

**TEXAS WOMAN’S UNIVERSITY BOARD OF REGENTS  
FINANCE AND AUDIT COMMITTEE MINUTES  
August 12, 2021**

**TWU Denton Campus  
Hubbard Hall – Southeast Ballroom**

**Roll Call:**

Present Committee Members:

Regents McDavid (Chair), Hyde, Jester, Wilson, and Wu (ex-officio)

Present Administrators:

Dr. Carine M. Feyten, Chancellor and President; Ms. Katherine Antwi Green, General Counsel, Secretary to the Board, and Chief Compliance Officer; Dr. Carolyn Kapinus, Executive Vice President for Academic Affairs and Provost; Dr. Monica Mendez-Grant, Vice President for Student Life; Dr. Kimberly Russell, Vice President for University Advancement; Mr. Jason Tomlinson, Vice President for Finance and Administration

**I. Call to Order:**

With a quorum being present, Regent McDavid, Chair of the Finance and Audit Committee, called the meeting to order at **1:11 p.m.**

Regent McDavid told everyone that the meeting was being streamed live and asked that the Regents speak loudly and clearly as they make comments during the meeting. Regent McDavid welcomed the Regents back to the first in-person meeting since COVID-19.

Chancellor Feyten welcomed the Regents and TWU Administrators to the first in-person meeting of the TWU Board of Regents since the start of the COVID-19 pandemic. Dr. Feyten indicated that today’s meetings are the first meetings of the Texas Woman’s University System.

**II. Consider Approval of the Minutes of the Finance and Audit Committee Meeting of May 20, 2021**

**Motion to Approve Minutes:** Regent Wilson motioned, and Regent Hyde seconded. The motion passed with a unanimous vote.

The minutes of the Finance and Audit Committee Meeting of **May 20, 2021** were approved as submitted.

**III. Agenda**

**Motion to Take up Agenda Items as Listed:** Regent Hyde motioned, and Regent Jester seconded. The motion passed with a unanimous vote.

### **Item A. Report on Philanthropic Support and the Texas Woman's University Foundation**

Dr. Kimberly Russell, Vice President for University Advancement, presented a report on philanthropic support to the TWU Foundation for 4<sup>th</sup> Quarter of the fiscal year through June 30, 2021. Dr. Russell summarized the TWU Foundation's quarter four commitments, quarter four five-year-comparison, digital engagement results, investment performance, endowment market value history, quarter four assets, and fiscal year 2021 liabilities and net assets. Dr. Russell also introduced the five freshman recipients of the Dieb-McDavid Scholarship, who are Kimberly Gomez, Mayte Martinez-Rico, Britney Mcvey, Valerie Palomino, and Leilani Ramirez. The student recipients introduced themselves and described their educational and career plans to the Board.

Regent Jester thanked Regent McDavid and the McDavid family for their generosity, stating that it will be felt for generations to come.

### **Item B. Report on Office of Compliance**

Ms. Alex Yarbrow, Director of Compliance, presented a report summarizing the activities of the Office of Compliance. Ms. Yarbrow discussed the conclusion of the HIPAA audit mediation activities and presented the new University Policy website.

Dr. Feyten congratulated Ms. Yarbrow and the Office of General Counsel for their extensive efforts on launching the new policy website. Regent Doggett commented on the apparent ease of use of the website.

### **Item C. Report on Office of Audit Services**

Ms. Shannon South, Director of Audit Services, provided an update on the Office of Audit Services for the fourth quarter of fiscal year 2021. She shared with the Board audit projects that were completed and their results.

Ms. South told the Board about audits currently in progress and those marked for follow-up, describing the audit follow-up process. Ms. South then discussed the Quality Assurance Review, the Risk Assessment, and the Fiscal Year 2022 Audit Plan.

### **Item D. Report on Texas Woman's University Investments**

Mr. Jason Tomlinson, Vice President for Finance and Administration, provided a report on TWU's long-term investments, investment pools, and remaining short-term investments. Mr. Tomlinson further detailed the investment process and TWU's collaborative process with the Texas A&M University System. Finally, Mr. Tomlinson discussed asset allocation and provided the context and breakdown of all of TWU's investments, concluding with information on private equity.

Regent Doggett asked if the investments include endowed chairs. Mr. Tomlinson confirmed that there are some endowed chairs included within the portfolio. Regent Wilson asked if there were other academic institutions whose investment portfolios are managed by Texas A&M University System. Mr. Tomlinson indicated that he will provide additional information to the Board regarding other institutions and stressed the benefits received as compared to the fees paid.

Regent Hyde agreed that there were substantial benefits of participating in the Texas A&M University System investment fund and asked when the agreement might expire. Mr. Tomlinson indicated that the arrangement is supported by statute, and that TWU's portfolio is sufficient to be desirable to Texas A&M University System. Regent Hyde asked about the risk tolerance matching as Texas A&M University

System is much larger than TWU. Chancellor Feyten told the Board that Texas A&M University does have many regional institutions that are much smaller than TWU and therefore, they are working with varying levels of risk tolerance within their own system. Mr. Tomlinson added that both systems are performing under the same statutes.

#### **Item E. Report on Summer and Fall 2021 Enrollment**

Dr. Monica Mendez-Grant, Vice President for Student Life, provided a report on enrollment for Summer and Fall 2021. Dr. Mendez-Grant highlighted the increase in new graduate applications for the Summer semester and the increase in new graduate and new transfer students for the Fall semester. She detailed TWU's plans to enhance parent-specific communications and launch a new Customer Relationship Management process. Additional changes are planned for the scholarship and recruitment processes. Finally, Dr. Mendez-Grant discussed the Strategic Enrollment Management Planning Committee.

Chancellor Feyten congratulated Dr. Mendez-Grant on the results attained by the committee.

#### **Item F. Recommend Approval of the Fiscal Year 2022 Budget**

Mr. Jason Tomlinson recommended approval of the fiscal year 2022 budget to the Board. Mr. Tomlinson described the incremental budget process, TWU's budget goals, and impacts of the 87<sup>th</sup> Legislative Session. He then described the 2021-2022 operating revenue and expenditure budgets, comparing them to fiscal year 2021. Mr. Tomlinson finished the presentation with information on the fiscal year 2022 debt service by funding and revenue sources.

Regent Wilson asked what percentage of TWU's students receive some form of scholarship. Dr. Russell indicated that approximately 51% of students receive scholarships and approximately 65% receive scholarships or financial aid. Dr. Mendez-Grant added that during the COVID-19 pandemic TWU was able to provide additional assistance to 6,000 students with funding from the CARES Act.

**Motion to Move Approval of Item to Consent Agenda:** Regent Jester motioned, and Regent Hyde seconded. The motion passed with a unanimous vote.

#### **Item G. Recommend Approval of the Fiscal Year 2022 Audit Plan**

Ms. Shannon South recommended approval of the fiscal year 2022 audit plan to the Board. Ms. South detailed the risk-based and required audits scheduled for fiscal year 2022. She also presented follow-up audits and a reserve for investigations and special requests. Ms. South mentioned other departmental activities such as staff training and development and administrative operations. Finally, she described high-risk areas not covered in the fiscal year 2022 audit plan.

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

#### **Item H. Recommend Approval of the Fourteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance of Bonds, Series 2021B**

Regent McDavid introduced Mr. Jason Tomlinson and indicated that also joining were Mr. Abe Benavides, Associate at McCall, Parkhurst and Horton, and Ms. Julie MacMillan, Vice President at RBC Capital Markets, who were available to answer questions.

Mr. Tomlinson referred the Board members to the documentation that accompanied this agenda item

including a written

## AMENDED AND RESTATED MASTER RESOLUTION ESTABLISHING THE REVENUE FINANCING SYSTEM UNDER THE AUTHORITY AND RESPONSIBILITY OF THE BOARD OF REGENTS OF THE TEXAS WOMAN'S UNIVERSITY SYSTEM

The documentation that accompanied this agenda item also included a written

FOURTEENTH SUPPLEMENTAL RESOLUTION TO THE MASTER RESOLUTION AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF BOARD OF REGENTS OF TEXAS WOMAN'S UNIVERSITY SYSTEM REVENUE FINANCING SYSTEM BONDS, SERIES 2021B; AND APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING THERETO

He indicated that the information contains bond market conditions, TWU's current debt, and the current structure of the proposed issuance, as well as the proposed timeline.

Mr. Tomlinson acknowledged Mr. Abe Benavides and Ms. Julie MacMillan, who are assisting TWU with this project..

Mr. Tomlinson discussed the assumptions included in the projections and that the bond's maximum amount is \$7.0 million with a delivery date of September 2, 2021. He also detailed the preliminary plan of finance and the preliminary timetable. He noted that the interest rate for the Bond is finalized at 2.27%.

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

### **Item I. Recommend Approval of Electrical Upgrades and Repairs Project**

Mr. Jason Tomlinson, Vice President for Finance and Administration, introduced Mr. Rob Ramirez, Senior Associate Vice President for Facilities Management and Construction.

Mr. Ramirez told the Board that \$640,000 in funding is requested for the TWU electrical upgrades and repairs project. This recommendation also includes delegated authority to the TWU Chancellor and President to negotiate and execute all necessary contracts. The project is a result of the 2019 Arc Flash Risk Assessment performed on the Denton campus. The scope of the project includes fourteen Denton campus buildings that require upgrades and repairs to correct any manufacturer or installation defects, issues related to age or improper maintenance of equipment, and general safety upgrades and practices.

Regent Jester asked if there would be one contractor or multiple contractors. Mr. Ramirez indicated that there would be one vendor for all fourteen buildings. Regent Jester then asked what the date of completion would be. Mr. Ramirez indicated that they are targeting substantial completion before the start of the Spring semester, with any follow-up issues completed during Spring Break.

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

### **Item J. Recommend Approval of the Blagg-Huey Library Sprinkler Upgrades and Installation**

Mr. Rob Ramirez told the Board that \$1.9 million is requested for the upgrade and installation of the fire sprinkler system in the Blagg-Huey Library on the Denton Campus. This recommendation includes delegated authority to the TWU Chancellor and President to negotiate and execute all necessary contracts.

This will address State Fire Marshal deficiencies and code upgrades by extending suppression to the entire facility.

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

#### **Item K. Recommend Approval of Acceptance of Grants**

Mr. Jason Tomlinson told the Board that he is recommending approval of the acceptance of grants awarded to Texas Woman's University as reflected in the Grants Report from April 15, 2021 to July 8, 2021.

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

#### **IV. Adjourn to Executive Closed Session**

Regent McDavid said that the Board would adjourn to Executive Closed Session for deliberations regarding security devices or security audits pursuant to Section 551.076 and 551.089 of the Texas Government Code. She stated that the Board will engage in consultation regarding contemplated, ongoing, and/or finalized audits and any findings, conclusions, or recommendations related to those audits. Regent McDavid stated that the Board will also adjourn to Executive Closed Session for Deliberations Regarding Certain Public Power Utilities: Competitive Matters pursuant to Section 551.086 of the Texas Government Code and Consultations with Attorney Regarding Legal Matters and Contemplated Litigation or Settlement Offers pursuant to Section 551.071 of the Texas Government Code. She noted that the Board will hear a recommend approval of delegation of contract authority for the TWU's energy contract with the City of Denton.

Regent McDavid said that Mr. Jason Tomlinson, Vice President for Finance and Administration, Ms. Shannon South, Director of Audit Services, Mr. Rob Ramirez, Senior Associate Vice President for Facilities Management and Construction, and Ms. Kimber Summers, Assistant General Counsel, would join in the Executive Closed Session.

The meeting was adjourned at **2:33 p.m.**

#### **V. Reconvene into Open Session and Take Any Possible Action Regarding Matters Discussed in Executive Closed Session**

Regent McDavid called the meeting back to order at **2:51 p.m.** Regent McDavid said that the Board would now take any possible action regarding matters discussed in the Executive Closed Session.

#### **Item IV. B1. Recommend Approval of the Delegation of Contract Authority for the Texas Woman's University's Energy Contract with the City of Denton**

**Motion to Move Approval of Item to Consent Agenda:** Regent Hyde motioned, and Regent Wilson seconded. The motion passed with a unanimous vote.

#### **VI. Adjourn Finance and Audit Committee Meeting**

With no further business coming before the Finance and Audit Committee, Regent McDavid adjourned the Finance and Audit Committee meeting at **2:52 p.m.**