

Budget Council Agenda
Tuesday, February 4, 2025
3:30 pm – 5:00 pm

Montana Room, NAH 359

Members:

Terry Leist

Kim Obbink

Steve Swinford

Elizabeth Olson

Ryan Knutson

Francis Kawalski, Grad Student

1. Call to Order

Chair Terry Leist

2. Approval of Minutes for October 8, 2024

a. Approved

3. University Information/Announcements

a. Board of Regents Overview for Budget, Administration, and Audit Committee

- [November 2024](#)
 - Several different lease items
 - Authority for 3rd/4th floor of Hamilton Hall renovations
 - Authorization to execute Energy Performance Contracts (EPC)
 - [Executive Budget Overview](#)
 - 6% increase over base year (FY25)
 - Pre-budget wage agreement
 - Greater of \$1 or 2.5% on July 1st of each year
 - Small increase to employer benefits contribution
 - Energy Performance Contracts discussion – starting late summer or fall
 - Governor's budget comes out on Nov 15th of odd years, pre budget wage agreement still needs to be passed by the full legislature.
 - May BOR meeting is when the board will allocate money to campuses, tuition and fee increases will be approved at this meeting.
 - Discussion around how tuition and fees are increased based on what amount is received from the state being an important component.

4. Action Items

a. Internal Recharge presentation and recommendation

- New process that we are now doing, asked at NSF audit how we look at internal recharges, this will be the approval process for internal recharges.
- UIT presentation
 - Labor rates are attached to Electricians in Facilities based on similar work done

- Discussion followed about whether that was the correct benchmark or not. Analysis has indicated that is true.
 - Rate had not been increased in a significant number of years so this is the reason for the jump in rate
 - Reduced cost of jack activation based on labor cost and materials to a corresponding amount.
 - No change to current rates as these changes were made a couple years ago before this process started.
 - IT Hardware/Software recharge – If purchasing done via SmartBuyMSU, there is not charge. Only those that are being processed by UIT. Need to evaluate elimination and ask people to use the software.
- Communications presentation
 - Services related to video filming is one recharge
 - Montana PBS is almost entirely grant/donor funded, small state portion
 - Equipment, studio space, expertise are included in the rate
 - There is a high demand for these services.
 - Rates are based on what they need to pay their people per hour and capital costs
 - Would not be able to find this service in private market, due to the university expertise of these teams.
 - Creative Services Unit – graphic design
 - Cover labor costs, capital, professional development, operating expenses. Would like to expand services and evaluating the recharge rate.
 - Goal to be at 60% productivity
- Catering presentation
 - Catering part of culinary services and does not receive any state or institutional funding
 - Requesting a 5% increase on the rates which includes the projected increase to hourly rates and benefits, food costs, cost of infrastructure and equipment, cost of building rent
 - Discussion on the 15% service charge – this includes, glasses/dishes replacement, admin costs, replacing ovens. This 15% is comparable to the market, tried to keep lower
- Facilities Management presentation
 - Facilities Services includes Campus Maintenance which bills hourly and CPDC which bills hourly, Campus Stores which marks up, mail services, ESCRAP, Utilities
 - Operate like a private business

- CBA specifies what each work group can touch.
- 70% direct costs, 30% indirect costs
- Try to be 50% of market rates
- Ladder increases implemented, needs to be included in the rates, hourly rates are averaged for billing
- Utilities is an estimate, subject to rates from Northwestern, Bozeman city water
- Question regarding what the proposed increase rate would be, unit has multiple different rates so can share that information
- Question regarding if the rates are available on a website, discussion on making process transparent
- Discussion on OT/after hours rates
- Questions can be emailed to the budget office

b. FY21 Investment Proposal assessments and recommendation

- This was a covid year, so investments were approved and then some were taken away due to covid.
- Scores have been averaged for each investment
- This is a recommendation to reevaluate in another year, nothing quite stands out as significantly underperforming.
- Looking at the difference between Hilleman and resident students, discussion on the data provided – would like to know the criteria for Hilleman and the matched pairs
- Get questions in a follow up email to get out to the group and will finish this process by email, send questions by end of this week

5. Public Comment/Member Feedback

6. Training and/or Data Review

Next Meeting
Tuesday, April 8, 2025
3:30 pm – 5:00 pm
Montana Room 359