



BOARD OF TRUSTEES

Finance and Facilities Committee **DRAFT** Meeting Minutes

September 18, 2026
9:30A– 11:30A

Virtual via Microsoft Teams

I. Call to Order

Committee Chair Jesse Panuccio called the Finance and Facilities Committee meeting to order at 9:30 a.m. He noted that agenda item 8E (Operational Louvre Arms Repair Proposal) was removed and deferred to a future meeting.

II. Roll Call

Kristen Wharton called the roll: Committee Chair Jesse Panuccio, Committee Vice Chair Sumanth Neelam, Trustee Ilya Shapiro, Trustee Jack Harrell, III, Trustee Colby Manrodt, Trustee Eliot Peace, and Trustee Derek Henderson were present (Quorum).

Committee members not present:

Other Trustees Present: Board Chair Beth Kigel, Trustee Rob Kincart, Trustee Christie Bassett, Trustee Sid Theis, Trustee Patrick Hagen

Staff Present: President Devin Stephenson, Provost Brad Thiessen, Dr. Tanner McKnight, Bryan Brooks, David Blanton, Dr. Cole Allen, Joshua Millikin, Kelli Stargel, Katie Daniel, David Calhoun, Penney Farley, and Kristen Wharton

III. Public Comment

There were no requests received for public comment.

IV. Approval of the May 21, 2026, Minutes

Trustee Ilya Shapiro motioned to approve the Finance and Facilities Committee meeting minutes of May 21, 2026. Trustee Sumanth Neelam seconded the motion; a vote was taken, and the motion passed unanimously.

V. 2026-2028 Finance and Facilities Committee Charter Review and Approval

Committee Chair Panuccio presented the draft revision of the 2026–2028 Committee Charter, which separated purpose and responsibilities into two separate sections and added clarifying language under composition and meetings.

Trustee Sumanth Neelam motioned to approve the revised 2026–2028 Committee Charter as presented. Trustee Eliot Peace seconded the motion; a vote was taken, and the motion passed unanimously.

VI. 2026-2027 Finance and Facilities Committee Annual Work Plan Review and Approval

The Committee reviewed the Committee Work Plan for fiscal year 2027. There was no discussion on this item.

Trustee Sumanth Neelam motioned to approve the FY2027 Committee Work Plan as presented. Trustee Jack Harrell, III seconded the motion; a vote was taken, and the motion passed unanimously.

VII. University Finance and Budget

A. University FY26 Year-End Financials

Dr. Tanner McKnight, Vice President and CFO, presented the University's FY2026 year-end financials. Key financial indicators and ratios continue to perform at or above industry benchmarks.

- **Cash to Current Liabilities:** 9.48 (benchmark: 1.0)
- **Primary Reserve Ratio:** 1.43 (benchmark: 0.4)
- **Viability Ratio:** 1.86 (benchmark range: 1.25–2.0)
- **Net Income Ratio:** 20.9% (benchmark range: 2%–4%)

Total sources of revenue reached \$105 million (up 11.4%), while expenses remained controlled at \$81.7 million (up 1%), resulting in an operating surplus of \$23.8 million and an ending net position of \$251.1 million.

B. FY27 University Carryforward Spending Plan and Fixed Capital Outlay Budget

McKnight reviewed the beginning E&G carry forward balance of \$47.6 million and required statutory reserves (2% deferred maintenance, 7% contingency reserve, and 12% committed PICO/deferred maintenance earmarked for the Student Achievement Center), along with planned allocations for capital projects including the chiller plant expansion, lecture hall remodel, and Gary C. Wendt Engineering Center second floor buildout.

Trustee Ilya Shapiro motioned to recommend to the Board of Trustees approval of the University Carryforward Spending Plan and Fixed Capital Outlay Budget for the 2026–2027 fiscal year. Trustee Sumanth Neelam seconded the motion; a vote was taken, and the motion passed unanimously.

C. FY26 Employee Bonus Plan Certification

McKnight provided the annual certification report required under Board of Governors Regulation 9.015. For FY 2025–2026, the University awarded \$705,606 across 239 employee awards (91 faculty and 148 staff), with an average payout of approximately \$2,900 per award, all within established statutory and policy caps.

D. Annual Review of Contracts over \$1M

McKnight presented an overview of 23 active contracts exceeding \$1 million, representing a combined value of \$145.6 million. He noted that the top 10 contracts comprise \$118.1 million (80%) of the total, with many tied to complete or expiring capital projects and revenue-sharing agreements like dining services. Vice Chair Panuccio inquired if there was any cause for concern; McKnight stated he had no concern about the performance of any of the vendors in this list.

VIII. University Facilities Planning, Design, and Construction

A. Campus Construction Updates

David Calhoun, AVP for Facilities and Safety Services, provided progress updates on campus construction projects:

- University Safety and Operations Center (USOC): Fully completed at \$5.4 million (\$475/sq. ft.), hardened with backup generator support, and currently undergoing final punch list walkthroughs
- Parking Lot 6 Expansion: Completed and operational, delivering 295 new parking spaces
- Student Achievement Center (StAC): Ongoing pre-construction design activities for the 140,000 sq. ft., \$84.7 million facility
- Gary C. Wendt Engineering Center (2nd Floor Remodel): First floor is fully operational; second-floor design is wrapping up with construction beginning in fall 2026 and targeted completion in spring 2027
- Minor Projects: Added prospective student/bus overflow parking near Admissions, and completed refurbishment of IST Commons second-floor furniture with first-floor furniture in progress

B. Campus Master Plan Amendment

Calhoun presented an amendment to the Campus Master Plan to reclassify spaces on the east side of campus to locate Residence Hall 4 north of the Student Development Center (nestled around the Oak Grove to maximize tree preservation) and a new dining facility east of the Wellness Center.

Trustee Sumanth Neelam motioned to recommend to the Board of Trustees approval to amend the Campus Master Plan to include Residence Hall 4 and the new dining facility on the east side of campus. Trustee Derek Henderson seconded the motion; a vote was taken, and the motion passed unanimously.

C. Budget Amendment: Pre-Development Work on the Housing/Dining Project (Gilbane)

McKnight requested approval for a not-to-exceed pre-development budget to allow the developer (Gilbane) to advance required architectural, engineering, environmental, and financial closing work. The developer will front these costs and be reimbursed from bond proceeds at financial close, with the University retaining all work product.

Trustee Eliot Peace motioned to recommend to the Board of Trustees approval of a pre-development budget not to exceed \$4,337,785 to proceed with necessary design and pre-construction work for the housing and dining public-private partnership project. Trustee Sumanth Neelam seconded the motion; a vote was taken, and the motion passed unanimously.

D. Gary C. Wendt Engineering Center 2nd Floor Project

Calhoun requested a budget increase of \$1.25 million to accommodate specialized air exhaust and outside air handling requirements for second-floor chemistry laboratories, bringing the total project cost to \$23,837,090.

Trustee Ilya Shapiro motioned to recommend to the Board of Trustees approval to advance the design, construction, and furnishing of the second floor of the Gary C. Wendt Engineering Center within the total project budget of \$23,837,090, while granting the President authority to sign instruments, documents, and contracts as necessary to effectuate the remodel and buildout. Trustee Sumanth Neelam seconded the motion; a vote was taken, and the motion passed unanimously.

E. Operational Louvre Arms (OLA) Proposal for Repair

As stated in Committee Chair Panuccio's remarks, this agenda item was tabled until a future meeting.

IX. Advancement and Foundation

A. Advancement and Foundation Update

Vice President Kelli Stargel provided an update on Advancement and Foundation activities. She noted the Foundation Board added seven new directors: Larry Arndt, Kathy Killingsworth, Curtis Peace, Kyle Story, Lee Ann Thomas, SGA representative Nolan Wenham, and faculty representative Tracy Olin. Additionally, the Advancement Department has relocated to an on-campus modular and onboarded two staff members. The implementation of a new CRM (Virtuous) is scheduled for October 9.

B. University Foundation FY26 Year-End Financials (preliminary and unaudited)

Foundation total assets reached approximately \$15.3 million with a net position of \$15.1 million. Operating revenues totaled \$2.43 million, generating net operating income of \$1.72 million (\$462,000 favorable to budget). Academic program and scholarship support totaled \$666,000.

C. University Foundation FY27 Budget

Stargel noted that the Foundation's FY 2026–2027 Budget was approved by the Foundation Board; they project \$2.45 million in revenue and \$900,000 in direct scholarship and academic support.

D. Foundation's Actual Use of University Resources FY26

The Committee reviewed the Foundation's utilization of University resources. Stargel presented a comparison of prior-year actuals against the previously approved budget of \$393,000. For the upcoming fiscal year, a resource allocation of \$483,659 was requested, representing an increase over prior-year expenditures and projections. It was noted that this increase is primarily driven by transitioning financial operations through the University's finance team and heightened IT support requirements associated with the CRM implementation.

President Devin Stephenson and Stargel noted that the capital campaign readiness study interviews have concluded with favorable outcomes.

X. Closing Remarks and Adjournment

With no further business to discuss the meeting adjourned at 10:36 a.m.

Respectfully submitted:

Kristen J. Wharton
Corporate Secretary