

PRESIDENT'S CABINET MEETING

July 7, 2020

MINUTES

CALLED TO ORDER

9:10 am

ADJOURNED

11:05 am

MEMBERS PRESENT – VIA GOOGLE MEETS & IN PERSON

Bob Austin; Kevin Ball; Tamara Clunis; Cara Crowley; Cheryl Jones; Russell Lowery-Hart; Chris Sharp; Joe Bill Sherrod; Denese Skinner; Mark White

MEMBERS ABSENT

OTHERS PRESENT

Joy Brenneman; Becky Burton; Reagan Hales; Jeanette Nelson; Frank Sobey

DISCUSSION:

1. INNOVATION HUB PLAN	Hales
<p>Reagan Hales, Associate VP for Innovation and Work-Based Learning, presented the Strategic Business Plan for the innovation hub created by the consultants at Pegasus. This is a result of a 5-month collaboration between the college and outside stakeholders. It provides information for the legal and financial structures and engagement with the community. The primary purposes of the hub are to help industry innovate and modernize, train the future workforce, foster a culture of innovation within AC, provide industrial and innovation labs, and catalyze revitalization of downtown Amarillo. It will teach students critical thinking skills and innovation. It will be more than a maker space and could be called the Industrial Design & Innovation Lab.</p> <p>The current mission statement is “to promote innovation in Amarillo’s workforce, industry and the college. Ms. Hales is working on refining the statement to incorporate student and community engagement.</p> <p>Key elements of success will be a skilled workforce, placemaking, development of entrepreneurial talent and culture, capital access, technology development, and research. The innovation hub will work in collaboration with the WT Enterprise Center whose main focus is entrepreneurial development.</p> <p>Short-term goals are to finalize the governance and management structure, create a non-profit entity, undertake renovation of Building 1, operationalize programming, solidify key partnership inside and outside of Amarillo, and develop a revenue strategy.</p> <p>The initial focus will be on legacy industries such as energy, agriculture, and healthcare. Eventually this will expand to include advanced manufacturing, film technology, service industry, and animal-human health. Leading edge industries include VFX, electric utilities, and advanced manufacturing such as robotics and ag-tech.</p> <p>The role of the hub will be to reach out and engage industry with a consortium approach and modernization and will include government, private sector, education, and non-profit entities. Partnerships will be created for continuing education training and with industry and K-12. A talent pipeline starting in middle and high school could emerge.</p>	

The phased development of the building begins with Building 1 and visual effects. Buildings 2 and 3 will be the Sharpened Iron Studios.

This project will follow a business model designed to support itself and create revenue streams to support the project.

Action Items:

- Ms. Hales requested Cabinet let her know if they have any ideas to communicate the new hub to the AC community.

2. BUDGET

**Sharp
Nelson**

AC Cafe

Andres Flores, Bookstore Manager, presented a business plan for the AC Café/Coffee Shop. With the retirement of the Mail Room Supervisor, Tamara Hughes, the mail room and the requested Café position will be combined. The Mail Room Supervisor salary can be used for a café manager who will need to have experience as a barista and with food service requirements. This person will also be trained to run the mailroom should the college need to shut down again. Mr. Flores' vision for the café includes a convenience store set up with coffee, flavored teas, and packaged snacks. He is looking for consistency and speed of service and will move away from specialty coffees and hopes to offer a \$1.00-\$1.50 cup of coffee each day. While social distancing is in place, orders can be delivered to specific locations for pickup. A shared rewards plan is being considered that would allow students to accumulate points that could be used in the bookstore. Also, students who spend \$100 in the bookstore would get a free drink from the café. Eventually, plans will include some hot food and fresh food options which might be offered at lunch and during special events like June Jazz. The café manager will need a certification from the health department at an annual cost of approximately \$500. The first year should have little cost to the college utilizing salary savings and a marketing subsidy from the company with whom Mr. Flores is working.

Ms. Skinner moved, seconded by Mr. Ball, to approve the hiring of a café manager. Cabinet approved unanimously.

Preliminary Budget

Mr. Sharp presented the preliminary 2020-2021 budget. It included revenue projections and budget requests.

Revenues are difficult to project, but federal and state revenues are the same. This could change depending on the state. Projected tuition and fees and tax revenue are up slightly. Auxiliary and miscellaneous income is projected to be down. All of these numbers are subject to change.

A snapshot of projected expenses was provided based on requests. Wages in all categories, supplies, travel, and other are up. Contingencies are down. Dr. Clunis requested that adjunct and overload requests be held separately until needed. Salary requests also include \$200,000 for market adjustments. There will also be an increase in marketing for the innovation hub. The increase in fringe benefits is due to a correction of those numbers.

Mr. Sharp provided different scenarios for the impact of state reductions and decreases in tuition should that happen. Just a 5% decrease in state revenue would be \$750,000 and a 20% decrease in enrollment would have a \$4M impact.

Recommendations:

- Remove increased personnel requests and ask for justifications

- Reduce supplies
- Reduce travel – many conferences and seminars will be virtual; restrict to only required travel including SACS, legislative, and accreditation. There will still be expenses related to conference fees but travel costs could be removed. Mr. Sharp will send travel budgets to Cabinet and asked them to review for their divisions.

The A&I budget of \$1.1M is for projects that must be done. Approximately \$2M will go into the fund balance this year and Mr. Sharp plans to budget \$500k for the A&I projects and use part of the fund balance for the remainder. He can include this information for the Board at the Board/Cabinet Retreat. The technology replacement request of \$1.4M can be reduced by \$700k as bond funds can be used. Mr. Sharp is working on a rolling stock fund for vehicle purchases. These would then be budgeted for repayment by the departments – in essence the college would be leasing these vehicles to itself. He is working to end the current lease program with Enterprise.

The proposed budget with recommended cuts still results in a deficit of \$730k to \$1.7M. The college can make this work for one year using CARES Act funds and reserves, but it does not solve long term issues. Mr. Sharp will meet with each Cabinet member to review budgets and make cuts where possible. He needs final information before July 21 if possible in order to have a budget ready for the retreat. The college should propose a conservative budget that anticipates a 10% decrease and utilizes CARES Act funds to supplement.

When using three and five year averages for future budgets, this year should not be considered as it is an anomaly due to COVID. Next year, the budget process will begin much earlier and be a much more thoughtful process. A suggestion was made that proposed budgets be provided to the departments with a request to provide justifications for requested changes.

Action Items:

- Mr. Sharp will meet with each Cabinet member this week.
- Keep budget as a standing item on the agenda until approved.
- Schedule a Board Finance Committee prior to the August Board meeting so they can review the budget and present it for approval.
- List the CARES Act funds as a separate line item but rename it.

3. ASPEN RUBRIC	Lowery-Hart
This item was moved to the next agenda meeting.	
Action Items:	
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4. OTHER DISCUSSION	Cabinet
Dr. Lowery-Hart noted that Aspen had its first call with faculty yesterday on learning outcomes assessment. This went well. There is much work to be done in the next few weeks on the budget, master plan, and strategic plan.	
Action Items:	
• None	