

**MIDDLE TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES**

**FINANCE AND PERSONNEL COMMITTEE
MINUTES**

The Finance and Personnel Committee met on Tuesday, August 20, 2024, in the Miller Education Center Meeting Room at Middle Tennessee State University.

Call to Order

Trustee Bill Jones called the meeting to order at 10:07 a.m. and welcomed everyone in attendance.

Roll Call

Board Secretary James Floyd called the roll. The following Committee members were in attendance: J.B. Baker, Tom Boyd, Bill Jones, Mary Martin, Steve Smith, Chris Karbowski Vanek, Michael Wade, Pam Wright, and Shaylaine Roker. A quorum was declared.

Also present were Sidney A. McPhee, President; Alan Thomas, Vice President for Business and Finance; Yvette Clark, Vice President for Information Technology and Chief Information Officer; Khalilah Doss, Vice President for Student Affairs and Dean of Students; Leah Ladley, Chief Audit Executive; James Floyd, University Counsel and Board Secretary; and Kim Edgar, Assistant to the President and Chief of Staff.

Approval of Minutes – Action

The first agenda item was the approval of the minutes from the May 21, 2024, Finance and Personnel Committee meeting. Chairman Smith moved to approve the minutes from the May 21, 2024 meeting, and Trustee Baker seconded the motion. A voice vote was taken, and the motion to approve the minutes from the May 21, 2024 Finance and Personnel Committee meeting passed unanimously.

Capital Projects Status Update – Information

The next item was a status update on MTSU's capital projects presented by Bill Waits, Assistant Vice President for Campus Planning. Mr. Waits explained the timeline for each of the University's major capital projects.

Capital Disclosures – Action

The third item on the agenda, also presented by Bill Waits, was a request for approval of the disclosure of the MTSU Road and Safety Improvements project.

The project involves \$2.5 million in road and safety improvements, with the main focus on improving pedestrian and automobile traffic flow at the Northwestern corner of campus. A key feature is the planned pedestrian bridge across Middle Tennessee Boulevard, providing safer pedestrian crossing and supporting the future hotel development.

Mr. Waits pointed out that Tennessee law now allows higher education institutions to locally disclose capital projects under \$10 million if Tennessee State School Bond Authority funding is not being used, which helps to expedite the process. The \$2.5 million for the project comes entirely from federal funds. Once the disclosure is active, the University can then proceed with a project approval request with the State Building Commission.

Trustee Boyd made a motion to approve the disclosure of the Road and Safety Improvements project and Vice-Chair Vanek seconded the motion. A voice vote was taken and the motion to approve the Road and Safety Improvements project passed unanimously.

Classified Employee Grievance Annual Report – Information

The fourth item on the agenda was the Classified Employee Grievance Annual Report presented by Lisa Batey, Interim Assistant Vice President for Human Resources. She informed the Committee that TCA §49-8-117 requires each State University Board to provide an annual report

to the education committees of the Senate and the House of Representatives summarizing the number of grievances filed by classified individuals who have been demoted, suspended, or terminated. There were no grievances to report for the fiscal year July 1, 2023 - June 30, 2024.

Incentive Pay Plan Update – Information

The next item on the agenda, presented by Lisa Batey was an update on the Employee Incentive Pay Plan. Ms. Batey provided updates on the Incentive Pay Committee's work in researching peer institutions, identifying changes needed in the overall evaluation structure, and the creation of a sub-committee to design a performance measurement tool for faculty. A revised implementation timeline was provided in the materials for the committee's review. Vice-Chair Vanek inquired when the plan would be presented to the committee for review before going to the Board. Ms. Batey stated she intends for the plan to go through the Finance and Personnel Committee in May 2025. No further questions were raised.

Philanthropy Update – Information

The final agenda item was a report presented by Joe Bales, Vice President for University Advancement, on the Middle Tennessee State University Foundation's philanthropic activity. Mr. Bales directed the Committee to the FY 2023-24 fundraising activity reports in the meeting materials. He informed the Committee that total fiscal year fundraising was \$14 million, slightly down from the previous year due to gifts coming in on June 30, which was on a weekend. These gifts were not recognized by the bank until the first day in July.

In terms of philanthropic trends, the top 10% of gifts made up 65% of the total contributions. The top 10 largest donations ranged from \$200,000 to \$1 million. Mr. Bales noted that success in fundraising is often driven by alumni size and major projects such as medical centers and athletics programs.

Key challenges include the relatively smaller alumni base compared to peer universities, staffing shortages, and the high cost of print materials for alumni outreach, pushing the University to explore more digital communication strategies. The current Banner system will need to be

replaced with one that integrates smoothly with Oracle in the future, which will allow for better data management.

During the discussion, Chairman Smith inquired about successful state matching programs for private support. Mr. Bales agreed to provide further information, referencing Tennessee's Chairs of Excellence program as an example. There was also conversation about the potential impact of tax reform on large donations and the challenges of engaging younger alumni. The committee also discussed best practices from peer institutions.

Closing Remarks and Adjournment

Trustee Jones adjourned the meeting at 10:49 a.m.

Respectfully submitted,

Finance and Personnel Committee