

*Acct. &
Sustain.
Facilities
Health*

**BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE**

**James E. "Ted" Roberts, Chair
Samuel W. Grooms, Vice Chair
All Trustees are Members**

**Wednesday, September 6, 2017
2:00 p.m. or immediately following
previous meeting**

**Tod Hall
Board Meeting Room**

AGENDA

- A. Disposition of Minutes for Meetings Held June 8, 2017; and June 14, 2017**
- B. Old Business**
- C. Committee Items**

1. Finance and Facilities Action Items

- Tab C.1.a. a. Resolution to Modify University Construction/Renovation Projects Policy, 3356-4-15**
John Hyden, Executive Director of Facilities and Support Services, and Eddie Howard, Associate Vice President for Student Experience, will report.
- Tab C.1.b. b. Resolution to Modify Key Control Policy, 3356-4-16**
John Hyden, Executive Director of Facilities and Support Services, will report.
- Tab C.1.c. c. Resolution to Approve Undergraduate Tuition Guarantee Plan, Effective Fall Semester 2018**
Neal McNally, Vice President for Finance and Business Operations, will report.
- Tab C.1.d. d. Resolution to Approve Interfund Transfers**
Katrena Davidson, Controller, will report.

1.c.(i). FY 2017 Operating Performance and Year-End

2. Finance and Facilities Discussion Items

- Tab C.2.a. a. Planning and Construction Projects Update**
John Hyden, Executive Director of Facilities and Support Services, and Rich White, Director of Planning and Construction, will report.

Tab C.2.b.

- b. Accountability and Sustainability Cornerstone Update Regarding Facilities Health**
Neal McNally, Vice President for Finance and Business Operations, will report.
- c. Report of Audit Subcommittee**
A verbal report of the Audit Subcommittee will be presented. James E. "Ted" Roberts will report.
- d. Report of Investment Subcommittee**
A verbal report of the Investment Subcommittee will be presented. Samuel W. Grooms will report.

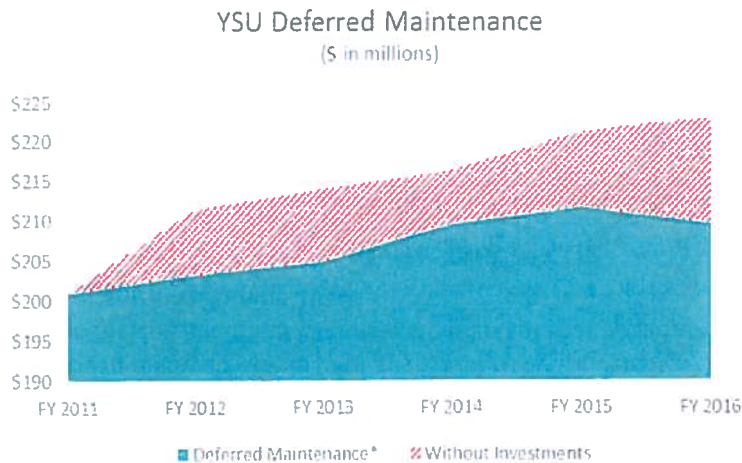
D. New Business

E. Adjournment

Deferred Facilities Maintenance

Listed as a key metric in the YSU 2020 Strategic Plan, deferred maintenance is the postponement of buildings and equipment upkeep, usually due to funding constraints. Lack of funding for routine maintenance can cause neglect, causing minor repair work to evolve into more serious conditions. The failure to address major repairs and/or restore building components that have reached the end of their useful lives may result in a deferred maintenance backlog.

In 2012, the Inter-University Council of Ohio commissioned the Connecticut-based facilities management company Sightlines to evaluate campus facilities statewide. For YSU, the Sightlines report indicated a deferred maintenance backlog of \$201 million. Since then, YSU has invested \$52.6 million to stabilize YSU's deferred maintenance backlog, which would have otherwise grown to over \$220 million, as shown in the graph below.



*Deferred maintenance is calculated by adding the cost of annual depreciation and subtracting annual expenses made for capital renewals and replacements.

Through a careful and managing replacements

9-6-17
Fin & Fac.
Tab. C.2.b

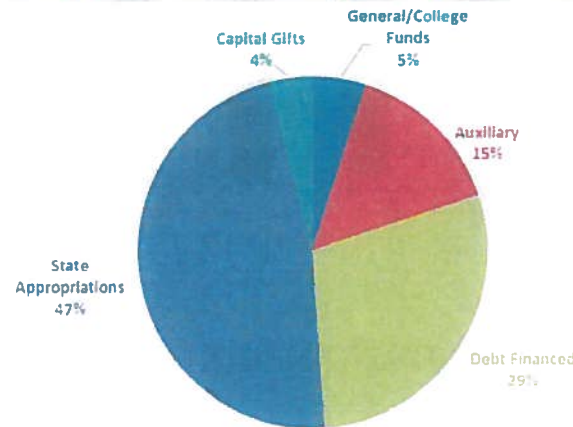
Investments

YSU has made noteworthy strides at addressing over \$52 million on capital renewals and replacements, as shown in the table below.

Funding Source	FY 2017 Expenditures	FY 2016 Expenditures	FY 2015 Expenditures	FY 2014 Expenditures	FY 2013 Expenditures	FY 2012 Expenditures
General/College Funds	\$536,055	\$797,968	\$323,855	\$265,281	\$478,603	\$214,295
Auxiliary	\$1,517,329	\$1,497,895	\$1,518,332	\$996,125	\$1,619,763	\$700,682
Debt Financed	\$24,314	\$2,605,100	\$1,143,724	\$1,187,016	\$3,246,656	\$7,035,217
State Appropriations	\$2,999,081	\$8,480,598	\$6,188,949	\$4,121,916	\$2,892,053	\$141,490
Capital Gifts	\$49,918	\$1,089,992	\$165,525	\$162,754	\$611,244	\$20,003
Total	\$5,126,697	\$14,471,553	\$9,340,385	\$6,733,093	\$8,848,320	\$8,111,687

Renewals & Replacements since FY 2011: **\$52,631,734**

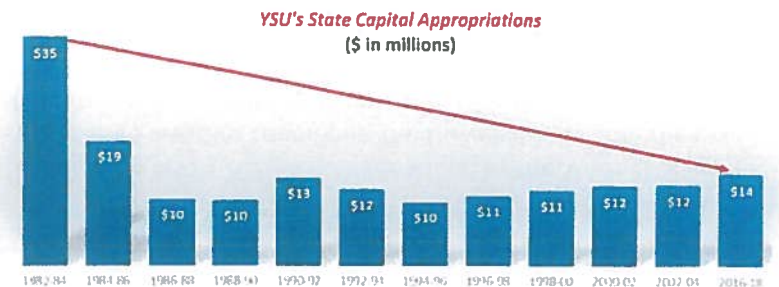
Funding Sources for Bldg. Construction & Repairs



While state appropriations funded nearly half of YSU's capital investments since 2011, state funding has declined dramatically over the past three decades.

Sluggish state funding is perhaps the most significant contributing factor to the growth in YSU's deferred maintenance backlog.

YSU's state capital funding levels have fallen by 59% since the 1982-84 biennium. When adjusted for inflation and for square-footage added, the drop in funding is even more pronounced.

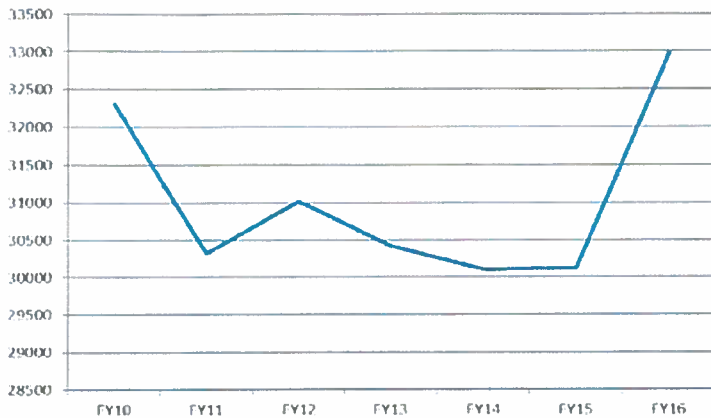


YSU 2020 Strategic Plan Update: Accountability & Sustainability Cornerstone - Facilities Health

Environmental Footprint Index

Listed as a metric of Facilities Health in the YSU 2020 Strategic Plan, the Environmental Footprint Index (EFI) measures the level of greenhouse gases that the University produces as part of regular operations. As depicted in the table below, YSU's EFI had been relatively stable until 2016, when the University began making additions for a new steam plant that became fully operational in June 2016.

Metric Tons of CO2



Budget Devoted to Maintenance

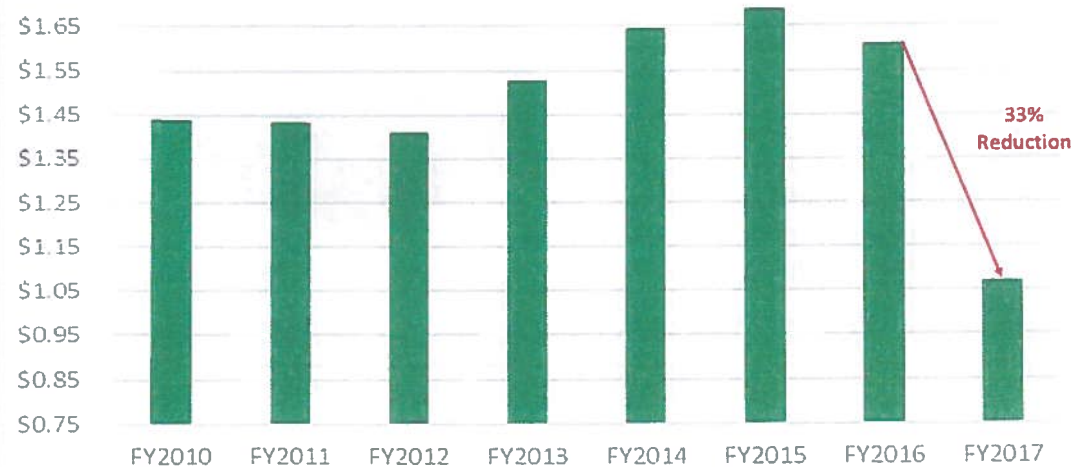
The percentage of the University's budget used for maintenance is another 2020 Metric. The table below indicates that YSU has shifted a greater proportion of operating funds to building maintenance and repairs since FY 2010.

Fiscal Year	Maintenance & Repair Expenses	% of Total YSU Operating Expenses
FY 2010	\$8,006,159	3.9%
FY 2011	\$7,970,450	3.6%
FY 2012	\$6,982,017	3.5%
FY 2013	\$6,424,727	3.2%
FY 2014	\$8,249,119	4.2%
FY 2015	\$8,368,250	4.3%
FY 2016	\$8,161,914	4.2%
FY 2017 (est.)	\$8,792,744	4.6%

Utility Expenses

Utility costs per gross square footage is also a 2020 Metric identified by the Strategic Plan. While some utility costs may be tied to weather conditions, the University has nonetheless taken strategic action to deliberately reduce utility costs on a square-footage basis, which fell by 33% in FY 2017 as a result of YSU having built its own steam plant in 2016. In addition to reducing costs and providing a long-range solution to YSU's energy needs, the ability to self-generate steam heat has reduced the University's reliance on outside suppliers, mitigating risks associated with service disruptions and rate increases.

Utility Costs per Gross Square Foot



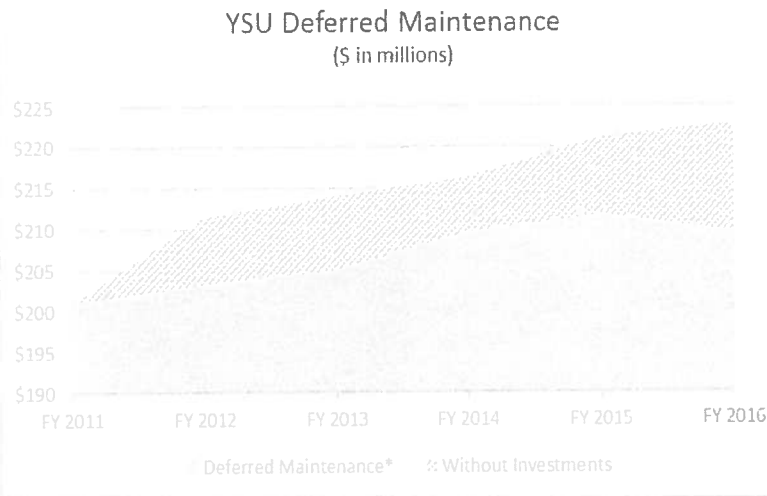
Overall utility costs also declined dramatically in FY 2017, by more than \$2.2 million, further demonstrating the University's successful efforts to reduce and contain these costs.

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Utility Expenses	\$5,611,133	\$5,780,322	\$5,911,413	\$6,395,187	\$6,910,992	\$7,094,960	\$6,742,979	\$4,487,372
% Change	N/A	3.0%	2.3%	8.2%	8.1%	2.7%	-5.0%	-33.5%
\$ Change	N/A	\$169,189	\$131,091	\$483,774	\$515,805	\$183,968	(\$351,981)	(\$2,255,607)

Deferred Facilities Maintenance

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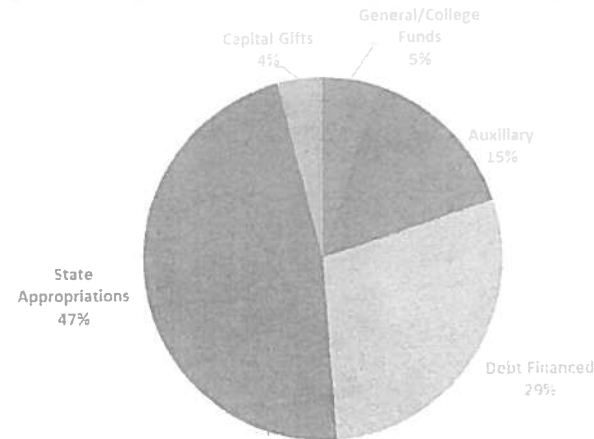
Capital Investments

Through a combination of funding sources, YSU has made noteworthy strides at addressing and managing deferred maintenance, spending over \$52 million on capital renewals and replacements over the past six years, as shown in the table below.

Funding Source	FY 2017 Expenditures	FY 2016 Expenditures	FY 2015 Expenditures	FY 2014 Expenditures	FY 2013 Expenditures	FY 2012 Expenditures
General/College Funds	\$536,055	\$797,968	\$323,855	\$265,281	\$478,603	\$214,295
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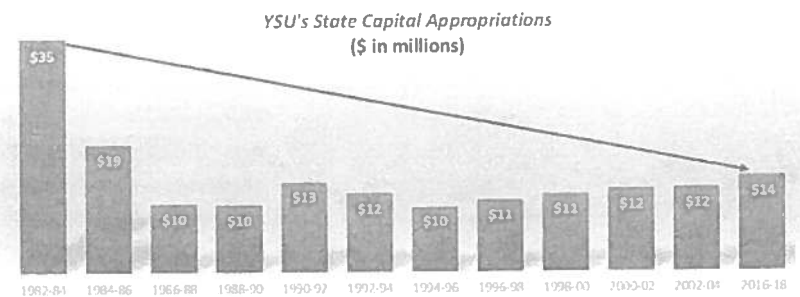
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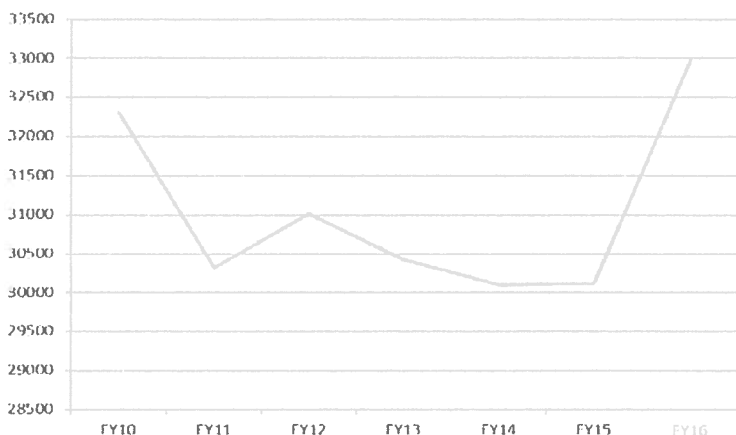
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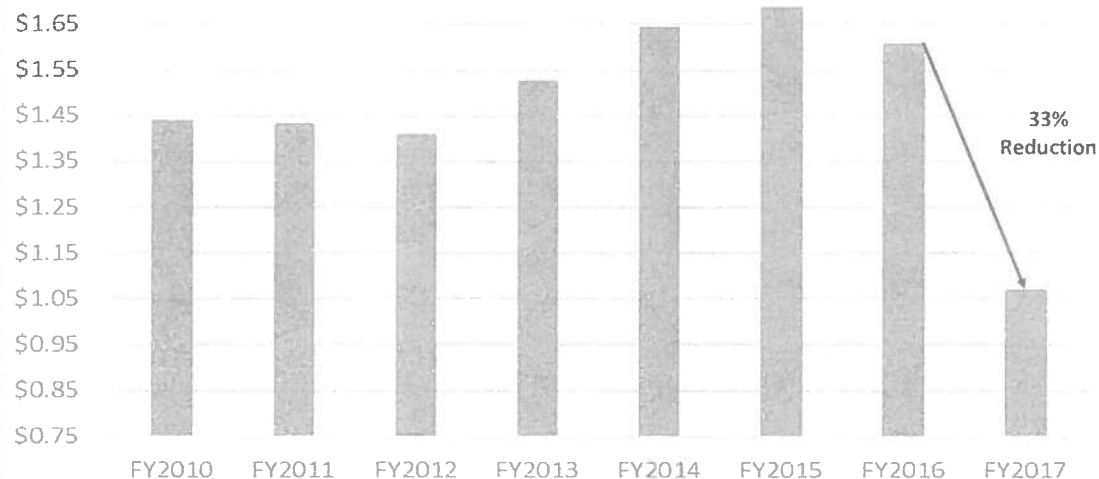
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