

MINUTES
Board of Trustees
Finance and Facilities Committee
January 21, 2022, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Macke Mauldin, Senator Arthur Orr, Dr. Wanda Humphrey, Russell Johnson, Jonathan Craft, Kerry Warren, Dr. Philip Way, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Dr. Sandra Sims deGraffenried, Kayla Kohanek-Tankersley, and Debbie McGee

Mr. Mauldin called the meeting to order at 1:15 pm. After roll call, the committee reviewed and accepted the minutes from October 15, 2021.

The first item of old business was an update on the Brown Hall renovation. Mr. McCoy informed the committee that the University issued a new request for bid for a phased approach to the Brown Hall renovation. The first phase would be to control deterioration and to stabilize the structure. This phase would make the outside look like a full renovation with minimal work inside. This bid was opened earlier this week. There was one bidder with a bid price of \$2.8M. Mr. McCoy and Mr. Warren believe that price can be value engineered down to approximately \$2.2M. They estimate that the University would need to spend another \$2.0M to finish the inside when a specific plan is developed for Brown Hall usage. Senator Orr asked that they consider pricing the option of tearing off the brick façade, demolishing the building and then rebuilding with the old bricks.

The next item of old business was an update on the Nazaretian house renovation. Mr. Warren informed the committee that no work has been done on the roof yet. He has been waiting to see if the board decided to entertain the option of tearing the house down. Maintenance staff can continue to monitor the house and address any issues that are found. Mr. Mauldin stated that the Board's position is that it will not be possible to fund both of these projects. He asked for the President's Cabinet to develop specific plans for both of these facilities and to bring those plans forward to the Board to be evaluated and prioritized. Dr. Humphrey questioned if it would be beneficial to hold a community town hall meeting to discuss what can be done with the Nazaretian house and possible funding sources for any proposed renovation.

The first item of new business was the financial summary for the quarter ended 12/31/2021. Mr. McCoy and Mr. Craft pointed out that the \$14,285,787 revenue figure includes Spring 2022 tuition paid before the end of 2021. However, there are no corresponding expenses for that revenue and they have shown an adjustment to back away \$7,187,747 of tuition revenue. They discussed that the December appropriation payment was late and is not shown in the calculation. Mr. Mauldin remarked that if the \$1.3M appropriation payment is factored into the calculation, the University is basically at a break-even point as of 12/31/2021. Mr. McCoy indicated that the expense savings are trending positively due to vacant and unfilled positions. There was discussion that the University has dipped into reserves for \$1.8M in support of new projects.

Finally, Mr. McCoy and Mr. Craft discussed the State of Alabama Department of Examiners of Public Accounts Compliance Audit for 10/01/2018 – 09/30/2020. This audit is provided to the Board as an informational item. These audits are done every 2 -3 years and cover financial transactions, bids and public works. The only finding from this audit related to unclaimed property (checks). The auditors recommended that the University develop a policy for reviewing outstanding checks annually and filing a report to the State Treasurer.

With no further business, the meeting was adjourned at 2:13 p.m.