2019 to 30 June 2020)**



# **FY20 GMC Expenditures**

Purchases for Resale	3,800,253	Instructional Supplies	498,245
Real Estate Rental	3,414,781	Computer Equipment Non-Inventory	474,250
Scholarships	3,120,596	Financial Fees	467,058
Contracts	2,051,964	Printing & Publications	402,615
Misc Supplies	1,819,417	Office Supplies	277,648
Utilities	1,676,463	Computer Software	247,291
Repairs & Maintenance	1,669,703	Operating Lease/Copiers	245,000
Advertising & Promotion	1,508,431	Equipment Non-Inventory	223,095
Maintenance & Service Contract	1,432,378	Capital Campaign	190,931
Bad Debt	1,378,012	Postage	181,668
All other Operating Expenses	1,230,907	Food Service	178,650
Insurance & Bonding	787,333	Staff & Faculty Development	172,472
Telecommunications	622,777	Operating Lease/Equipment	141,110
Consulting	554,850	Dues & Memberships	109,981
		<b>Total</b>	<b>\$28,877,879</b>

# FY20 Scholarship Overview

## Preparatory School

<b>Total Support to Student Families</b>	<b>\$ 688,588</b>
Support Includes:	
Need Based Scholarships (from GMC)	\$ 225,503
Need Based Scholarships (from Foundation)	\$ 34,497
Usery Legacy Scholarships (Incl Uniforms)	\$ 63,000
New Day USA Scholarships	\$ 49,680
Build One Another Up (Meal Support)	\$ 7,935
Employee Scholarships	\$ 183,000
Multi Child Scholarships	\$ 67,680
Full Pay Scholarships	\$ 18,000
Other Scholarships	\$ 16,219
Presidential Trust Scholarships	\$ 16,074
Student Travel Support Scholarships	\$ 5,000
Military Scholarships	\$ 2,000

As of March 22, 2019

# FY20 Scholarship Overview

## Preparatory School

Identified Financial Need	\$ 811,896
GMC Scholarships Awarded	\$ 225,503
<u>Unmet Need</u>	<u>\$ 586,393</u>
% of Need Met	28%
Number of Applicants	275
Number Awarded	193
Minority	107 (54% of minority pop)
Non-Minority	86 (18% of non-minority pop)
Average Award, Minority	\$ 1,206
Average Award, Non-Minority	\$ 1,119

# FY21 GMC Prep Tuition

	<u>SY13-14</u>	<u>SY14-15</u>	<u>SY15-16</u>	<u>SY16-17</u>	<u>SY17-18</u>	<u>SY18-19</u>	<u>SY19-20</u>	<u>SY20-21</u>
Tuition	\$4,600	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,925
Fees	\$ 455	\$ 515	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550	\$ 550
Total	<u>\$5,055</u>	<u>\$5,115</u>	<u>\$5,215</u>	<u>\$5,250</u>	<u>\$5,250</u>	<u>\$5,250</u>	<u>\$5,250</u>	<u>\$5,475</u>

Request BoT Approval: School Year 20-21 Prep School Tuition increase.  
(From \$5,250 to \$5,475)

# Looking Ahead, FY21

- In the FY21 budget we will request funding for State authorized positions in the Prep School but not currently funded by the State
  - ✓ 12 Month Secretary
  - ✓ 10.5 Month Secretary
  - ✓ Accountant
  - ✓ School Nurse, RN
  - ✓ School Nurse, LPN
  
- We will request a Funding Formula for the Junior College in the FY21 budget cycle
  
- We will request full funding for the employer TRS cost share



April 22, 2019

### **GMC ENGINEERING UPDATE**

#### **Property:**

- Work continues on the renovation of 377 Broad Street. This house will be used for a staff or faculty member with the additional duty of supervising the students in 407 & 441 Broad St. We expect to have it ready for use prior to the beginning of the fall term.
- 521 S. Jefferson is complete and fully operational as the GMC Center for Teaching and Learning. The staff members in the building are pleased and it is working well for the entire Academic Affairs team.
- The grounds department has relocated from the engineering facility adjacent to the GMC Soccer Field to 622 and 628 S. Warren Street. This location gives grounds more space for secure equipment storage. We moved the old portable Davenport Concession stand building to this location and installed a metal carport cover to protect the tractors and mowers. We also moved the Warren Street gate north to enclose this house and the right-of-way purchased from the City. Finally we installed a gate to link the grounds storage area to the BBQ pit.
- Demolition is complete for 411 E. Franklin, 425 E. Franklin and 220 E. Baldwin Street. We are still cleaning some of these lots and will grass them as soon as the ground is prepared.

#### **Current projects:**

- Garbutt Construction is making good progress with construction of the Prep School Annex. The Annex is dried in and HVAC is running in some areas. Windows are being installed, wainscoting is being stained and sealed, ceiling grid and tiles are underway, permanent power and lights are operating and floor coverings will begin very soon. Major equipment items are also being installed in the kitchen. The Prep School Annex will be ready for classes when school begins in August 2019. The current estimate for completion is approximately June 10<sup>th</sup>.
- Jenkins Hall is coming back from the removal of numerous layers and the repair of floor and roofing problems. The concrete floor for the former auditorium area should be poured April 22<sup>nd</sup>. This area will be used for the Indoor Recreation Room, Nurse's Station, Teacher Work Room and student restrooms. The main lines for plumbing and electrical service are in place. Installation of the infrastructure for the security system will begin the week of April 22<sup>nd</sup>. Garbutt and GSFIC are working diligently together to expedite this project as much as possible. I currently do not expect Jenkins Hall to be ready for an August opening. The current estimate for completion is approximately October 1<sup>st</sup> but could improve.
- The approximately 11,000 square foot new building addition to our Fayetteville Campus is continuing. They expect to complete this building quickly and open these classrooms and labs for classes that begin in July 2019.

**Other projects:**

- The new kitchen in the Annex is being equipped and readied to feed 3<sup>rd</sup> through 9<sup>th</sup> graders this fall. The kitchen is a very significant project and it will contribute to the Bulldog Café being a remarkable space for current and future generations.
- Discussions on a future ropes course have been terminated. We will continue to use the Georgia College course at a slightly reduced price.
- Significant work continues on the GMC Activity Center as we seek to improve it for graduation in May. New stairs and a wheel chair lift to the stage are in progress. The restrooms are being improved and a wheelchair ramp to the main entrance doors is being installed. We have order a set of pipe and drape to replace the black plastic across the rear of the stage and painted the bleacher areas.
- The Boylan Hall 203 Ton chiller was replaced with a new more reliable and efficient chiller over spring break. We will receive a rebate from Georgia Power as well as the benefit of lower energy costs. The new unit also has a five year parts and labor warranty.
- Two new to GMC, 56 passenger Setra motor coaches have been added to our fleet recently. We were able to purchase these at far below market value and expect to use them for many years.
- Significant stucco repairs to OCB were made recently. We were able to fully correct leaks around the east and west exterior stairs.