

**TEXAS WOMAN'S UNIVERSITY BOARD OF REGENTS
FINANCE AND AUDIT COMMITTEE MINUTES
March 23, 2021**

Videoconference

Roll Call:

Present Committee Members:

Regents Wu (Chair), Hyde, McDavid, Wilson, and Jester (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 Wu, Chair of the Finance and Audit Committee, called the meeting to order at **10:00 a.m.**

Regent Wu said that the Board of Regents' hearts are with the communities of Denton, Dallas, and Houston who were and continue to be impacted by both the winter storm and by the Covid-19 pandemic. She extended a special thank you to those within TWU who worked tirelessly to ensure that TWU's students, staff, faculty, and campus were safe during the storm and who are still working to address the effects of the winter storm.

Regent Wu then 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 Wu further noted the procedural modifications necessary for the meeting.

Regent Wu performed a roll call for the meeting noting the presence of Regents Wu, Wilson, Hyde, McDavid, and Jester.

II. Consider Approval of the Minutes of the Finance and Audit Committee Meeting of November 12, 2020

Motion to Approve Minutes: Regent **Wilson** motioned, and Regent **Hyde** seconded.
The motion passed with a unanimous vote of **4-0-0**.

The minutes of the Finance and Audit Committee Meeting of **November 12, 2020**, were approved as submitted.

III. Agenda

Motion to Take up Agenda Items as Listed: Regent **McDavid** motioned, and Regent **Wilson** seconded.

The motion passed with a unanimous vote.

Item A. 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 quarterly Grants Report from October 10, 2020 through January 14, 2021.

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

Item B. Recommend Approval of Jones Hall Budget Increase

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 \$4.5 million in additional funding is requested for the design and construction of the Jones Hall renovation project which started in 2017 with a budget of \$12 million. This recommendation also includes delegated authority to the TWU Chancellor and President to negotiate and execute all necessary contracts. The scope of the project has changed with the increased growth of the Dental Hygiene program. Also, additional space is necessary to better accommodate Counseling and Psychological Services. Finally, this increased funding will allow for necessary ADA upgrades, the façade, and exterior improvement of the structure to enhance the appearance of Jones Hall.

Motion to Move Approval of Item to Consent Agenda: Regent **McDavid** motioned, and Regent **Wilson** seconded.

Regent Coleman asked if Dental Hygiene was operating now. Mr. Ramirez confirmed that it was operating in the MCL building, and would move to Jones Hall after the renovation.

The motion passed with a unanimous vote.

Item C. Recommend Approval of Steam Line Replacement for Guinn and Stark Halls

Mr. Jason Tomlinson explained to the Board that if approved, the costs for this Agenda Item C and Agenda Item B would be combined into one financing item, to be presented in Agenda Items D and E, in order to take advantage of current lower financing rates.

Mr. Rob Ramirez told the Board that \$1.25 million is requested for the Guinn Hall and Stark Hall steam and condensate line replacement, along with delegated approval to the TWU Chancellor and President for the negotiation and execution of any design and construction contracts. These steam lines require replacement in order to more reliably serve the needs of the building, achieve the most efficient utility costs from the steam system, and eliminate maintenance losses. Mr. Ramirez indicated that the towers were constructed in the late 1960's, and the replacement of the lines as recommended would lessen steam leak repair costs and reduce utility expenses.

Regent Wilson asked this project can be completed while students are in residence. Mr. Ramirez indicated that if approved, the work would be performed during the summer, with minimal impact to students.

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

Item D. Recommend Approval of the Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt for Jones, Guinn, and Stark Hall Projects

Mr. Jason Tomlinson told the Board that their approval is requested for the resolution declaring intention to reimburse certain expenditures with proceeds from debt related to the Jones, Guinn, and Stark Hall projects. This is not expected to exceed \$18.1 million and the approval includes delegation of authority to the TWU Chancellor and President to negotiate and execute all necessary contracts.

Mr. Tomlinson explained that in order to take advantage of current market rates, TWU will issue Revenue Financing System bonds to fund both the Jones Hall Renovation Project and the Guinn and Stark Hall Steam Line Project. The resolution will allow TWU to be reimbursed for any expenses incurred on these projects between now and when the bond sale happens.

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

Item E. Recommend Approval of the Thirteenth Supplemental Resolution to the Master Resolution Authorizing the Issuance of Bonds, Series 2021A

Regent Wu introduced Mr. Tomlinson and indicated that also joining were Mr. Jeff Leuschel, Partner at McCall, Parkhurst and Horton, Ms. Julie MacMillan, Vice President at RBC Capital Markets, and Mr. Matt Boles, Managing Director at RBC Capital Markets, who were available to answer questions.

Mr. Jason Tomlinson referred the Board members to the documentation that accompanied this agenda item including a written

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

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

Mr. Tomlinson introduced Mr. Jeff Leuschel, Ms. Julie MacMillan, and Mr. Matt Boles, who are assisting TWU with this project, and who were present as well.

Mr. Tomlinson discussed TWU’s current debt portfolio with the Board, as well as the corresponding debt service, and whether or not the state is responsible for the debt service. He indicated that attention is paid to avoid an excessive debt load.

Mr. Tomlinson provided projections related to the proposed bond issuance, stated there were various assumptions included in the projections, and discussed fund sourcing as well as repayment.

Mr. Leuschel told the Board that there was an error in the resolution for this agenda item, in section 3E. He indicated that the delegation expiration date shown of Tuesday, August 31, 2019 should actually read Tuesday, August 31, 2021.

Mr. Tomlinson provided another correction to the Board, that the resolution showed plural “underwriters”

but that the underwriter for the project has now been selected, and would therefore now reflect as singular “underwriter”.

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

Item F. Recommend Approval of Texas Medical Center Central Heating and Cooling Corporation Contract Amendment for Texas Woman’s University – Houston Campus

Mr. Rob Ramirez requested the Board approve delegate contract authority to the Vice President for Finance and Administration for the execution of the membership agreement and contract amendment for the Texas Medical Center Central Heating and Cooling Corporation (TECO) which provides chilled water services for the TWU – Houston Campus. TECO’s members must extend their current membership and agreements to align with TECO’s financing agreements or there may be rate increases. TWU must extend its membership agreement and contract to the date of December 31, 2040 in order to continue to receive the best possible rate for chilled water services.

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

Item G. Recommend Approval of the Oklahoma Non-Resident Tuition Rate

Mr. Jason Tomlinson told the Board that he is recommending approval to extend the lowered non-resident tuition rate for undergraduate students from the state of Oklahoma. Mr. Tomlinson explained that the Oklahoma resident rate is \$30 more per hour than the Texas resident rate. This request will cover the 2021-2022 and 2022-2023 academic years.

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. Report on the Statewide Single Audit Report for Financial Aid

Dr. Monica Mendez-Grant, Vice President for Student Life and Ms. Shannon South, Director of Audit Services, provided an update on the Statewide Single Audit Report for Financial Aid. Ms. South shared the audit objectives, scope, and results. She indicated to the Board that a detailed report was available.

Dr. Mendez-Grant then shared TWU’s implementation plan with the Board. Dr. Mendez-Grant described the volume of applications for financial aid received by TWU, as well as the steps taken since the audit to ensure that every area of TWU involved with the processing of financial aid remained focused on compliance.

Regent Jester commended everyone involved with the response to this audit. She stated that although there were no material findings, there were instances where improvements were needed to ensure compliance, and the team’s comprehensive response was very much appreciated.

IV. Adjourn Finance and Audit Committee Meeting

With no further business coming before the Finance and Audit Committee, Regent Wu adjourned the Finance and Audit Committee meeting at **10:39 a.m.**