

**MIDDLE TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE  
MINUTES**

The Finance and Personnel Committee met on Monday, March 18, 2019, in the Miller Education Center Meeting Room at Middle Tennessee State University.

**Call to Order and Opening Remarks**

Committee Chair Joey Jacobs called the meeting to order at 12:15 p.m. and requested Board Secretary Heidi Zimmerman to call the roll.

**Roll Call**

The following Committee members were in attendance: J.B. Baker, Pete DeLay, Darrell Freeman, Joey Jacobs, Tony Johnston, Steve Smith and Peyton Tracy. A quorum was declared. Also present was Trustee Pam Wright. President Sidney A. McPhee; Alan Thomas, Vice President for Business and Finance; Mark Byrnes, University Provost; Joe Bales, Vice President for University Advancement; Andrew Oppmann, Vice President for Marketing and Communications; Bruce Petryshak, Vice President for Information Technology and Chief Information Officer; Deb Sells, Vice President for Student Affairs and Vice Provost for Enrollment and Academic Success; Brenda Burkhart, Chief Audit Executive; Heidi Zimmerman, University Counsel and Board Secretary; and, Kim Edgar, Assistant to the President and Chief of Staff were also in attendance.

**Approval of Minutes**

The first agenda item was approval of the minutes from the November 13, 2018 Finance and Personnel Committee meeting. Board Chair Smith moved to approve the minutes from the November 13, 2018 meeting and Trustee Freeman seconded the motion. A voice vote was taken and the motion to approve the minutes from the November 13, 2018 meeting of the Finance and Personnel Committee carried.

### **Rule Promulgation and Related Policy Revision**

The second item on the agenda concerned approvals for a revision to Policy 775 – Traffic, Parking, and Safety Enforcement and a corresponding revision to associated Rule 0240-07-03. Mr. Thomas explained the purpose of the revision was to set the duration of a temporary disabled permit to be consistent with current per semester permit issuances. Mr. Thomas asked Ms. Zimmerman for additional comments regarding the revision to the rule. Ms. Zimmerman noted that rule promulgation on this topic is a requirement pursuant to T.C.A. § 49-8-203(a)(1)(D). Trustee Freeman made a motion to approve the revision to Policy 775 – Traffic, Parking, and Safety Enforcement and the corresponding revision to associated Rule 0240-07-03. Trustee DeLay seconded the motion. A roll call vote was taken and the motion to approve the revision to Policy 775 – Traffic, Parking, and Safety Enforcement and the corresponding revision to associated Rule 0240-07-03 carried unanimously.

### **Building Naming – Stark Agriculture Center**

The next agenda item concerned approval to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center, which was the name given to the building when it was erected in 1978. Mr. Thomas informed the Committee that University policy requires approval from the Board of Trustees for recommendations of building name changes. He then provided the Committee with a brief history of the events leading up to the request for the name change. As required by MTSU Policy 160, the request was submitted to the Building Name Advisory Committee and they concurred with the recommendation for the change. Dr. McPhee added that Stark family members were also contacted to ensure their support of the name change. A motion was made by Trustee Freeman to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center. Trustee DeLay seconded the motion. Due to his position as a faculty member in the School of Agriculture, Trustee Johnston recused himself from the vote. A voice vote was taken and the motion to change the name of the Stark Agribusiness and Agriscience Center to the Stark Agriculture Center passed.

### **MTSU Foundation Agreement**

The fourth item on the agenda was a request for approval of an updated agreement between the University and the MTSU Foundation. Mr. Thomas explained that the current Foundation agreement is no longer applicable since the University is now under the governance of the Board of Trustees. He provided the Committee with a brief overview of the roles and responsibilities assigned to both the University and the Foundation under the proposed agreement. Trustee DeLay stated that he would like to gain a better understanding of the Board's role in the relationship between the University and its Foundation before taking action on the agreement. The Committee agreed and action on this item was deferred until a later date. Chairman Jacobs asked University Advancement Vice President Joe Bales to provide an informational session on this topic during the luncheon meeting at the Spring Quarterly BOT Meeting on April 3, 2019.

### **Governor's 2019-20 Budget**

The fifth item on the agenda concerned an update on the 2019-20 Governor's Budget. The meeting materials contained a copy of an email sent to the Board members summarizing the financial impact to MTSU along with an analysis prepared by the Tennessee Higher Education Commission (THEC) showing the impact to all of higher education. Mr. Thomas informed the Committee that MTSU is continuing to monitor the budget as it passes through the legislative process. Trustee Johnston asked if the Governor and his staff take salary increases allocated by our Board into consideration when making salary allocations for the following year. Dr. McPhee responded that any salary increases allocated by our Board would not have an effect on state budget allocations for the following year. Mr. Thomas stated that the 2019-20 Governor's Budget does not contain an allocation for higher education salary increases. He explained that the higher education institutions were allocated one amount and it is at the discretion of each institution to determine how much of that amount may be allocated towards salary increases. He noted, however, that it is possible for next year's budget allocation to contain separate categories for salaries and operations as it sometimes has in previous years. A brief discussion ensued of how salary allocations have been presented in the Governor's Budget over the last few years. Dr.

McPhee informed the Committee that employee salary improvement continues to be a top priority as MTSU works with the state legislature during the budget process.

### **CFI Ratios**

The final item on the agenda was a presentation of information regarding MTSU's Composite Financial Index (CFI) and the four commonly associated ratios. Mr. Thomas noted that detailed background information had been provided in the meeting materials to explain how the ratios are calculated and weighted to determine the total CFI. He indicated that most of the ratios were either stable or had significant increases, while one experienced a decrease. Mr. Thomas then directed the Committee to the Return on Net Assets Ratio and discussion ensued concerning the specific factors that contributed to the fluctuations reflected in the ratio. Mr. Thomas noted that capital appropriations create changes in the ratio, so decreases should not necessarily be viewed as a negative result for the University. The discussion then turned to construction projects and the state requirement to provide building match. Mr. Thomas stated that match funding is provided either through University reserves or by private donations. Mr. Bales provided the Committee with a brief overview on the process for obtaining donor commitments and collecting payment on pledges.

### **Closing Remarks**

Chairman Jacobs asked for a motion to adjourn. Trustee Freeman moved to adjourn the meeting and Trustee Delay seconded the motion.

### **Adjournment**

The meeting adjourned at 12:55 p.m.

Respectfully submitted,

Finance and Personnel Committee