



AUDIT & BUSINESS COMMITTEE

September 26, 2024

Roaden University Center, Room 282

MINUTES

Meeting was streamed live via link found on this web page:

<https://www.tntech.edu/board/meetings/>

AGENDA ITEM 1 – Call to Order

The Tennessee Tech Board of Trustees Audit & Business Committee met on September 26, 2024, in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 10:57 a.m.

Chair Stites asked Mr. Lee Wray, Secretary, to call the roll. The following members were present:

- Johnny Stites
- Tom Jones
- Thomas Lynn

Other board members also in attendance were Fred Lowery (via TEAMS), Jeanette Luna, Rhedona Rose, Trudy Harper, Camron Rudd and Claire Meyers. A quorum was physically present. Tennessee Tech faculty, staff and members of the public were also in attendance.

AGENDA ITEM 2 – Approval of Minutes

Chair Stites asked for approval of the minutes of the June 20, 2024, and August 20, 2024, Audit & Business Committee meetings. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Tom Jones moved to approve the June 20, 2024, and August 20, 2024, Audit & Business Committee minutes. Thomas Lynn seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

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AGENDA ITEM 3 – Financial Update

Dr. Stinson gave the committee an update on university finances including comparison of end-of-year budget to actual end-of-year expenditures and tuition and fee revenue projections based on fall 2024 semester enrollments.

This was an informational item therefore no action was required.

AGENDA ITEM 4 – Capital Budget Update

Dr. Stinson provided an update to the capital outlay request from what was presented at the June 2024 Board of Trustees meeting. The two capital outlay projects submitted to THEC in August were the Social Sciences building and the request for additional funding to cover inflationary costs for the Advanced Construction & Manufacturing Engineering building. THEC has decided to keep the first five project priorities from FY2024-25 as the top five priorities for the FY2025-26 budget cycle since none of those were funded in the FY2024-25 budget cycle. Our Social Sciences Building was number five on THEC's priority list submitted to the Governor last year and will remain number five on the priority list for FY2025-26. No changes were made to the capital maintenance projects approved by the Board in June.

Mr. Lynn moved to send the FY2025-26 Capital Budget Outlay update to the Board for approval and to place it on the Board's regular agenda. Mr. Jones seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 5 – Disclosed Project

Dr. Stinson advised the disclosed project was for renovation of the natatorium area of the Academic Wellness Center for use by Athletics. The estimated project cost to renovate the natatorium is \$3,070,000.

Mr. Jones moved to send the disclosed project for the Academic Wellness Center Renovation for Athletics to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

AGENDA ITEM 6 – Performance Evaluation & Performance-Based Compensation Analysis

Kevin Vedder, Associate Vice President of Human Resources, presented FY2023-24 performance evaluation process. The criteria for non-faculty were Core Competencies (20%), Wings Up Way (20%) and Position-Specific Duties (60%). The criteria for faculty were based on teaching, advisement, administration, service/outreach, and research/scholarship/creative activity.

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The performance-based salary increase was a three percent pool (1% allocated to classification and compensation study and 2% allocated for merit-based performance) based on the eligibility of faculty scores to be acceptable or better rating and staff scores to be meets expectations or better rating. Eligible employees must have been hired on or before December 31, 2023, and the employee not placed on a performance improvement plan during the fiscal year (July 1, 2023- June 30, 2024). The minimum individual increase was 1% with the maximum individual increase being 7%. Details of the distribution were provided.

This was an informational item therefore no action was required.

AGENDA ITEM 7 – Compensation Study Update

Kevin Vedder provided an update on phase 2 of the classification and compensation study. Effective August 2024, staff salary levels were increased to the minimum of salary ranges established by the study. Effective October 2024, faculty will receive inversion corrections and market minimum adjustments for full-time permanent faculty. Information was provided showing the outcomes moving to market median of each phase for faculty and staff broken down by college and staff level. He advised phase 3 for FY2026 will provide adjustments based on a review and consideration of service time and performance scores to address compression/inversion and progress to continue moving faculty salaries closer to the market median with the contingency of funding being available.

This was an informational item therefore no action was required.

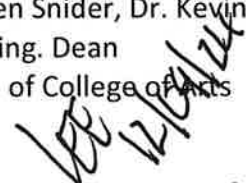
AGENDA ITEM 8 – Fair Labor Standard Act Update

In April 2024 the Department of Labor announced a significant change to the FLSA's minimum salary threshold for overtime eligibility. Effective July 1, 2024, the minimum annual salary required for exemption from the FLSA's minimum wage and overtime provisions threshold increased to \$43,888. Twenty-one TTU employees were reclassified to non-exempt status. Effective January 1, 2025, the minimum annual salary required for exemption from the FLSA's minimum wage and overtime provisions threshold is scheduled to increase again to \$58,656. There is potential this will not go into effect. One hundred eighty-seven TTU employees will be reviewed for reclassification to non-exempt status should this FLSA change go into effect.

This was an informational item therefore no action was required.

AGENDA ITEM 9– Tenure Upon Appointment Recommendations

Dr. Bruce requested the tenure of Dr. Jeffrey King, Kelly McCallister, Dr. Daren Snider, Dr. Kevin West and Dr. Jinfa Zhang. Dr. King was hired as Director of Nuclear Engineering. Dean McCallister was hired as Dean of Volpe Library. Dr. Snider was hired as Dean of College of Arts



and Sciences. Dr. West was hired as Chair of the Department of Chemical Engineering. Dr. Zhang was hired as Director of the School of Agriculture. Recommendation for tenure was supported by their respective department, faculty, college dean and the provost. Supporting documents were provided in Diligent.

Mr. Jones moved to send the tenure recommendations to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

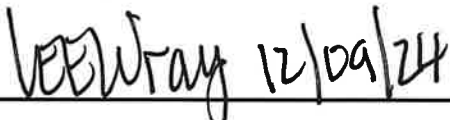
AGENDA ITEM 10– Adjournment of Open Session & Call to Order on Non-Public Executive Session

There being no further business, the meeting adjourned at 12:00 p.m. After a short break, the Non-Public Executive Session began at 12:23 p.m. Trustees and Administration were present for the meeting.

AGENDA ITEM 11 – Adjournment

There being no further business, the Non-Public Executive Session adjourned at 1:24 p.m.

Approved,

 12/09/24

Lee Wray, Secretary