
Finance and Facilities Committee
also Sitting as the Audit Committee
Minutes

Trustees Present:

Vince Jones, Committee Chair	Nagi Naganathan, President	Paul Stewart
Jessica Gomez, Board Chair	(in person)	Michele Vitali
	Mike Starr	

Other Trustees present in person:

Tim Hasty	Rose McClure
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University Faculty and Staff Present in person

Abdy Afjeh, Vice Provost Research and Academic Affairs
Richard Bailey, FOAC President and Management Professor
Thom Darrah, Facilities Management Services Director
Erin Foley, VP Student Affairs and Dean of Students
David Groff, General Counsel
John Harman, VP Finance and Administration
Tom Keyser, Dean of the College of ETM
Travis Miller, Information Technology Consultant
Joanna Mott, Provost and VP Academic Affairs and SEM

Others Present:

Trever Campbell, Kernutt Stokes (virtual)
Haley Lyons, Kernutt Stokes (virtual)

1. Call to Order/Roll/Declaration of a Quorum

Chair Jones called the meeting to order at 8:02am. The Board Secretary called roll and a quorum was declared.

2. Consent Agenda

2.1 Approve Minutes of the April 8, 2021 Meeting

With no amendments identified, the minutes of the April 8, 2021 meeting stand as published.

3. Reports

3.1 Fiscal Operations Advisory Council

FOAC President Bailey stated the council's recent meetings focused on the budget build for the 2021-22 fiscal year. He summarized the council's recommendations: provide more detailed information to the council in a timely manner to support a transparent evaluation and recommendation process; look into salary savings through an early retirement program; do not postpone filling critical positions for the sake of saving salaries to balance the budget; and pursue additional sources of funding.

3.2 Finance, Facilities and Audit Update: 3rd Quarter FY 2020-21

VP Harman reviewed the quarterly report, cash flow statement, investment report and the financial dashboard included in the agenda report. He noted the state appropriations for this year will likely exceed projections as a result of an adjustment by HECC, tuition and fees collected were less than projected due to a drop in out of state students, but overall, for revenue, a net of \$500,000 is anticipated. Direct expenses are approximately \$2 million under the budgeted amount because of less travel, vacant positions and salary savings. The total projected year-end net is \$3.7M and the university will pay off some loans to the foundation with this money. He noted that a reserve balance between 10% and 15% of annual operating revenues is recommended and no plan is required if the balance is between 5% and 33%. He estimated the year-end reserve balance to be 24.5%. He explained the increase in debt service is payment of a loan made by the Foundation. The year-end cashflow is estimated at \$10M. He explained the university has two investment pools and both portfolios are performing well despite lower return rates which are to be expected currently. He noted that operating funds, rather than reserve funds, will be used as the match for the Boivin construction bond.

Director Darrah reviewed the capital projects PowerPoint presentation included in the agenda report. He noted the CEET project completion date was extended two months, to late October, due to delays in equipment and material acquisition and delivery; the Boivin Hall renovation is in the design phase and the completion date is estimated to be fall 2023; the Campus Way/Dan O'Brien roundabout will go out to bid in June; the track portion of the track/stadium project is underway and will be complete by fall term 2021; the Integrated Student Health Center addition project is out to bid; and the Cornett and student rec center renovations are complete with the art portions to be in place this summer.

4. Action Items

4.1 Approval of FY 2021-22 Internal Audit Plan

Mr. Campbell reviewed the caseload from the fraud, waste, and abuse ethics hotline noting that all but one case have been resolved and that one open case just recently came in. A more in-depth report will be given at the next meeting. He stated the two current audits, Clery Act and Procurement and Contracting, are both underway and no significant issues are noted to date. He reviewed the fiscal year 2021-2022 Audit Plan proposing three audits: Capital Projects, Title IX, and Fixed Assets and Inventory.

Trustee Starr moved to approve the fiscal year 2021-2022 Internal Audit Plan as presented. Trustee Vitali seconded the motion. With all trustees present voting aye, the motion passed unanimously.

5. **Discussion Items** - none
6. **Other Business/New Business** - none
7. **Adjournment**
Meeting adjourned at 8:57am.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sandra Fox', written over a faint circular stamp.

Sandra Fox
Board Secretary

