



AUDIT & BUSINESS COMMITTEE

March 6, 2025

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 March 6, 2025, in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 9:48 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 joined 10:30 a.m.), Rhedona Rose, Trudy Harper, Camron Rudd, Jeanette Luna and Claire Myers. 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 December 5, 2024, Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Mr. Lynn moved to recommend approval of the December 5, 2024, Audit & Business Committee minutes. Mr. Jones seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

LEE 02/10/25

AGENDA ITEM 3 – Update on Governor’s Budget

Dr. Stinson advised the capital maintenance portion of the Governor’s recommendation included funding for multiple buildings air handler replacements and multiple building roof replacements. The capital outlay portion included an incremental adjustment for the ACME building. The operating budget recommendations included funding for outcomes growth, salary pool, group health insurance, and reallocation of base outcomes. The state only funds 55% of the salary pool. The Governor’s recommended budget is subject to change until Legislature passes the budget.

This was an informational item therefore no action was required.

AGENDA ITEM 4 – Compensation Plan

Kevin Vedder provided information on the proposed compensation plan. The proposed compensation plan included:

2.6% pool for recurring salary increases effective July 1, 2025, pending approval of Governor’s FY2025-26 budget

- Employees with satisfactory or better evaluation are eligible for raise.
- Employees who are on or were on a Performance Improvement Plan for FY2025 are ineligible.
- Employees hired prior to 12/31/2024 and still employed on 7/1/2025 are eligible.
- Step 1 Implementation of Phase 3 of Market Compensation Plan for both faculty and non-faculty
- Step 2: Merit increases for all eligible employees including those getting step 1 increases with a minimum of 1% and maximum of 10% per employee.

Mr. Jones moved to approve the compensation plan as presented above and 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 5 – Non-Mandatory Fees

Dr. Stinson advised that non-mandatory fees are not subject to THEC binding rates and are not required of all students. The proposal was for a 5% annual increase for residence halls and Tech Village apartments for the next five years. This will help offset rising operating costs, fund deferred maintenance projects, and ensure that we can service debt.

Mr. Jones moved to send the proposed 5% annual increase in housing rates compounded over the next five years to be effective Fall 2025 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.

LPE 07/16/25

AGENDA ITEM 6 – Tuition & Mandatory Fees

Dr. Stinson provided examples of tuition increase estimates that ranged from 1%-5% to illustrate the estimated revenues generated and cost to students per semester including mandatory fee increase. She advised THEC will approve the binding range at a special called March commission meeting.

This was an informational item therefore no action was required.

AGENDA ITEM 7– Disclosed Project

Dr. Stinson advised the disclosed project was for replacement of the sound system in the Hooper Eblen Center. The estimated project cost is \$2,620,000.

Mr. Jones moved to approve the disclosed project 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 8 – FY2024 State Audit

Dr. Stinson advised for fiscal year ending June 30, 2024, the university financial statements received an unmodified opinion. The report did not contain any findings.

This was an informational item therefore no action was required.

AGENDA ITEM 9 – Notice of Responsibilities for Preventing, Detecting, and Reporting Fraud, Waste and Abuse

Chair Stites advised that state law requires the Audit Committee to formally reiterate on a regular basis to the Board, Management and Staff their responsibilities for preventing, detecting, and reporting fraud, waste, and abuse. Accordingly, a Notice of Responsibilities was provided in Diligent for the trustees to review.

No action required on this item.

AGENDA ITEM 10 – Annual Internal Audit Report

Amy Wilegus advised State law requires an annual report of Internal Audit work. The report is based on calendar year and covers January 2024 through December 2024. The report was provided in Diligent.

This was an informational item therefore no action was required.

LEE 07/16/25

AGENDA ITEM 11 – Approval of Internal Audit Charter

The Internal Audit Charter was revised to comply with the Institute of Internal Auditor's most recent version of the Global Internal Audit Standards that became effective January 9, 2025. Tennessee state law requires Internal Audit to comply with these standards. A copy of the current charter along with the proposed charter was provided in Diligent.

Mr. Jones moved to approve the proposed Internal Audit Charter 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 12 – Adjournment of Open Session & Call to Order on Non-Public Executive Session

There being no further business, the meeting adjourned at 11:44 a.m. After a short break, the Non-Public Executive Session began at 11:57 p.m. Trustees and Administration were present for the meeting.

AGENDA ITEM 13 – Adjournment

There being no further business, the Non-Public Executive Session adjourned at 1:30 p.m.

Approved,



Lee Wray, Secretary