



AUDIT & BUSINESS COMMITTEE

March 10, 2022

Roaden University Center, Room 282

MINUTES

Meeting was streamed live via link found on this web page:

<https://www.tntech.edu/board/meetings/>

AGENDA ITEM 1 – Call to Order

The Tennessee Tech Board of Trustees Audit & Business Committee met on March 10, 2022 in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 10:08 a.m.

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

- Johnny Stites
- Fred Lowery
- Thomas Lynn

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

Trustee Lowery participated via Zoom and confirmed he could simultaneously hear and speak to the Committee members, received the Committee materials in advance of the meeting and was the only person present in the location from which he was calling.

Secretary Wray announced Trustee Lynn would have to leave the meeting early. At that time Chair Harper will become a voting member as designated by policy.

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AGENDA ITEM 2 – Approval of Minutes

Chair Stites asked for approval of the minutes of the December 2, 2021 Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Mr. Lynn moved to recommend approval of the minutes. Mr. Lowery seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

AGENDA ITEM 3 – Update on Governor’s Budget

Dr. Stinson advised the capital outlay portion of the Governor’s recommendation included funding for the Johnson Hall renovation and Foster Hall demolition and for the Advanced Construction & Manufacturing Engineering Building. TTU is required to match on each project. The capital maintenance portion included funding for Craft Center generator & fire pump upgrades and HVAC upgrades. The operating budget recommendations included funding for outcomes growth, 4% salary pool, group health insurance, NSF Cybersecurity(non-recurring), Rural Reimagined(non-recurring), Appalachian Craft Center(non-recurring) and reallocation of base outcomes. The state only funds 55% of the salary pool. Dr. Stinson provided a five-year history of outcomes funding formula and estimated cost increases. Dr. Oldham added that with this proposed budget the Governor has requested that THEC have no tuition or mandatory fee increases for the next year.

This was an informational item therefore no action was required.

AGENDA ITEM 4 – Update on Enterprise Resource Planning System

Dr. Stinson advised the current contract for Ellucian Banner system will end December 2022. The Human Resources and Financial systems will be replaced with a cloud-based system. The student system will remain a Banner system as part of TBR’s Ellucian contract. Evaluation of a cloud-based student system will take place during a five-year extension. The Governor has recommended non-recurring funding for the UT System and LGIs. Both HR and finance systems implementation will begin January 2024 to be fully implemented and operational by January 2026.

This was an informational item therefore no action was required.

AGENDA ITEM 5 – Compensation Plan

Dr. Stinson advised the proposed compensation plan is pending approval of the Governor’s budget. The proposal is for a 4% pool for recurring salary increases effective July 1, 2022, based on FY21-22 performance evaluations, minimum of 1% and maximum of 7%. Employees must have a satisfactory or better evaluation to be eligible for a raise. Employees that are on a Performance Improvement Plan are not eligible. The estimated cost is \$3.8 million, which

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includes the state appropriation for 55% and university match. Faculty promotions, job reclassifications and identified equity adjustments are handled outside of this proposal.

Mr. Lynn moved to send the proposed Compensation Plan pending approval of the Governor's Budget for a 4% salary increase pool to be distributed to full and part-time permanent employees based on employees' fiscal year 2022 evaluations with a minimum 1% and maximum 7% increase for employees with satisfactory or better evaluation scores, and employed at January 1, 2022 to the Board for approval and to place it on the Board's regular agenda. Mr. Lowery seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 6 – Non-Mandatory Fees

Dr. Stinson advised that non-mandatory fees are not subject to THEC binding rates and are not required of all students. The proposal was for a 5% increase for traditional residence halls. This increase will produce resources to cover inflationary costs, major maintenance and renovations to older halls and closer alignment of rates for all residential housing.

Mr. Lowery moved to send the proposed housing rates to be effective Fall 2022 to the Board for approval and to place it on the Board's regular agenda. Chair Harper seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

Mr. Wray noted that Mr. Lynn had left the meeting and Chair Harper became a voting member in his absence as allowable by TTU Policy 005 Board Committees.

AGENDA ITEM 7 – Disclosed Projects

Dr. Stinson advised disclosed projects do not involve state funding. The disclosed projects for FY21-22 include indoor tennis court roof replacement, university archives improvements and agricultural technology innovation center. The FY22-23 disclosed projects include baseball and softball artificial turf and electrical infrastructure upgrades.

Chair Harper moved to send the FY21-22 disclosed projects for the indoor tennis court roof replacement, university archives improvements and agricultural technology innovation center and the FY22-23 disclosed projects for the baseball and softball artificial turf and electrical infrastructure upgrades to the Board for approval and to place it on the Board's regular agenda. Mr. Lowery seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 8 – Land Acquisition

Dr. Oldham gave a brief explanation how the opportunity presented itself. He advised there was an opportunity to purchase approximately 3.68 acres in Crossville, TN that includes buildings with approximately 130,000 square feet. The property would initially be purchased by the TTU Foundation with the university to purchase when funding is identified. The Foundation

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Board has approved to purchase the property. When the university is prepared to purchase it will come back to this Board as an action item. The location would be used for research, instruction and some space leased to outside parties.

This was an informational item therefore no action was required.

After discussion between Chair Stites and Secretary Wray the Master Plan agenda item will be moved to the last item.

AGENDA ITEM 9 – TTU Policy 144(Title IX Policy & Grievance Procedures)

Dr. Stinson advised changes were made to the policy in accordance to the U.S. District Court ruling effective August 1, 2021. The court ruled the Title IX Federal regulation prohibition on all statements not subject to cross-examination was arbitrary and capricious and should be removed from the regulations. This change brings us into compliance with Federal Title IX regulation changes. A tracked version of the change was provided in Diligent.

Chair Harper moved to send TTU Policy 144 as presented to the Board for approval and to place it on the Board’s regular agenda. Mr. Lowery seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 10 – Notice of Responsibilities for Preventing, Detecting and Reporting Fraud, Waste and Abuse

Chair Stites advised that state law requires the Audit Committee to formally reiterate on a regular basis to the Board, Management and Staff their responsibilities for preventing, detecting and reporting fraud, waste and abuse. Accordingly, a Notice of Responsibilities was provided in Diligent for the trustees to review.

No action required on this item.

AGENDA ITEM 10 – Master Plan

Mr. Garry Askew, architect with Bauer Askew, presented the 2022 Master Plan. Highlights of the presentation included: capital improvement projects, Engineering Quad, Innovation Housing, parking changes, landscaping and green spaces, street transitions, campus boundary markers and an art trail. A copy of the master plan was provided in Diligent. In addition to TTU Board approval it must also be approved by THEC and State Building Commission.

Chair Harper moved to send the TTU 2022 Campus Master Plan to the Board for approval and to place it on the Board’s regular agenda. Mr. Lowery seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

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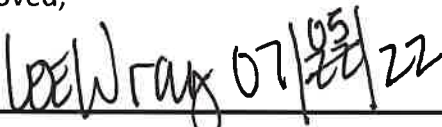
AGENDA ITEM 12 – Adjournment of Open Session & Call to Order on the Non-Public Executive Session

There being no further business, the meeting adjourned at 12:05 p.m. After a short break, the Non-Public Executive Session began at 12:10 p.m. Trustees and Administration were present for the meeting. Trustee Lowery participated via zoom.

AGENDA ITEM 13 – Adjournment

There being no further business, the Non-Public Executive Session adjourned at 1:18 p.m.

Approved,

 07/24/22

Lee Wray, Secretary