TEXAS WOMAN’S UNIVERSITY BOARD OF REGENTS FINANCE AND AUDIT COMMITTEE MINUTES

August 10, 2017

# Roll Call:

Board of Regents’ Conference Room ACT Tower 16th Floor;

304 Administration Dr, Denton, TX 76204

Present Committee Members:

Regent Dr. Nolan Perez (Chair), Regent Mrs. Nancy Paup, Regent Mary Wilson,

Present Administrators:

Dr. Carine Feyten, Chancellor and President; Ms. Destinee Waiters, General Counsel, Ms. B.

J. Crain, Interim Vice President for Finance and Administration, Dr. Monica Mendez-Grant, Vice President for Student Life, Dr. Allen Utter, Provost and Vice President for

Academic Affairs, Dr. Randall Langston, Vice President for Enrollment Services, Ms.

Heidi Tracy, Vice President for University Advancement; Ms. Cindy Pollard, Associate Vice President of Marketing and Communications.

# Call to Order:

With a quorum being present, Dr. Nolan Perez, Chair of the Finance and Audit Committee called the meeting to order at **1:31 p.m**.

Regent Perez Chair of the Finance and Audit Committee Reintroduced Student Regent Rachel Iccabuchi and announced that there had been recent Regent resignations and because of such, the committee memberships had changed.

**Finance and Audit Committee:**

1. **Consider Approval of the Minutes of the Committee Meeting of June 1, 2017.**

Motion: Regent Nancy Paup motioned and Regent Mary Wilson seconded. The motion passed with a vote of 3-0-0.

The minutes of the Finance and Audit Committee meeting of June 1, 2017 were approved as submitted.

# Agenda

Motion: Regent Mrs. Nancy Paup motioned to hear all items on the Agenda, as listed, and Regent Mary Wilson seconded. The motion passed with a vote of 3-0-0.

# TWU Housing Update 2017

Dr. Monica Mendez-Grant, Vice President for Student Life introduced Carrie Rollman from TWU’s development advisor, Brailsford and Dunlavey, who briefed the Committee on Strategic Objectives of the Housing and Dining project. Explaining that the goal of increasing our on-campus capacity is to house all First Year students and sophomores who are required to live in University Housing in facilities located on campus; provide accommodations for those juniors and seniors who want to live on campus; and eliminate the need to place students in hotels.

Dr. Grant explained that the Housing Project currently consists of approximately 800 student housing beds and associated amenities located on the TWU Denton campus just east of Pioneer Hall. Additionally she explained that the following represents the overall strategic objectives that will serve as a framework for the project:

* + The development of student community is critical to the TWU culture. Student housing should be safe, proximate to other campus life facilities, and organized into residential communities.
	+ In addition to providing beds for students, residential communities will include places to study, and places to informally gather to create an atmosphere that generates a unique experience for all TWU students.
	+ TWU’s competitive advantage is the campus experience within the residential communities.

Ms. Crain, Interim Vice President for Finance and Administration then briefed the Committee on the process that TWU underwent to solicit, select, and execute a Pre- Development Agreement (PDA) with Balford Beatty to design, build, and finance new student housing and other campus facilities through a public-private partnership (P3). She explained the timeline for the financing and construction of the project with an anticipated completion and move-in for Fall 2019.

Dr. Grant then closed the presentation with a virtual walk through of the site with the architectural renderings.

# Recommend Approval to enter into an Engagement Letter with Collegiate Housing Foundation (CHF)

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval to enter into an engagement letter with Collegiate Housing Foundation (CHF) to serve as the 501(c)(3) owner of the Housing Project. The proposed Housing Project includes the construction of approximately 872 beds, with 217,000 gross square feet, in a four-story student residential facility as well as associated infrastructure and amenities. She explained that subject to Board approval, TWU intends to enter into a Ground Lease with CHF to design, build, finance, operate and maintain the Housing Project on the TWU Denton campus. In addition, TWU intends to enter into an Operating Agreement with CHF to self-perform the operations of the facility.

# Texas Woman's University Fall 2017 Enrollment Report

Dr. Feyten introduced Randall Langston, Ph.D. the new Vice President for Enrollment Management who then briefed the Committee on state-wide enrollment trends and their effect on TWU, the Fall 2017 enrollment update, and the new data driven initiatives and recruitment priorities for 2017-18. He explained that the enrollment management division will provide enrollment updates and information related to new and innovative programs scheduled to be implemented in Fall 2017.

# Approval of FY2018 TWU Operating Budget

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval of the Fiscal Year 2018 with an annual operating expenditure budget of $222 million.

Ms. Crain explained that under the TX General Appropriations Act, the Board of Regents is responsible for the approval of the annual operating budget within the limits of the available revenue by September 1st of each year.

Ms. Crain presented the following:

Budget Increases:

1. State Appropriated Funds: Increases to the operating budget from any state appropriated funding source requires advance approval of the board;
2. Grant Funds: Grant funds are received by the University and presented to the Board for approval at its next regular board meeting; and
3. All Other Funds: When it is in the best interest of the University and sustainable in the future, the following budget changes, of up to 5% of the specified fund group budget, may be approved by the Chancellor and reported to the board for confirmation at its next regular board meeting: Funds from available balances and income in excess of budget estimates.

# Report on Major Construction Projects on TWU’s Campuses

Ms. B. J. Crain, Interim Vice President for Finance and Administration briefed the Committee on the construction contracts approved by the Chair of the Finance and Audit committee, as per TWU regent Policy. She then briefed the committee by providing a quarterly report of the status of on-going Board approved construction projects; physical plant projects; and related contracts on TWU campuses.

# Recommend approval of an increase to the Architecture/Engineering contract for the West Campus Parking Garage

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval to increase the Architecture/Engineering contract on the West Campus Parking Garage to an amount not to exceed $1,200,000.

The original funding authorization for the Architecture/Engineering contract was approved by the Board in November 2014 and included a not to exceed amount of

$1,000,000; however, the scope of work has expanded to include a retail food service operation in the building. These additional services will increase the amount of the current Architecture/Engineering contract and will exceeding the previously approved

$1,000,000 cap. To ensure sufficient flexibility for any additional unforeseen activities, approval is requested to increase the Architecture/Engineering amount not to exceed

$1,200,000.

# Delegate Approval of Construction Contract for West Campus Parking Garage

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval for the board to delegate its contract authority to the Chancellor/President to approve and execute the construction contract for the West Campus Parking Garage Project. This request is to delegate authority to the Chancellor/President to approve the construction contract which is currently being negotiated.

# Delegate Approval of Construction Contract for Undergraduate Laboratory Building Renovation

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval for the board to delegate its contract authority to the Chancellor/President to approve and execute the construction contract for the renovation of the Undergraduate Laboratory Building (ULB) to accommodate the needs of the Music and Art programs.

She explained that this project and the $2.5 million associated project funding were previously approved by the Board of Regents during the May 2016 meeting noting that agenda item stated that no single contract would exceed the $1 million threshold requiring board approval; however, while the project cost remains at the $2.5 million approval level, the formal project planning indicates that the construction contract may exceed $1 million requiring Board of Regents approval. She explained that the presented request is to delegate contract approval and execution to the Chancellor to allow the project to remain on schedule.

She reminded the committee that the current schedule estimates a construction contract will need to be in place by October 2017 to begin construction by November 2017.

# Delegate Approval of Construction Contract for Jones Hall Renovation

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval for the board to delegate its contract authority to the Chancellor/President to approve and execute the construction contract for the Jones Hall Renovation Project to accommodate the relocation of Student Health Services.

# Recommend Approval of the Annual review of Texas Woman’s University Investment Policy and the Endowment Investment and Distribution Policy

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval of the re-affirmation of Texas Woman’s University (TWU) Investment Policy and the Endowment Investment and Distribution Policy as per the Texas Public Funds Investment Act which requires the governing body of TWU to adopt a written investment policy and strategy, review the policy and strategy not less than annually, appoint an Investment Officer, and adopt internal controls to safeguard the University’s Funds.

# Consider Recommending Acceptance of Grants

Ms. B. J. Crain, Interim Vice President for Finance and Administration presented the request for the Committee to recommend approval of grants awarded to TWU as reflected in the Grants Report from May 18, 2017 through July 7, 2017 totalling

$1,710,249.

# Report on Philanthropic Support

Ms. Heidi Tracy, Vice President of University Advancement presented the University Advancement Annual report summarizing significant accomplishments from the past year in the areas of fundraising and constituent engagement, as well as outlining goals for Fiscal Year 2018.

Ms. Tracy noted that it has been two years since the TWU Foundation signed an agreement with the University allowing it to manage and receipt all charitable gifts on behalf of the University, and one year since the TWU Alumni Association entered into an agreement with the University recognizing it as an integral partner in engaging alumni and provided an update on how these partnerships are benefitting the University

# Quarterly Status Report of the Office of Internal Audits

Ms. Maria D. Marroquin, Senior Auditor of Internal Audits, presented the quarterly internal audit activity; Follow-Up Audits Completed, Audits in Progress, Follow-Up Audits in Progress and Follow-Up Audits Completed, noting that the department cannot “complete” an audit because there is a vacancy in the Director of Internal Audit position. She also noted that the Audit plan for FY 2017 will be rolled over to the next fiscal year.

**Motion:** Regent Mary Wilson, motioned to vote on Action items **B, D, F, G, H, I, J** and **K** on the Agenda as listed, and Regent Nancy Paup seconded. The Items passed with a vote of 3-0-0.

# Presentations and Recognitions

None.

# Adjourn

With no further business coming before the Finance and Audit Committee, the Committee adjourned in its entirety at **3:45 pm.**