

**MINUTES OF THE
FINANCE AND PERSONNEL COMMITTEE**

The Finance and Personnel Committee met on Tuesday, August 28, 2018 at the MTSU Miller Education Center.

Call to Order and Roll Call

Chairman Joey Jacobs called the meeting to order at 2:00 p.m. A quorum was present with the following Committee members in attendance: Joey Jacobs, J.B. Baker, Darrell Freeman, Pete DeLay, Tony Johnston and Peyton Tracy. Board Chairman Smith was unable to attend. Also present were Trustees Pam Wright and Andy Adams; Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Joe Bales, Vice President for University Advancement; Debra Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Services; Andrew Oppmann, Vice President for Marketing and Communications; Heidi Zimmerman, University Counsel and Board Secretary; and Brenda Burkhart, Chief Audit Executive.

Chairman Jacobs opened the meeting by thanking Vice President Thomas and his team for the great job they are doing for the University. He also thanked Dr. McPhee for presenting information at the Fall Faculty Meeting concerning the Committee's efforts to address salary equity issues for University employees.

Approval of Minutes - Action

The first item on the agenda was approval of the minutes from the May 30, 2018 Finance and Personnel Committee meeting. Trustee DeLay moved to approve the minutes and Trustee Baker seconded the motion. A voice vote was taken and the motion to approve the minutes from the May 30, 2018 Finance and Personnel Committee meeting carried.

THEC Meeting Update - Information

The second item on the agenda was an update from the Tennessee Higher Education Commission (THEC) meeting held on Thursday, July 26. Mr. Thomas gave an overview of the information presented to the Commission by the LGI's, the University of Tennessee system, and the Tennessee Board of Regents' system on their tuition and budget setting processes. He informed the Committee that a guidance range for tuition and fee increases will be provided by THEC at the November meeting. This will allow the University to see a preview of where the binding range may fall when set by THEC next May. Trustee Baker inquired if there was discussion at the meeting on the possible impact a new administration might have on state funding. Mr. Thomas responded that THEC, through their finance group, has informed the institutions that they will be asked to go through "stress tests" exercises to prepare for possible decreases in state funding and enrollment declines. The institutions will be expected to formally document how they would respond under these conditions.

Philanthropy Update – Information

The third item on the agenda was a report from Joe Bales, Vice President for University Advancement on the philanthropic activity for the Middle Tennessee State University Foundation. Items presented for discussion included the following:

- 5-year fundraising results, national trends and comparisons
- Individual unit performance
- Foundation assets and endowment management
- Current challenges and opportunities
- Trustee Fund update

Trustee Freeman commended Vice President Bales and President McPhee on the excellent job they are doing in developing and maintaining relationships with donors for the University.

Capital Disclosures - Information

The fourth information item on the agenda was a report from Bill Waits, Assistant Vice President for Campus Planning on the recent submission of five (5) capital project disclosures. Mr. Waits discussed the process for submitting capital projects to THEC for disclosure. Information concerning the FY2019-20 disclosed projects was provided to the Committee members prior to the meeting and included in the meeting notebooks. He noted that the Miller Education Center renovation and the Parking Structure were new additions to the disclosed projects list. Other disclosures on the list were revisions to Phase I of the Football Operations Facility and budget revisions to the upgrades for the Women's Softball Facility and Athletic Video Board System. Mr. Thomas commented on the importance of getting projects disclosed as early as possible to allow the Tennessee State School Bond Authority (TSSBA) to plan for the total amount of bond funding needed for all institutions across the state.

Capital Projects Updates - Information

The final item on the agenda concerned updates on capital projects. Mr. Waits gave a brief update on the new Parking Services Facility Building, the Campus-wide Improvements Project, and the Peck Hall Renovation. He informed the Committee that funding for the Academic Classroom Building was received in July. Construction is scheduled to start in mid-October 2018 and expected to be completed by July 2020. Joe Whitefield, Assistant Vice President for Facility Services, provided an update on the capital maintenance projects presented at the May Committee meeting. He informed the Committee that all of the 2019-20 projects approved at the May meeting are now in the queue to receive funding in July of 2019. He stated that funding totaling \$8.2 million for the seven (7) 2018-19 projects was received in July of this year. Designers for the planning, designing, and programming for those projects have been assigned. Mr. Whitefield then discussed the process for selecting buildings in the facilities inventory for capital maintenance. He explained to the Committee that capital maintenance decisions are not made reactively but are instead made through an informed approach based on a quantitative assessment of the condition of the building. Mr. Whitefield concluded with a brief update on the steam line project located on Faulkinberry Drive. He stated that the substantial completion date of the project is scheduled for mid-October.

Chairman Jacobs asked if there was any further business for the Committee. Trustee Johnston noted that a request for a recommendation for expansion of the Regional Scholars Program on Page 5 of the May 30 Finance and Personnel Meeting Minutes had not been included on the August 28 meeting agenda. Dr. McPhee responded that this item is on the list for further discussion and a recommendation.

The meeting adjourned at 3:33 p.m.

Respectfully submitted,
Finance and Personnel Committee