

**TEXAS WOMAN’S UNIVERSITY SYSTEM BOARD OF REGENTS
FINANCE AND AUDIT COMMITTEE MINUTES
November 11, 2021**

**TWU Houston Campus
Institute of Health Sciences – 10th Floor, Room 10307**

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 **1:08 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 said that the Board was thrilled to gather on the Houston campus. Regent McDavid welcomed new Regent Shelley Sweatt and described her background, accomplishments, and experience. Regent Sweatt thanked Regent McDavid and indicated she looks forward to being a part of the Board and getting to know TWU on a different level.

Regent McDavid then said that it was Veterans Day and thanked all current and former members of the U.S. military for their service and wished them a Happy Veteran’s Day.

II. Consider Approval of the Minutes of the Finance and Audit Committee Meeting of August 12, 2021

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

The minutes of the Finance and Audit Committee Meeting of **August 12, 2021** were approved as submitted.

III. Agenda

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

Item A. Report on Fall 2021 Enrollment and Spring 2022 Enrollment Projections

Dr. Monica Mendez-Grant, Vice President for Student Life, presented a report on Fall 2021 enrollment and Spring 2022 enrollment projections. Dr. Mendez-Grant provided various statistics on TWU's enrollment rates as well as various rankings highlighting TWU's ethnic diversity and social mobility, as well as being rated as military friendly.

While college enrollment is slightly down across the state, TWU's enrollment has remained stable. Dr. Mendez-Grant stated that the Strategic Enrollment Management Council decided to focus on high-quality first-year student prospects. She also announced the launching of the Strategic Enrollment Planning process.

Chancellor Feyten stressed the importance of enrolling retention, indicating that it is better to focus on enrolling high quality students that will complete their education.

Item B. 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 of the TWU Foundation for Quarter 1 of the fiscal year through September 30, 2021. Dr. Russell summarized the TWU Foundation's Quarter 1 commitments, five-year comparison, investment performance, assets, and liabilities and net assets. She also informed the Board of the 2021 Annual Report for University Advancement and TWU Foundation along with alumni events hosted by Advancement during 2021. One such event was coming up in Washington, D.C.

Chancellor Feyten added that alumni from the area were planning to attend the event, making it the largest planned event in Washington, D.C.

Regent Jester asked Dr. Russell to summarize the progress since she joined the University, stating that there has been significant progress since Dr. Russell came aboard. Dr. Russell then discussed many of the efforts and accomplishments since she joined in December 2018.

Item C. Report on Deferred Maintenance

Mr. Jason Tomlinson, Vice President for Finance and Administration and Mr. Rob Ramirez, Senior Associate Vice President for Facilities Management and Construction provided a report on the condition of TWU's facilities utilizing deferred maintenance data and the Facility Condition Index (FCI) key performance indicator.

Mr. Tomlinson described deferred maintenance in general and Mr. Ramirez indicated that the FCI is deferred maintenance divided by the current replacement value. He indicated that TWU's FCI is currently 3.1%, which is the top, or "good", category.

Mr. Ramirez indicated that the ways to manage FCI include making investments in buildings, doing reassessments, building new structures, tearing down old structures and preventive maintenance. Regent Hyde asked how partial renovations in a particular building affect the calculation.

Mr. Ramirez explained that any renovations that included items on the deferred maintenance list comes off of the deferred maintenance listing which adjusts the FCI.

Regent Coleman asked if there were any structures on the list for demolition.

Mr. Ramirez indicated that the Scientific Research Commons in the Graduate Science Research Building will need to be demolished in the next 4 to 5 years, as well as the Patio Building, both of which have a high FCI.

Chancellor Feyten commented that with the teardowns, there might need to be components that need to be preserved, such as murals.

Item D. Report on Bell Avenue Pedestrian Safety Initiative

Mr. Jason Tomlinson, Vice President for Finance and Administration, and Mr. Rob Ramirez, Senior Associate Vice President for Facilities Management and Construction provided a report on the Bell Avenue Pedestrian Safety Initiative. Mr. Tomlinson provided historical context behind this initiative, which is part of TWU's masterplan to tame the traffic on Bell Avenue, allowing for a vehicle-free pedestrian and bicycle zone. He reported that TWU continues to work with the City of Denton regarding the Initiative's impact on traffic.

Mr. Tomlinson said that two traffic studies have been conducted in recent years to focus on students' ability to safely move across the campus.

Chancellor Feyten said that TWU has met with the City of Denton to discuss a closure of a portion of Bell Avenue in the middle of the campus, but the proposal has not been approved. Dr. Feyten said that conversations will continue to come up with a plan that makes sense and will keep students safe.

Mr. Ramirez told the Board that two mid-street crosswalks have been put in to improve pedestrian safety. Regent Shepard asked if there were other measures, such as speed bumps, that could be used. Mr. Ramirez indicated that it had been discussed and Dr. Feyten told the Board that the city wants to use the same "taming" measures on Bell Avenue that it is using elsewhere in the city.

Item E. Report on Office of Audit Services

Ms. Shannon South, Director of Audit Services, provided an update on the Office of Audit Services for the 1st Quarter of Fiscal Year 2022. 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. She also explained the quality assurance and improvement program among other department activities and updates, including external and internal quality assurance reviews.

Ms. South then described other Audit Department activities including completion of the annual independence certification, the annual internal audit report, which was completed by the State Auditor's Office and department attendance at a higher education summit.

Item F. Recommend Approval of Revisions to the Office of Audit Services Charter

Ms. Shannon South, recommended approval of revisions to the Office of Audit Services Charter. She explained to the Board the purpose, authority, and responsibility standard of the Charter and that it is to be reviewed periodically and presented to the Board for approval. Ms. South described the changes, which were recommended to revise the Charter.

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

Item G. Recommend Approval of Revisions to the Regent Internal Audit Policy

Ms. Shannon South recommended approval of revisions to the Regent Internal Audit Policy. Ms. South explained the updates were non-substantive and limited to formatting and language changes to match the revisions to the Audit Services Charter.

Regent Jester noted a change in the reporting structure language. Ms. South confirmed that there was not a substantive change, and said that the policy simply had not been clear about the functional reporting structure being to the Board through the Finance and Audit Committee.

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

Item H. Recommend Approval of Regent Investment Policy and Endowment Investment and Distribution Policy

Mr. Jason Tomlinson recommend approval of the Regent Investment Policy and Endowment Investment and Distribution Policy. Mr. Tomlinson explained the recommended policy updates did not contain substantive changes but was mainly to ease the readability of the policy. He also explained that the Public Investment Act of the State of Texas requires the governing body of TWU to annually review and adopt a written investment policy.

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

Item I. Recommend Approval of the East Campus Outdoor Activities Project on the Texas Woman's University Denton Campus

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

Mr. Ramirez explained the project is a result of the masterplan TWU completed in 2018 and that it would utilize old golf car pathways along with new connections and stations to form a trails network. He informed the Board that the project would cost an estimated \$2,500,000 funded from bonds, Higher Education Funds (HEF), and capital donations.

Regent Wilson asked who would be responsible for the security associated with the project. Mr. Ramirez indicated that on campus, TWU's DPS would be responsible for security. He indicated that there is perimeter fencing but that it could change in the future, and there may be additional lighting. He added that safety and security will be a top priority with planning.

Regent Coleman asked if a plan is needed for more parking. Mr. Ramirez said that additional parking was not needed for this project.

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

Item J. Recommend Approval of Building Names for Oakland Complex and Parliament Village

Mr. Rob Ramirez recommended approval for the official names for Oakland Complex and Parliament Village, which had not been previously approved by the Board. He also updated the Board on a minor wayfinding and signage project for the Denton Campus.

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

Item K. Recommend Approval of Student Union at Hubbard Hall Upgrade and Improvement Projects

Mr. Rob Ramirez recommended approval for various upgrade and improvement projects at the Student Union at Hubbard Hall (SUHH). He explained that during the SUHH renovation project, several scope items were withheld to ensure sufficient funds for its completion and it resulted in completing slightly under budget. Mr. Ramirez elaborate that the recommended approval is to use all remaining Hubbard Hall bond funds on current and future improvement projects and that the project would cost an estimated \$1,962,000.

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

Item L. Recommend Approval of Chancellor and President to Designate or Revoke Authorized Approvers for Texas Woman’s University System Agency Expenditures

Mr. Jason Tomlinson recommended approval of Chancellor and President to designate or revoke TWU personnel as authorized to approve agency expenditures for the Texas Woman’s University System, effective immediately.

Regent Jester asked if these types of appointments are made for specific tasks or to specific people.

Mr. Tomlinson said that generally, Chancellor Feyten is authorizing him or TWU’s controller to complete a certain task.

Chancellor Feyten explained that this approval is needed now that TWU is a system.

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

Item M. Recommend Approval of the Resolution Declaring Intention to Reimburse Certain Expenditures with Proceeds from Debt for Brackenridge Hall and New Health Sciences Building Projects

Mr. Jason Tomlinson recommended approval of the resolution declaring intention to reimburse certain expenditures with proceeds from debt related to the Brackenridge Hall and the new Health Sciences Building projects, not to exceed \$165 million.

Mr. Tomlinson stated that this is a reimbursement resolution, but does not authorize the bond or the project.

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

Item N. Recommend Approval of Acceptance of Grants

Mr. Jason Tomlinson recommended approval of acceptance of grants TWU received from July 9, 2021 to October 9, 2021.

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

IV. 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 **2:49 p.m.**