



AUDIT & BUSINESS COMMITTEE

March 9, 2023

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 9, 2023, in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 9:48 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 Savannah Griffin. 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 December 1, 2022, 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 December 1, 2022, Audit & Business Committee minutes. Mr. Lynn seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

Lee Wray
06/30/23
Page 1 of 5

AGENDA ITEM 3 – Update on Governor’s Budget

Dr. Stinson advised the capital maintenance portion of the Governor’s recommendation included funding for the campus-wide building controls upgrade phase 2, Derryberry Hall upgrades phase 1, multiple buildings elevator upgrades phase 1 and Roaden University Center HVAC upgrades. The operating budget recommendations included funding for outcomes growth, 5% salary pool, group health insurance, NSF Cybersecurity (recurring and non-recurring), and reallocation of base outcomes. The state only funds 55% of the salary pool. The Governor’s recommended budget is subject to change until Legislature passes the budget. Dr. Stinson provided a five-year history of outcomes funding formula and estimated cost increases.

This was an informational item therefore no action was required.

AGENDA ITEM 4 – Compensation Plan

Dr. Stinson advised the proposed compensation plan is pending approval of the Governor’s budget. The proposal is for a 5% pool for recurring salary increases. Of that 5%, the merit pool will consist of 3% pool effective July 1, 2023, based on FY23 performance evaluations, minimum of 1% and maximum of 7% increase for employees with a satisfactory or better evaluation to be eligible for a raise. Employees that are on a Performance Improvement Plan are not eligible. The remaining 2% pool will be used to address market equity study results effective January 1, 2024. Effective July 1, 2023, a \$650 per employee one-time bonus. Employees must be employed on January 1, 2023, and still employed on July 1, 2023. Employees who are on or were on a performance improvement plan for FY23 are ineligible. The estimated cost is \$5 million, which includes the state appropriation for 55% and university match. Faculty promotions, job reclassifications and identified equity adjustments are handled outside of this proposal. Chair Harper stated that depending on the results of the Mercer study if the 2% pool this year is not enough, we may have to come up with more funds next year so we can pay people accordingly.

Mr. Lynn moved to send the proposed Compensation Plan pending approval of the Governor’s Budget for a 3% pool to be distributed to full and part-time permanent employees based on employee’s FY23 evaluations with a minimum 1% and maximum 7% increase for employees with a satisfactory or better evaluation scores and employed on January 1, 2023, and still employed on July 1, 2023. 2% of the pool to be distributed to address market equity study adjustments to be effective January 1, 2024, and \$650 per employee one-time bonus effective July 1, 2023, 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.

WEE 06/30/23

AGENDA ITEM 5 – 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 2% increase for double and triple-occupancy rooms in traditional residence halls, 5% rate increase for all single-occupancy rooms in traditional residence halls and \$100 per month increase for all Tech Village apartments to include all utilities currently paid directly to the city by students. This increase will produce resources to cover inflationary and maintenance costs closer alignment of rates for all residential housing and competitive with other TN public universities.

Mr. Lowery moved to send the proposed housing rates to be effective Fall 2023 to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 6 – Tuition & Mandatory Fees

Dr. Stinson provided tuition increase estimates that ranged from 1%-3% with estimated revenues generated and cost to students per semester including mandatory fee increase. When THEC submitted their budget to the Governor it included a potential 0-3% tuition range. She advised THEC will approve the binding range at their May commission meeting.

This was an informational item therefore no action was required.

AGENDA ITEM 7 – Master Plan Amendment

Mr. Garry Askew, architect with Bauer Askew, presented the Master Plan Amendment to include the Student Event Center. The university requested the Master Plan be revised to add a section dedicated to Student Services. The initial emphasis has been on the University Center expansion. As a part of the current study, the vision for the university center expansion has been refined to locate the expansion in a separate building at the south end of Tucker Stadium in lieu of an addition to the Roaden University Center (RUC) as is indicated on the current Master Plan.

The proposed detached structure will house the bookstore and a dedicated banquet hall space, as well as a satellite food court. These activities are currently housed in the existing university center. The bookstore operation will relocate in total and expand its operation. The banquet hall will provide a dedicated functional event space thus allowing the existing multi-purpose space in the RUC to be more focused in its use. The food court will serve the northern portion of the campus including commuters and will supplement the primary food court at the RUC.

The primary function of the Event Center building will be as an event space to serve current and

1/27/23
1/30/23

future students' needs. However, its location is also ideal for providing support for game-day and other activities taking place in the new West Stadium. Excerpts from the master plan and site plan was provided in Diligent.

Mr. Lowery moved to send the TTU Campus Master Plan amendment including the Student Event Center to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 8 – Disclosed Projects FY2022-23

Dr. Stinson advised disclosed projects do not involve state funding. The disclosed projects for FY22-23 include Murphy Hall elevator replacement, Tech Village roof replacement and Tech Village Community Center renovation.

Mr. Lynn moved to send the FY22-23 disclosed projects for the Murphy Hall elevator, Tech Village roof replacements and Tech Village Community Center Renovation 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 9 – Disclosed Projects FY2023-24

Dr. Stinson advised disclosed projects do not involve state funding. The disclosed projects for FY23-24 include J.J. Oakley Innovation Center and Resident Hall and the Student Event Center.

This was an informational item therefore no action was required.

AGENDA ITEM 10 – Report of Audit Activity

Deanna Metts advised State law requires an annual report of Internal Audit activities. The report is based on calendar year and covers December 2021 through December 2022. The report categories are broken down into audits, investigations, and others. The report was provided in Diligent.

This was an informational item therefore no action was required.

AGENDA ITEM 11 – FY2022 State Audit

Dr. Stinson advised for fiscal year ending June 30, 2022, our financial statements received an

unmodified opinion. The report did not contain any findings. She recognized the staff that are responsible for preparing the financial statements: Emily Wheeler, Associate Vice President for Business and Fiscal Affairs, Kacee Abbott, Controller, Terri McWilliams, Director of Budget, Matt Smith Director of Financial Services and Gail Ligon, Director of Grant Accounting. Chair Stites thanked the staff for their work and dedication.

This was an informational item therefore no action was required.

AGENDA ITEM 12 – 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.

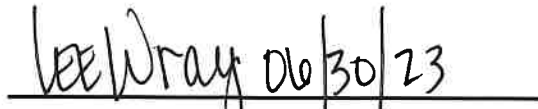
AGENDA ITEM 13 – Adjournment of Open Session & Call to Order on Non-Public Executive Session

There being no further business, the meeting adjourned at 11:38 a.m. After a short break, the Non-Public Executive Session began at 11:44 a.m. Trustees and Administration were present for the meeting.

AGENDA ITEM 14 – Adjournment

There being no further business, the Non-Public Executive Session adjourned at 12:03 a.m.

Approved,

A handwritten signature in black ink that reads "Lee Wray 06/30/23". The signature is written over a horizontal line.

Lee Wray, Secretary