

MINUTES
Board of Trustees
Finance and Facilities Committee
October 15, 2021, 1:15 pm

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

MEMBERS ABSENT: Dr. Sandra Sims deGraffenried 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 May 21, 2021. With no old business to address, the committee moved to new business.

The first item of new business was the financial summary for the quarter and year ended 9/30/2021. Mr. Craft pointed out that for this report he has included figures from an additional year (2019) so that the board can see a comparison of how 2021 and 2020 compared to a non-COVID year. For the fiscal year just ended, he indicated that lost revenue is showing as a Transfer In of \$1,814,332 and the funds for that transfer came from federal CARES funds. He discussed that the CARES funding helped avoid the need to transfer from plant reserves which allows us to maintain revenues at the recommended level of 5 months. These unaudited FY21 figures show excess revenues over expenses of \$151,663 as compared to \$277,288 for FY20 and \$722,736 for FY19.

The next item of new business was a discussion of the renovation of the Nazaretian house and the renovation of Brown Hall. Each of these buildings are on the National Register of Historic Places. The University acquired the Nazaretian house in 2014 and it has been vacant since that time. Brown Hall has been vacant since 2013. Both renovation projects have had bid openings recently and the bid prices are only good for 30 days. The Nazaretian house low bid was 915,000, which was higher than expected. Mr. McCoy indicated that the mechanical and electrical costs were very high; in excess of 50% of the total bid price. The Brown Hall low bid was \$3,961,119, which was also higher than expected. Mr. McCoy reminded the committee that the plans have been for the Nazaretian house to become an Alumni and Welcome Center. He also said that there are no specific plans for how Brown Hall would be utilized. He indicated that both buildings have a poor appearance when compared to our other well maintained buildings.

The committee discussed the current inflated construction market and agreed that this is not the time to undertake these projects. The committee recommended spending no more than \$40,000 to stabilize the Nazaretian house but to also begin discussions with the Alumni and perhaps survey the Alumni about tearing down the house and possibly building a new structure to serve as the Alumni and Welcome Center at a point in the future when the construction market is more favorable. The committee also recommended that the Brown Hall project should be re-bid. They asked Dr. Way to develop a concrete plan for the utilization of Brown Hall and to present this plan along with results from the re-bid at the January board meeting.

Mr. McCoy and Dr. Way mentioned that the University did receive \$4.6M PSCA funds for capital projects. It is possible that some of these funds could be utilized for Brown Hall. These PSCA funds must be expended by September 30, 2023. They also mentioned that these PSCA funds might be used to construct a new maintenance building.

With no further business, the meeting was adjourned at 2:10 p.m.