

**Meeting of the Tennessee State University Board of Trustees
Finance and Budget Committee - August 17, 2017
Tennessee State University – Main Campus – McWherter Administration Building, President’s
Conference Room
3500 John A. Merritt Blvd., Nashville, Tennessee**

MINUTES

Committee Members Present: Stephen Corbeil, Richard Lewis, and William Freeman.

Other Board Members Present: Joseph W. Walker, III., Deborah Cole, Edith Peterson Mitchell, Obie McKenzie, and Ali Sekmen.

University Staff Present: President Glenda Glover; Mr. Laurence Pendleton, University Counsel and Board Secretary; Ms. Cynthia Brooks, Vice President for Business and Finance; Dr. Curtis Johnson, Chief of Staff and Associate Vice President of Administration; Mr. Viron Lynch, Assistant Vice President of Facilities Management; and Dr. Lesia Crumpton-Young, Vice President of Research and Sponsored Programs.

I. CALL TO ORDER

Finance and Budget Committee Chair, Trustee Corbeil, called the meeting to order at 9:18 a.m.

II. ROLL CALL/DECLARATION OF AQUORUM

Trustee Corbeil asked Board Secretary Pendleton to call the roll. Secretary Pendleton called the roll, which reflected that Committee members Corbeil, Lewis, and Freeman were present. Secretary Pendleton then announced the presence of a quorum.

III APPROVAL OF AUGUST 17, 2017, COMMITTEE MEETING MINUTES

Trustee Corbeil announced the next item on the agenda, which was the approval of the August 17, 2017, Finance and Budget Committee meeting minutes. Trustee Corbeil stated that the Committee meeting minutes were included in the August 17, 2017, Board materials for review. Trustee Corbeil then opened the floor for a motion for the Committee to recommend to the full Board the approval of the August 17, 2017, Finance and Budget Committee meeting minutes. Trustee Lewis moved for approval. Trustee Freeman seconded the motion. With no further discussion, Trustee Corbeil called for a vote and the motion carried unanimously.

IV. APPROVAL OF CAPTIAL FUNDING REQUEST

Trustee Corbeil introduced the next item on the agenda – the approval of the Capital Outlay, Maintenance, and Disclosure funding requests which, if approved, will be presented to the Tennessee Higher Education Commission (THEC) on September 15, 2017. He also stated that the agenda items were included in the materials for the August 17, 2017, Board meeting. Trustee Corbeil recognized President Glover to provide pertinent information related to the agenda item. President Glover introduced Ms. Cynthia Brooks, Vice President for Business and Finance and Mr. Viron Lynch,

Assistant Vice President of Facilities Management, as they would provide some background information.

Capital Outlay

Ms. Brooks stated that THEC has a new process under which the university can present its Capital Outlay Requests. In the future, the Board will need to submit project proposals to THEC by July of each year. She noted that the Commission's recommendations are based upon a prioritization process that incorporates five criteria:

1. Capital projects will need to be linked to state goals and the Drive to 55
2. Capital projects should enhance campus mission and distinction, and should be envisioned in the institution's current Master Plan & Strategic Plan
3. THEC Space Guideline & Facility Assessment
4. Program & Business Plan
5. External funding

Ms. Brooks noted that the first request is the Engineering Building, which is in line with the Strategic Plan. Mr. Lynch stated that the Engineering building will be approximately 70,000 square feet; the old building will be removed and the new building will be placed in its footprint. Trustee Sekman stated that the old building's (Torrence Hall) infrastructure was poor and may lead to health issues; thus, emphasizing the need for the new building.

Ms. Brooks noted the entire budget for the construction of the new facility is set at a cost of \$48,000,000. The university will cover the majority of the cost with state appropriation of 95%, which will be \$45,600,000. President Glover stated that the state appropriation will require a 5% minimum match; Title III award will leverage state funding. The remaining will need to come from gifts/and or student fees. The construction cost is estimated at \$26,250,000.00 for the 70,000 square feet.

Trustee McKenzie had a discussion about the need for more minority participation as it relates to the architectural design list and construction bids. Additional questions was posed regarding the timeline for the new building construction, the engineering building plans, and the final approval process, which will go to THEC for approval at their meeting.

Trustee Lewis inquired how the Board can assist the university in its pursuit of capital outlay funds. Trustee Freeman also inquired about when TSU can get involved. TSU's responsibility will be between 5-15%. Ms. Brooks advised that the Trustees may contact her to obtain additional information regarding their involvement.

Capital Maintenance

Ms. Brooks provides an overview of the capital maintenance. She noted that a detail list of all the Capital Maintenance requests for FY 2018-19 was in the Board materials (page 50). The 2018-19 total project cost is \$6,200,000. The Trustees reviewed the list and discussed some of the projects noted. The trustees' main interest centered on how the projects on the list are categorized and prioritized. Chief of Staff Dr. Curtis Johnson noted that the Master Plan is considered in determining which projects are high priority, and the age of buildings, roofs, equipment, and safety concerns are also considered when listing the

maintenance needs. Trustee McKenzie discussed and noted energy savings that TSU could be utilizing such as HVAC and LED lighting. Trustee Walker advised that the broader community should know about what TSU is doing in terms of building maintenance. He further emphasized the importance of connectivity within community. He also noted the importance of keeping the community, as well as the Trustees, abreast of the maintenance objectives. Trustee Sekman asked about faculty involvement in the process. Ms. Brooks noted that there is faculty involvement in the capital outlay process. The faculty can present a list of maintenance needs (in broad terms) to the President for review, i.e., roofs and elevators.

Disclosure Projects

Ms. Brooks and Mr. Lynch walked the Committee through the Disclosure list, which showed all of the anticipated capital projects to be funded and the sources other than state appropriations, i.e., institutional funds, auxiliary funds, reallocation of existing capital funds, Tennessee State School Bond Authority funds, or gift funds, for FY2018-19. The Board discussed some of the items listed on the Disclosure List including Gateway, the modernization of Hale Hall, two new student halls, Research Administration, and parking.

Trustee Corbeil inquired about whether the items listed were part of the Master Plan. Ms. Brooks indicated that they were. President Glover stated that the University will need to think outside of the box as it reviews the various goals. She also mentioned that due to the housing issues, the cost of off-campus housing is extremely expensive, and students cannot afford to live off-campus. Ms. Brooks noted that TSU's property is not actually owned by the University; the property is actually owned by the State of Tennessee; therefore, some opportunities that require property collateral cannot be pursued.

Vice President Crumpton-Young provided a brief presentation of Cumberland Project.

Trustee Corbeil opened the floor for a motion for the Committee to recommend to the full Board the approval of the Capital Funding Requests, as contained in the Board's August 17, 2017, meeting materials. Trustee Freeman moved for approval. Trustee Lewis seconded the motion. Trustee Corbeil called for a vote and the motion carried unanimously.

V. UPDATE ON INSTITUTIONAL BUDGETS

Trustee Corbeil moved to the next item on the agenda – update on the institutional budgets.

Ms. Brooks walked the Committee through the Board materials. She noted that a special allocation from the state - special capital maintenance of \$1.950M and \$85.560K for safety and security - was approved. Trustee Sekman inquired about the Childcare-Excellence in Learning Center's budget line that seemed to be reduced. Ms. Brooks advised that no decrease occurred in their budget.

VI. REPORT ON OVERVIEW OF STATE EXTERNAL AUDIT PROCESS

Trustee Corbeil moved to the next item on the agenda – report on overview of state external audit process. Trustee Corbeil then recognized again President Glover to discuss this agenda item. President Glover asked Ms. Brooks to provide background information on the agenda item. Ms. Brooks provided an overview of the state external audit process.

Trustee Freeman inquired about the institution's bond rates at the June, 15, 2017, Finance and Budget Committee meeting. As part of the follow-up, Ms. Brooks provided the requested information to the Finance and Budget Committee members as it relates to bond rate comparisons, turnovers, indirect costs, and other follow up items per the request of the Trustees. With there being no further discussion, Trustee Corbeil moved to the next agenda item.

VII. ADJOURNMENT

Trustee Corbeil opened the floor for a motion to adjourn the meeting. Trustee Lewis moved for adjournment. Trustee Freeman seconded the motion. Trustee Corbeil called for a vote and the motion carried unanimously.

The Board of Trustees Finance and Budget Committee meeting adjourned at 10:09 a.m.