

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
FINANCE AND ADMINISTRATION COMMITTEE

MINUTES

September 17, 2021  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Finance and Administration Committee met on Friday, September 17, 2021, at 11 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

**I. Call to Order**

In the absence of Finance and Administration Committee Chairman Steve DeCarlo, Vice-Chairman Ron Ramsey called the meeting to order at 11 a.m.

**II. Roll Call**

Board Secretary Dr. Adam Green led the roll call. Because Trustee Dorothy Grisham participated remotely, in accordance with Tennessee Code § 8-44-108 section (c) (3), Dr. Green asked Trustee Grisham for the record if she could clearly hear so that she could participate in the meeting, and if she would identify any persons present in the room with her from which she was participating in the meeting. She reported that she could hear and was alone.

Additionally, Dr. Green reported that since a Trustee is participating remotely, should any votes be taken, they must be taken by roll call.

Committee members present were:

Trustee Kara Gilliam (non-voting student member)

Trustee Linda Latimer

Trustee Ron Ramsey

Trustee Dorothy Grisham (participating remotely)

*Absent: Committee Chairman Steve DeCarlo and Trustee Kelly Wolfe*

Dr. Green reported to Trustee Ramsey that a quorum was present. In addition to the Committee members, Trustees Janet Ayers, Virginia Foley, and Melissa Steagall-Jones also participated in the meeting.

**III. Approval of the Finance and Administration Committee Minutes of April 23, 2021.**

The minutes of the Finance and Administration Committee of April 23, 2021 were approved as submitted, with Trustee Dorothy Grisham making the motion to approve,

and Trustee Linda Latimer seconding the motion. The motion passed unanimously after a roll call vote.

#### **IV. Quarterly Financial Update**

Dr. B.J. King, Chief Financial Officer for Business and Finance, reviewed tables summarizing financial activities for the university through the fourth quarter of fiscal year 2020-21. The comparison is current year to prior year for the same 12-month period. Dr. King noted that these are not final numbers, but they give a good reflection of 2020-21. She reviewed tables found in the agenda materials including:

- Unrestricted Educational and General (E&G) Revenues & Expenditures by Unit;
- Unrestricted Educational and General (E&G) Revenues & Expenditures by Class;
- Operating Funds Revenues and Expenditures by Fund Type; and
- Operating Funds Revenues by Source and Expenditure by Class.

#### **V. Quarterly Reports of Agreements of \$250,000 or greater**

As an information item, Dr. King provided the committee with a list of contracts and purchase orders that exceed \$250,000, covering the time period of April 2021-June 2021.

#### **VI. Business and Finance Fraud Training**

Ms. Karen Glover, Associate Vice President/Comptroller, presented an overview of annual fraud training, conducted in June 2021, for employees of the Business and Finance Division. Employees were educated in ways to identify fraudulent emails and actions that should be avoided when they receive a fraudulent email. The training was provided through Zoom sessions allowing the employees to view the presentation containing real life examples on their screen. She noted that an added benefit this year was the fact that the training sessions were recorded so that they can be viewed by new employees.

President Brian Noland thanked Ms. Glover and her staff for their work in this area.

#### **VII. Capital Projects and Facilities Update**

Mr. Jeremy Ross, Chief Operating Officer, presented an update on Capital Planning and Design and Campus Operations.

He began his presentation with a brief discussion of Capital Maintenance, totaling \$13.6 and Capital Disclosures, totaling \$76.6 million. He explained that the Capital Disclosures projects are those that we are not seeking state funding for at this time.

He also discussed Housing, totaling \$30 million. His presentation included conceptual plans and snapshots for housing renovations currently under way and those to take place. Renovations are planned for Lucille Clement, Stone Hall, Powell Hall, and Buc Ridge. Conceptual plans included plans to transform group bathrooms to updated “spa bathrooms” and adding multipurpose spaces, gathering areas, kitchens, and other collaborative spaces for students.

He also provided an update on three capital outlay requests, totaling \$139.3 million:

- **New Academic Building:** \$51.8 is requested to construct a new academic building. \$3.25 million has been approved for planning. Future funding for construction and completion will be sought when matching funds of \$3.3 million is in hand.
- **Brown Hall Renovation:** \$45.8 is requested to renovate ETSU’s largest and most-utilized academic building.
- **Integrated Health Services Building:** \$41.7 million is requested to construct a new building and renovate backfill spaces at Innovation Park. This building could be a gateway to Innovation Park and a centerpiece of community outreach and workforce development. The project was submitted to the state just six weeks ago when the state announced that they would take new building proposal submissions that focus on workforce development and outreach.

President Noland clarified that the Academic Building, the Integrated Health Services Building, and Brown Hall renovations projects have not yet been funded by the State of Tennessee. Mr. Ross noted that the planning for the Academic Building has been funded and the project has been approved by the State Building Commission. President Noland thanked the Board of Trustees for its leadership in assisting with the acquisition of planning funds for the Academic Building and stated that he is optimistic that the University will receive full funding for the Academic Building through the Governor’s 2022 budget process.

Mr. Ross concluded his presentation with a discussion of expectations versus reality in the time of COVID-19. He mentioned challenges, including labor shortages, supply chain delays, and other variables affecting projects and operations on campus. He followed this with stories of how ETSU employees and the ETSU community are remaining committed to the mission of the university despite the challenges they are currently facing. He commended them for prioritizing people and for continuing their good work in difficult times.

## **VIII. Foundation Update**

Ms. Pam Ritter, Vice President for University Advancement, provided an update to the Committee on the status of the Foundation, including investment portfolio information and expenditures on behalf of the University.

Ms. Ritter provided an update on the four units of the University Advancement Office: University Development, National Alumni Association, ETSU Foundation, and the Martin Center. In her ETSU Foundation Financial Overview, she commended the work of investment manager Goldman Sachs over the past year and a half. She mentioned that the market continues to grow, and as of Aug. 31, 2021, the endowment was slightly over \$119 million, up from a \$84 million experienced in March 2020.

Ms. Ritter reviewed assets by fund type and classification and also compared FY incomes from 2020 and 2021. She mentioned that the incomes are higher this year than last year. She reviewed earnings required for distribution, stating that the Foundation Board approved a 2/3/4 earnings distribution again this year. She also covered the FY21 transfers to and payments on behalf of ETSU.

Finally, Ms. Ritter provided an update on the Foundation's five-year Comprehensive Campaign: The Campaign for ETSU. The Foundation's goal was \$25 million per year by 2026. In 2020-21 they raised \$35 million. She added that the Campaign for ETSU's total goal was \$120 million by June 30, 2022. By Sept. 15, 2021, the campaign had already exceeded the goal and raised \$122.3 million.

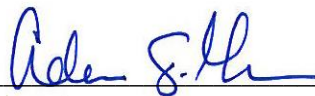
## **IX. Other Business**

No other business was brought before the Committee.

## **X. Adjournment**

Trustee Dorothy Grisham made a motion to adjourn the meeting. Trustee Linda Latimer seconded the motion.

Respectfully submitted,



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Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its November 19, 2021 meeting.