

MINUTES
Board of Trustees
Finance and Facilities Committee
October 18, 2019, 1:15 pm

MEMBERS PRESENT: Mike McCoy, Missy Ming Smith, Senator Arthur Orr, Kim Troupe, Dr. Wanda Humphrey, Dr. Philip Way, Jonathan Craft, Kerry Warren, and Barbara Ferguson, reporting.

MEMBERS ABSENT: Ronnie Chronister, Debbie McGee, Aladin Beshir

Ms. Smith called the meeting to order at 1:16 pm. After roll call, the committee reviewed the minutes from the July 19, 2019 meeting.

The only item of old business was an update on the Beaty-Mason home. Mr. McCoy informed the committee that since the July meeting three public forums were held. These forums were held on the evenings of September 23rd and 24th and at noon on September 26th. He provided a copy of the presentation from these forums. He indicated that questions and comments from the community members in attendance were used to develop six options for the future of the home. The six options are:

1. Sell Beaty-Mason
2. (a) Renovate Beaty-Mason
(b) Renovate Beaty-Mason and sell home currently used to house the President
3. Lease Beaty-Mason to a community organization
4. Use as an executive residence for local companies
5. Delay renovation to a future date
6. Use for University offices

Mr. McCoy provided one, five and ten year financial projections for each of these options. He indicated that there is a strong preference of the neighbors in the area for the home to remain a residence. It is clear from the projections that it is in the best interest of the University to sell the home. The committee would recommend for the Board to take action at the January 2020 meeting.

The first item of new business was the financial summary for the quarter and fiscal year ended 9/30/2019. Mr. Craft pointed out that these figures are unaudited. He indicated that before end of year adjustments the excess revenues over expenses is expected to be \$722,736. This is down from the previous fiscal year which ended at \$1,818,886. This decrease is primarily due to increased salary expense and increased construction costs.

In the next item of new business, Mr. McCoy discussed a proposed resolution to be presented to the Board at this afternoon's meeting. The University has applied for the Alabama Commission on Higher Education Deferred Maintenance Grant Program. No institution will receive more than \$750,000. However, the University must match the amount received from the grant. Should the University decide to move forward with all projects, it is possible that the University would exceed the maximum allowed amounts under Board Resolution 1-07-19-2019. Today's resolution seeks Board approval of the deferred maintenance project plans in the grant application and approves the additional expenditures in the event they exceed \$1.5 million in aggregate for fiscal year 2020. The University has applied for approval of two projects; Sandridge Student Center and the Nazaretian House. The Sandridge project involves replacing the deteriorated coping around the top of the building as well as window replacement. These items are critical to prevent deterioration of the newly renovated building interior and to provide better energy efficiency. The Sandridge project estimate is \$1,170,000. The University is requesting \$585,000 and if awarded would match that amount. The Nazaretian project involves replacement of exterior siding, roof replacement, window replacement, renovations for

accessibility, new HVAC, plumbing and electrical. The Nazaretian project estimate is \$310,000. The University is requesting \$155,000 and if awarded would match this amount.

Next, Mr. Warren provided a brief update on campus projects. He informed the committee that architectural drawings/plans for Brown Hall are finished and ready to send to the State of Alabama Building Commission. These plans will be held until outside funding for the project is available. He informed the committee that architectural drawings/plans are 50% complete for Carter Gym. These renovations would focus on accessibility issues, code upgrades, acoustics, and cosmetic enhancements. There are discussions with outside parties about renovating the gym into more of a conference/event center. The project is on hold for now until more is known about future plans. Mr. Warren provided updates on the pavers/stamped concrete project and the colonnade project. Architectural plans are 95% complete on the paver project. The city of Athens has given permission and will assume the costs of providing lights for the crosswalks. He expects a bid to be ready to go out in late January. Plans are still being developed for the Colonnade at Brown Hall.

In other business, Mr. McCoy briefly discussed the Department of Examiners of Public Accounts Compliance Audit for 2015-2018. He explained to the committee that the one audit finding related to a bid for fire alarm system work done at Carter Gym and College Street Center. The University issued these bids as a regular, competitive bids. Due to the nature and cost of the work, these bids should have been issued as public works bids. The advertising and bond requirements are different between the two types of bids and the University did not complete all requirements for public works bids. Mr. McCoy indicated that all future projects of this nature will be handled by architects familiar with the applicable state laws.

The meeting was adjourned at 2:10 p.m.