



AUDIT & BUSINESS COMMITTEE

October 7, 2021

Roaden University Center, Room 282

MINUTES

AGENDA ITEM 1 – CALL TO ORDER

The Tennessee Tech Board of Trustees Audit & Business Committee met on October 7, 2021 in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 10:57 a.m.

Chair Stites asked Mr. Lee Wray, Secretary, to call the roll. The following members were present:

- Johnny Stites
- Fred Lowery
- Trudy Harper

Other board members also in attendance were Dan Allcott, Tom Jones, Rhedona Rose, Teresa Vanhooser, Barry Wilmore, and Hannah Willis. Thomas Lynn was absent. A quorum was physically present. Tennessee Tech faculty, staff and members of the public were also in attendance.

AGENDA ITEM 2 – APPROVAL OF MINUTES

Chair Stites asked for approval of the minutes of the June 24, 2021 Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Mr. Lowery moved to recommend approval of the minutes. Ms. Harper seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

AGENDA ITEM 3 – Financial Update

Dr. Stinson gave the committee an update on the FY2020-21 operating budget end of year status. Dr. Stinson gave a brief update on the HEERF funds distributed to students during Fall 2021.

LEE R/10/21

This was an informational item therefore no action was required.

AGENDA ITEM 4 – Disclosed Project FY2021-22

Dr. Oldham gave an overview of capital projects. State funded projects are capital outlay (new construction/major renovation) and capital maintenance (renovation and/or maintenance). University funded projects are disclosed projects (new/renovation/maintenance). The Master Plan is a guideline for projects. We have the opportunity to submit a second request for outlay, Advanced Construction and Manufacturing Engineering Building. The criteria required for the new request has to address state workforce needs and a significant amount of community engagement. This building will address both of those criteria. These requests are pending THEC recommendation and upcoming legislative session. Dr. Oldham added that disclosed projects are self-funded, which can be university funds, private gifts or TSSBA bond financing. Dr. Oldham introduced two disclosed projects that will be requesting Board approval in December. Pro Forma for each project will be provided in October to trustees. The first project is West Tucker Stadium which will include demolition of the current west stadium and building a new stadium. The estimated cost is \$30,000,000. The second project is a parking garage on Wings Up Way, estimated cost of \$14,000,000.

Dr. Stinson stated the Lewis Hall Transformer replacement for \$150,000 will be university funded. This project is being coordinated with College of Engineering to allow for the upsize of transformers and secondary feeds to allow robots to be installed in Lewis Hall.

Mr. Lowery moved to send the FY2021-22 Disclosed Project for the Lewis Hall Transformer to the Board for approval and to place it on the Board's regular agenda. Ms. Harper seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 5 – Approval of Capital Budget FY2022-23 Outlay Revision

Dr. Stinson advised the second project for the capital outlay request for state funding is the Advanced Construction and Manufacturing Engineering Building. This is in addition to the Johnson Hall renovation and Foster Hall demolition that was approved in June. The project cost is estimated at \$62,400,00. This project requires a match of \$4,992,000 and of that match \$1,647,360 must be from gifts. Ms. Harper asked what the timing of the match requirement was. Dr. Oldham stated we had about three years to raise the gifts or pledges.

Mr. Lowery moved to send the Capital Budget FY2022-23 Outlay for the construction of a second engineering building to the Board for approval and to place it on the Board's regular agenda. Ms. Harper seconded the motion. Mr. Wary took a roll call vote. The motion carried unanimously.

LEE # 12/10/21

AGENDA ITEM 6 – Update Capital Budget Maintenance FY2022-23

Dr. Stinson advised some modifications had been made to the request since the June 2021 Board meeting (Attachment A). The Stormwater system repairs will be requested in the following year.

This was an informational item therefore no action was required.

AGENDA ITEM 7 – Anticipated Disclosed Projects FY2022-23

Dr. Stinson stated this was the two projects that Dr. Oldham just discussed. Pro Forma statements will be provided to trustees in the near future on these two projects. Bond funding is estimated at \$23,000,000 for the football stadium (project cost \$29,900,000) and \$12,900,000 on the parking garage (project cost \$13,925,600). The remaining funds needed will come from reserves in the transportation fund for the parking garage. These projects will be brought back at the December Board meeting for action.

This was an informational item therefore no action was required.

AGENDA ITEM 8 – Performance Evaluation and Performance-Based Compensation Analysis

Dr. Stinson introduced the new Associate Vice President of Human Resources, Mr. Kevin Vedder.

Dr. Stinson reminded the Board this was year six of the performance evaluation process. The criteria for non-faculty was academic excellence, student success, community engagement, meaningful innovation, supportive environment and value creation. The criteria for faculty was based on teaching, advisement, research/scholarship/creative activity, service/outreach and administration.

The performance-based compensation was a four percent pool based on the eligibility of faculty scores being acceptable or better rating and staff scores being meets expectations or better rating for FY20 and FY21. Eligible employees must have been hired on or before January 1, 2021 and the minimum award was 1% with the maximum award being 7%. Details of the distribution was presented.

Dr. Oldham added he met with Deans and Department Chairs and stressed the importance of distributing raise dollars commensurate with performance evaluations. Dr. Oldham presented information on staff score and increase distribution.

This was an informational item therefore no action was required.

LEE 12/10/21

AGENDA ITEM 9 – Edmonds Estate Quasi Endowment

Dr. Stinson stated Tennessee Tech had been designated as beneficiary of the Estate of Clarence & Billie Edmonds. Mr. Edmonds did not specify a use for the funds in his estate documents. However, when the check for \$143,359.71 was received it was accompanied by a request by Mr. Edmonds' three children that the funds be used to establish a quasi-endowment in their late parents' names in the College of Business Accounting Department to "assist deserving students in continuing their education at Tennessee Tech".

The Tennessee Tech University Foundation was established as the fundraising arm of the University and it is the practice of the University to route all gifts through the Foundation; however, the Edmonds Estate specifically names the University as the recipient of the funds. We are requesting the Board to designate the gift as a quasi-endowment and transfer the gift to the Foundation for investment purposes only. The university will retain ownership of the funds.

Mr. Lowery moved to send the Edmonds Estate to the Board for approval to establish a quasi-endowment and to invest the funds through the Foundation's Common Fund and to place it on the Board's regular agenda. Ms. Harper seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 10 – Tenure Upon Appointment Recommendation

Dr. Bruce requested the tenure recommendation for Dr. Kumar Yelamarthi. He was hired as Professor and Associate Dean in the College of Engineering. Dr. Bruce stated the request was supported by herself, College of Engineering Dean and the Faculty and Chair of Electrical Engineering.

Mr. Lowery moved to send the tenure recommendation to the Board for approval and to place it on the Board's regular agenda. Ms. Harper seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 11 – ADJOURNMENT OF OPEN SESSION & CALL TO ORDER ON EXECUTIVE CLOSED SESSION

There being no further business, the meeting adjourned at 12:15 p.m. After a short break, the Non-Public Executive Session began at 12:29 p.m. Trustees and required Administration were present for the meeting.

LPE 12/10/21

AGENDA ITEM 12 – ADJOURNMENT

There being no further business, the Non-Public Executive Session adjourned at 1:14 p.m.

Approved,



Lee Wray, Secretary

Attachment A

Capital Maintenance Projects FY2022-23 Request for State Funding

Priority	Project	Project Cost From June	Project Cost Updated	Project Description
1	Craft Center HVAC Upgrades	\$1,140,000	\$1,140,000	Replace air handlers, fan coil units and pipe insulation.
2	Craft Center Generator and Fire Pump Upgrades	\$500,000	\$550,000	Install a generator to provide power to sprinkler system. Relocate fire pump and bring up to code.
3	Foundation Hall Upgrades	\$6,000,000	\$6,000,000	Provide building systems and related space upgrades.
4	Roaden University Center HVAC Upgrades	\$500,000	\$900,000	Replace air handlers.
5	Elevator Upgrades	\$750,000	\$738,000	Upgrades to several elevators on campus.
6	Stormwater System Repairs	\$500,000	\$0	Repair underground piping west of Willow
Total Request		\$9,390,000	\$9,328,000	

