Fiscal Advisory Committee to the President  
Minutes of October 24, 2001

Members Attending: Ahmed Abdelal, John de Castro, Sid Harris, Ron Henry, Fenwick Huss, Fred Jacobs, Katherine Johnston, Tom Lewis, Leslie Williams

Others Attending: Al Baumstark (for P.C. Tai), Ron Colarusso, Bill Fritz, Steve Kaminshine, Robert Moore, Jerry Rackliffe, Anthony Roberts, Edgar Torbert

Minutes of October 10, 2001 were approved.

Budget Cuts

Dr. Henry reviewed the proposed FY2002 budget cuts spreadsheet distributed by e-mail to the members. He explained the total amount to be cut had been reduced to $1.73M due to reductions in spending plans for off-budget projects. He pointed out the libraries had been shifted from the support unit group to the college group for determining percentage cuts. He listed the percentage rates as 0.4% for the colleges and libraries, 1.2% for support units, and 2.5% for Board of Regents pass-through units. Dr. Henry also noted final cut amounts could be reduced by Plan B cuts at the system level and/or by supplemental funds. Dr. Abdelal urged the cuts be effected by means of accumulation within the units in case supplemental funds made cuts at the proposed rates unnecessary. Dr. Henry agreed with this approach. Dr. Abdelal made a motion to recommend the percentage cuts as proposed with the accumulation methodology. Dr. Harris seconded the motion. Dr. Baumstark communicated concern from the University Senate Committee on Planning & Development about further cuts of maintenance budgets. Dr. Colarusso voiced concern about the impact on the Child Development Center, which has only personnel on state funds. Dr. Henry responded the Child Development Center had other fund sources. The motion passed.

Parking

Ms. Johnston presented a 10-year plan for Parking and Transportation with two scenarios for replacing the temporary decks, in FY2004 or FY2008. She spoke in favor of the FY2004 scenario, which would take advantage of the favorable construction industry situation and save $1.5M in short-term maintenance of the temporary decks. She commented on related developments including the doubling of student participation in the discount MARTA card program and city interest in a rapid bus system. She noted the two scenarios could be split with a 1-2 year delay in construction and funding only the most critical repairs. She also spoke of on-going interest in acquiring a Fairlie-Poplar deck. She reported the Student Fee Committee had recommended a $4 increase in the transportation fee, which would necessitate a reduction in the amount of the discount for MARTA cards (from $10 to $7) in order to balance that part of the budget.

Dr. Abdelal asked about fluctuations in shuttle costs from year to year. Ms. Johnston replied there were extra expenses last year and decreases were projected in the summer operation. Dr. Abdelal asked about the lower transportation fee revenues shown for FY2003. Ms. Johnston replied this figure was a projection versus actuals for the preceding years, which would allow for a windfall. Dr. de Castro asked about the 6% interest rate for construction. Ms. Johnston replied this rate was probably high now, with 4% more likely. Dr. Jacobs suggested the savings in interest costs could
allow reduction of the increases in parking fees. Ms. Johnston agreed except for daily rates. Dr. Huss questioned the larger increases in rates for “S” deck (to equalize with other decks). Ms. Johnston replied the difference in convenience of decks was minimized with the opening of the new recreation center. She also noted complaints about narrower spaces in the temporary decks. Dr. de Castro observed parking rates would be a hot political issue and recommended slowing down the rate increases (i.e., stretching through 2010 rather than 2006). Ms. Johnston cautioned reserves were low, which might present a problem with lenders if the revenue stream was weakened. Dr. de Castro also spoke to the issue of low-income staff, who chose the “S” deck because of the lower rates. Ms. Johnston responded one option would be shuttle service for staff. Dr. Huss suggested instituting the shuttle option now. Ms. Johnston replied the success of the MARTA program had relieved congestion, which made the shuttle less necessary. Dr. Huss asked whether this trend would lead to the need for fewer new spaces. Ms. Johnston responded Atlanta traffic was predicted to worsen.

Dr. Henry commented on apparent preference for the FY2004 scenario with possibly a shuttle option for staff. Dr. de Castro asked about the possibility of losing spaces at stadium. Ms. Johnston responded that various partnering arrangements for parking were being pursued. Dr. Henry noted the larger student body would lead to larger numbers of staff and faculty with addition parking and transportation needs. Dr. Jacobs pointed out turnovers for parking spaces would be down as students stayed on campus longer for the recreation center and other programs. Dr. Abdelal suggested exploration of acquiring property for shuttle parking. Dr. Huss asked about the number of students currently using the shuttle. Ms. Johnston replied the number was approximately 1,500 per day. Dr. de Castro asked about factoring of depreciation of decks. Ms. Johnston answered this was not being done currently, but would be next year due to changes in accounting reporting requirements. Dr. de Castro made a motion to recommend the FY2004 scenario in principle with fine-tuning to continue. Dr. Jacobs seconded the motion. The motion passed.

Prepared by Edgar Torbert
Approved November 7, 2001