FISCAL ADVISORY COMMITTEE TO THE PRESIDENT

Minutes of January 8, 1999

Members Attending: John de Castro, Bill Decatur, Sam Deitz, Chuck Derby, Sid Harris, Ron Henry (Chair), Fred Jacobs, Carol Whitcomb

Members Absent: Cleon Arrington, Timeka Lamback

Others Attending: Tim Crimmins, Larry Kelley, Bonnie Murphy, Jerry Rackliffe, Edgar Torbert

Minutes of December 22 were approved as distributed.

Parking & Transportation Fees

Dr. Decatur presented additional information and options regarding the parking and transportation fees. He identified the critical item to be a strategy for replacing the temporary decks. He recommended dropping the proposed fee premium for reserved spaces since there are only 40 such spaces on campus and the additional revenue would be insignificant. He reaffirmed support for a reduced fee for the underused "S" deck.

As requested by FACP, Dr. Decatur distributed a five-year projection for Auxiliary Services showing overall and individual auxiliary service revenues, expenditures, fund balances, fixed asset amortizations, etc. Dr. Decatur noted the $2.4M projected end-of-year fund balance was very inadequate for renewal and replacements and as a reserve for FC10 emergencies.

Dr. Jacobs commented on the (un)likelihood of tapping allocated fund balances such as the fixed asset amortizations and the reserve for the bookstore inventory. Dr. Crimmins pointed out the negative fund balances for Housing throughout the five-year period. Dr. Decatur and Mr. Rackliffe explained that the debt service for Housing increases after an initial start-up period. Dr. Deitz pointed out the negative fund balances for the Rialto Center for the Performing Arts as well. Dr. Decatur cited changes in leadership and efforts to cut costs such as elimination of the Rialto Symphony.

Dr. Decatur distributed revised five-year plans for parking and transportation fees. For Fiscal Year 2000, the plans proposed (a) parking fees to be $40 for general decks, $30 for "S" deck, $160 for "M" deck, $3.25 for daily parking, and $2.50 for budget card daily parking; and (b) the transportation fee to be either $11.00 or $13.00.

Dr. Decatur expressed concern that any increase in daily parking would make university parking less competitive with commercial parking, especially in evenings. He also expressed concern about the impact on enrollment given that the majority of students seem to prefer to drive. Dr. de Castro stated support for raising the daily rates since these students benefit from others parking at the stadium lot.

Mr. Rackliffe commented on the impact of the number of unused spaces on revenues. Ms. Murphy indicated the on-campus lots were not full during the fall semester, but the stadium lot was heavily used and almost always full. Dr. Henry cautioned that the fall semester should not be used as a typical parking pattern since enrollments were down. Dr. Decatur remarked that the university was at the mercy of Fulton County with respect to future use of stadium parking. He indicated the MLK MARTA lot and the Southern GF property might be explored as off-campus parking options in future years.

Dr. Decatur reported discussions at the USGa chief financial officers meeting and at various meetings Mr. Lewis had had with state government officers indicated increases in mandatory fees would be closely scrutinized. Dr. Decatur pointed to leveling of lottery revenues as a problem relative to capacity to fund HOPE scholarships which presently cover all mandatory fees as well as tuition.
Dr. de Castro suggested implementation of in-and-out parking privileges as an offset to higher daily rates. Dr. Crimmins commented on ozone-related policies to discourage driving and how university parking plans should reflect such environmental policies.

Dr. de Castro made a motion to recommend a $3.25 daily parking rate and keep the transportation fee at $11. Dr. Derby seconded the motion. Mr. Kelley reiterated concern about commercial parking competition. Mr. Rackliffe suggested terming the daily rate as a maximum rate with the possibility of a lower rate for evenings. Dr. de Castro accepted a friendly amendment to his motion to recommend a $3.25 maximum daily parking rate. Dr. Harris questioned how the lower evening rates might affect total revenues. Mr. Rackliffe responded the objective would be to offset the lower rate with more fee incidents. Dr. Decatur urged some increase in the transportation fee. Dr. Deitz suggested consideration of the transportation fee separately. The motion as amended failed.

Mandatory Fees

Dr. de Castro distributed an analysis of the various fee requests showing the fee increases necessary to meet salary pool requirements for staff paid from mandatory fee revenues. He pointed out the increase overall would be $3.90 or 1.71%. Dr. Deitz voiced support for limiting increases to this amount for raises, given the absence of thorough budget analyses for student activities and facilities areas.

Dr. de Castro asked about the prospects for initiating a technology fee as recommended for Fiscal Year 1999. Dr. Henry stated the political climate was probably not good for such a proposal.

Dr. Henry suggested consideration of an overall $7 increase in mandatory fees to avoid falling too far behind in subsequent years. Dr. Decatur echoed the point made by Dr. Deitz concerning the need for budget analyses from the student activities and facilities areas. He added that the FC10 redirections had been absorbed entirely by the student activity fee, which had not been the intention of FACP. Dr. Harris made a motion to recommend increasing the mandatory fees by a total of $7. Dr. Deitz seconded the motion. The motion passed. Mr. Rackliffe and Dr. Torbert noted this would have to be applied to the base-plus-hourly-fee formula approved in concept at the previous meeting so as to be revenue neutral with reduced fees for part-time students.

Parking Fees

Dr. Deitz made a motion to recommend increasing the general deck parking fee to $37.50, keep the daily rate at $3, and reduce the "S" deck fee to $35. Drs. de Castro and Jacobs reiterated their need for more information about actual costs. Dr. Henry agreed more information was needed, but suggested this kind of in-depth study should occur in May-July when not pressed for action. Dr. Decatur pointed out the March deadline for capital project lists to go to the Board of Regents. Dr. Deitz accepted a friendly amendment to remove the daily rate recommendation from the motion and to change the "S" deck fee to $30. Dr. Crimmins commented on the need for a master plan for parking. Dr. Decatur added that the campus master plan would be presented to the Board of Regents on January 12. The motion to recommend a general deck parking fee of $37.50 and an "S" deck fee of $30 passed.

Dr. Henry spoke in favor of proposing a range of daily rates in order to make adjustments as revenue is realized. Dr. de Castro also spoke in favor of the option to lower rates. Dr. Decatur suggested setting the maximum at $3.25. Drs. Henry and Deitz suggested a higher maximum to avoid annual approval of increases by the Board of Regents. Dr. Deitz made a motion to recommend a $2.00-3.50 range for daily rates. Dr. Harris seconded the motion. The motion passed.

Dr. Henry stated the next meeting would be devoted to the budget presentation to Board of Regents staff in February.