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Good to be together and we have a lot of important business to cover at this meeting. This get started. I will begin with the rollcall. Tom Mason. Jim Winston. David Alders. Robert A. Flores. Brigettee Carnes Henderson. Judy Larson Olson. Laura Rectenwald. Nancy C. Windham. We have a new student region who will be joining us tomorrow. She had a prior commitment, a conference that she will be attending, so she can be with us today but we will welcome her tomorrow to the board table. Jane. Anthony. Brandon. He is in route I understand. A delayed plane from a conference. We will expect to momentarily. Graham Garner. Richelle Garrett. Bechard fields. Lorenzo Smith. Charla Sullivan. We are all accounted.

We will be deferring today as we go through our committee to our building grounds committee members who come along with me, Jim and Nancy, are in a privileged position to ask questions first. And the rest of the board we will be happy to entertain questions. Give me an overview of the agenda. It has some important items on it. It will conclude allegedly 2:45. We will make sure that we hold to that schedule. If we have some remaining items to cover, we will cover them later according to your direction. We will try to have everything completed by 2:30 and follow the agenda in time for a break. We will start on page 13 of the board book, just after the cover page on page 12, with a resolution for 2019 a and B unspent bond proceeds and to get a start on that, the VP, Gina Ogilvy.

Good afternoon. There's been much discussion about the 2019 bonds we issued. We had the two issues of 99,000,099.7 million with taxable, and other 15.925 million -- that was nontaxable, 15 with taxable. The coronavirus pandemic came and we started to recess what we would do on campus with those funds it went for arts and basketball practice. We decided it would be for a new residence hall and dining facility. We asked our bond counsel to, with a resolution to go ahead and approve how we want to use those bond funds. That is what you see before you. It will be on the prebudget that the finance and audit, but it is an update from the fourth year in building and grounds committee. With that, we are proposing in the resolution that -- and if you turn, I think you have it in your board book -- resolution that talks about the original purpose of the funds and if you recall that in October of 2019, the Board of Regents reallocated the \$13 million proceeds that was for the welcome center over the fine arts building and increase the budget. The other part was for the dining hall facilities. The resolution reaffirms that the University will move forward with the dining call facility and that we will move forward with other projects that are included in exhibit a. The first one is residence all deferred maintenance. Instead of building a new residence hall which includes demolishing certain other residence halls and electric grid analyses for the University as we brought new buildings on and taking buildings off, want to make sure our electricity is appropriate for years to come to heat and cool and have elected to city.

We are also adding in academic buildings and facilities maintenance. We did not have any projects originally in the bond issue,

but would like to include some. And then auxiliary buildings and facilities deferred maintenance.

Free-agent alders, I believe it to you. Do you want me to keep going into the project budget?

I think that will be great. Just to clarify, this resolution is drafted by our bond counsel? We don't have any concerning -- uncertainty that it needs to -- it keeps us in good shape legally with the intent and purpose originally, so our fund holders should be comfortable with this shift?

That is correct. The bond counsel drafted and it was reviewed by our General Counsel.

Exhibit a --

It is fairly general. You do have further the document on page 20 I believe the itemized rejected amounts. One -- go ahead and cover that. If you need to cover something in between the resolution itself, feel free to.

I am not looking at the page number. The next thing is the dining hall facility project first.

That is fine. It is page 18.

The resolution, dining facility, it may not be the same size as projected due to the increased cost of all kinds of services and goods during this time, since it was originally priced and looked at several years ago. If you recall, in October 2021, the board approved the expenditures that have been spent to date on the dining hall facility, which is right around \$195,000. Then we have calculated our bond proceeds related to dining, which are 15,800,000+ interest earnings through May 30 first of 2022, 533,008. Excluding those funds that were spent, nearly 60 million \$60 million available for the dining facility project budget. By setting the project budget, we will move forward with the project. There is also an additional amount of \$6.3 million that is a result of the dining services agreement. That amount is still under discussion with the University and Chartwell at our university architects. Over the best used in treatment of that portion of the funds. When we get to the project budget and the finance and audit committee, it will just be the 16 million excluding that 6.3 million we are asking to set the project budget on the University side to move forward.

Let's stop there temporarily and see if there are any questions. Any questions on the dining hall project? On the -- already been approved, was that for design and architectural? Has that already been expended?

It has.

Just wanted to make sure I was clear on that. And to what degree the negotiations with Chartwell's, could you expand a little bit upon how negotiable that 6.3 million is, who is the determining --

I will answer first. Brandon is on his way. He is the one over the dining hall. It is more negotiating with the kitchen facilities will look like inside the dining facilities. The contribution will go towards that part of that and designing it. To make all of it accessible for serving meals on campus. John branch, do you want to --

The scope of the investment is pretty much locked in.

It was in the Chartwell's contract, correct.

Negotiating inside that amount, what part do they think and we think is a priority?

Architect and the architect work on it together and agree to move forward with the project.

Mr. chair, I can add to that. On July 15th, there was a meeting in the student center, courtesy Compass, USA and OmniPlan were present in that meeting. Our architect involved. Compass is the parent of Chartwell's. OmniPlan is an architectural firm that serves Chartwell's. Those entities came together, spent a couple hours walking through expectations, these are the things OmniPlan is expected to handle, courtesy will stick to the original scope of the envelope, grounds, the site, all of those types of things. OmniPlan brought to the table the inner workings. How the kitchen will be laid out, the food that will be offered, those type of things. That was the first blush, determining how this will move forward. And then we began to develop schedules moving forward when this will occur, get their proposals together for submittal, all those things so we can get a schedule so we can move to construction. That was the intent.

Were all the parties need to go?

It was inimical meeting and all parties so confident that we have a good plan. Yes.

Any questions on that? Thank you. >> Without any more questions on the dining hall, we'll move forward to the other one I talked about when we said we were going to add some academic projects residence hall, auxiliary and academic deferred maintenance improvement. That same October meeting where they approved that prior expenditure of the dining hall, there was \$1 million that have been spent on the residence halls of other projects. That was awes October 31st, 21. The Board of Regents, last January, approved an amount of 200,000 for a campus assessment that was performed to look at the state of our residence halls and other projects on campus. With our bond proceeds related to the projects of 23.7 million and after starting, through May 31st,, \$720,000, less than 1 million, 90,000 already approved by the board and expended in the leaves 23 million available for these projects to be reallocated and reaffirmed by the Board of Regents. The purpose and use. Anticipating use as residence halls and auxiliary deferred

maintenance of 20 million. That campus assessment. We talked about that of 199,000, 850. The electric grid study costing \$158,000 and the right music building roof deferred maintenance improvement of 500,000. They are building, HVAC deferred maintenance of \$1.4 million, and health and wellness services facility also an artillery project, with some other services and their , the maintenance and HVAC improvement of \$670,000. Related to the health and wellness facility, we are also already recommending in the University heating budget for next year that \$230,000 of heat will be allocated to that project with counseling . Services moving into the health and wellness facility, so the total project budget for that piece becomes \$900,000. Those are detailed out in the attachment. In a table. If anybody has any questions about those total project budget , \$23 million , including the \$230,000 of higher education funds.

Jim or Nancy, any questions about --? I will go back for a second. My question earlier about the \$6.3 million or so that Chartwell's will invest. Overall, looking at the entire budget, which from the bond proceeds is 16.14 million , and the Chartwell's investment is an additional amount?

That is correct. >> Give me an idea of whether I am betting that in that meeting, John -- there was some discussion about what kind of facility you could build for that amount of money in today's market, but I would like to know whether that's what the discussion was about the overall budget, and also the anticipated time frame for getting started.

The amount of money available will really be a reduction of square footage from what was originally posted. That was in the 2018 scope. That project -- somewhere , 30,000 square feet , somewhere in there. I believe this building is probably going to be 15,000 square feet range. It will be a reduction. How that is situated on the site , how it is all piece together, how it will be part of the discussion moving forward. As far as the timeline is concerned, with the July 15th meeting, we come back in September, sometime around the middle the month, there will be a series of programs with the school to come back together those meetings will run through the middle of November. The goal of the groups to come back by mid-January with the complete set of documents, which are designed to -- some more of that phase there will be a pricing exercise that will be done to give us an idea of where we stand on cost before we go to the final stage, which are construction documents. Hopefully, those the goal will be to have final pricing by March. That final pricing by March, these exercises need to be done -- could potentially come back to the board at the April meeting. That is kind of the schedule that has been laid out. We have to maintain that schedule, but have all 16 abated in on the ground by March . And they have indicated that the three months to do that job. Hopefully M.Ed. Faller so, we can locking 16 down.

The funds for the demolition comes out of that overall number?

Out of the residence hall funds.

Off of the 20 million?

We confirm that with the bond council, which funds can be used for what projects the demolitions can come out.

Currently, the cafeteria feeds how many meals a day?

Brandon is not here interiors out. I can tell you from 2018 was about 2250 meals a day.

What we anticipate with the new facility? What do we anticipate in terms of meals per day in the new cafeteria ?

I don't half that. We will have to get that for you.

Overly Brandon walk and. >> The future of on-campus mill service and whether that new facility will

-- is going to accommodate growth and that sort of thing. That is what I am driving at.

I know they have done some -- with that. >> A lot of moving parts, lot of variables, including what our projections are for residential. The number of students LBR campus down the road. I wanted to get a feel for that. Any other questions on dining before we move on to construction? Tina has a ready mentioned that entire 23 and have million dollars roughly includes all \$200,000 that we've already invested in campus assessments, that was reported to us the last board meeting by courtesy. 20 1/2 million on residence halls and auxiliary deferred maintenance and improvements from which the demolition of all 16 will come. Electric grid study that has not happened, but would take place this week. In the deferred maintenance improvements for health and wellness services facility and HVAC improvement. The deferred maintenance and improvements of the art building. Any other items?

We do have some pictures on this. He has a PowerPoint which shows the actual projects.

These documents are also

--. I want to walk through these. I will walk through with these items are going to do. The first one up as the electrical study. To share with the board a little bit how we got to this point here, in the normal course of events over time, as you build in buildings, you typically would being tear buildings -- when we built them, we pull down -- you're not adding pass it. Other areas, the same thing is happening. However, of late, we've entered a bubble where we are adding we added basketball Performance Center, which expands usage. They going to do with the square footage on fine arts. The current building is in the 60,000 range. The new facility will max that. A lot of usage. The recommendation to add the 30,000 square feet. We are adding usage. The additional 10,000 square feet on the mechanics facility, which will add

-- replaced the 9200 square feet. We are adding cars to be trains here. We have some of that going on. In addition to that, we have had discussions -- not large discussion stash but it has, about what is Dashwood we going to do with electric cars? We really don't want to be in a situation where we install electric cars charging stations and we don't have the electrical capacity to handle that. Before we go any further, we felt we would need to take a look at our grid. We are running campus on three circuits. Those three circuits come out of the -- on East College Street. Once it comes out of the distribution center, we have it on our mapping a red, blue and green if we lose a circuit, we can immediately go out and locate it. And we can tell you in two minutes the buildings we have lost power on. The discussion has come up that we need a Fourth Circuit. Before we move any further, we recommended to the board for your consideration that we contract a large mechanical firm. They know our camp as well. They have done a similar study we are asking for. So that they can come in and look at our grid and come back to us with all these things we are recommending. Are asking for \$150,000 for the study. Any questions on the electrical geared study?

Just down the road on the stations, I think some of that market in places like University campus is possible there will be for pay. Some of those will be like the air stations the convenience store where you pay for the air.

I would presume that would be the case. But we are so early into this.

Eventually, --.

And we do have a charging station north of town in the loop.

Thank you. Moving forward, we recommend the upgrade to the health clinic. The building was built in 1978. The equipment in the building is original. We've had a lot of problems. We have an employee that babysits it. We have seen refrigerant for that facility becoming obsolete at it is very expensive. But 30 pounds, it is about \$2000. It typically takes about nine to do that. Every time we do refrigerant and, it is \$6000. We need to replace that quickly. By replacing the sold equipment, we will be modernizing it, which will save his utility cost over the course of the lifetime of this. We are recommending for your consideration \$900,000 for this project. And Vice President Ogilvy's wrote that out earlier how money will be spent on that. I tell you what we are going to do. One student services was built, they put a valve box in the ground here that was for future expansion. We are going to tap into that valve box here, which is the blue box. We will carry it over to here, put another valve box, come 330 feet to here, landed here and come into the building. This will be a excavation.

Less invasive in spots. This spiderweb --. Being able to tie in here will save us a lot. It is connected to get the system in the center fix we appreciate your consideration on this investment.

On this and other deferred maintenance items of the budget, this micro budget we have here, they're currently on the deferred maintenance list? They will come off of that list. Okay. Any questions?

Let's take a look at art. The upper art building, 1972, the equipment and is pretty much original to the building. The lower art was built in 82, and is primarily the original, but we have changed some things out over time in unison fans, but other than that, it is the original equipment. Same issue with refrigerant on this complex. We are also recommending -- and this has been a huge issue in the ceramics area -- humidity in Texas can be thick. Being able to accomplish this will be a big fee. Once again, replacing modern equipment with old equipment will save us down the road a utility cost and usage and maintenance. We are recommending for your consideration \$4 million for this project. It is a little deceiving we drive by the R building on Wilson Drive because you normally see this face, but it is a huge building. This area here alone, big rooms, big expensive rooms and high ceilings, very difficult, so we recommend that we go in to place the systems in this facility. I want to be clear with the board about one thing. This chiller yard serves this facility and also serves --. We are not making any renovations there in the children's jar. All of the equipment --. That is a recommendation today on our corrections as far as that is concerned. >> That might be an interesting facility to take a look at. I've never been aside the building, I'm sorry to say.

It is quite complex. It goes down and all those areas, it is a big spot to do a lot of things with.

Any questions on that?

We are recommending that we replace a room on the right music building or the original building, which is here, was built in 1968 or the room roof replaced in 1987. That was the last part I was put on the original building. The new addition to the facility is here. It was added in 1996. It is the original 1996 roof in 2014, there was a smaller addition added back here, practice rooms for issues. We are not including than the current scope. It is new and it is good. We're going to keep it. However, we are recommending for your consideration that we replaced the group on the entire music building in its entirety. We have linking issues, problems back in here, more problems back here. We may hear some of the later this afternoon. It is our recommendation that we replaced the roof on the music building.

We won't be replacing the roof on the 2014 edition?

That is right.

The original building roof last 19 years? The current roof is been there 35 years?

Yes.

We didn't get our money's worth on the roof.

It typical warranty on a roof is 20-25 years.

Will be heading over to we don't anticipate a tour the rooms today. Any questions about that?

You asked the question earlier about the dining hall. She's listening and texting. Their project thing 1538 meals per day and 650 seats. That was the numbers that came out of that July 15th meeting. Those could change a little bit based on further analysis. That is where they are right now.

650 seats.

There is a fine pencil put on that.

Entering the East college cafeteria, a couple of times in the last year, it does appear there is a lot of realize capacity there. You say we don't need that much. How many seats are there now?

I'm sure Kerry will text me momentarily. [Laughter] you have searched times obviously in a dining facility, so she will give me an answer. I will let you know. >> No corners in the building. I want to ask about the one item that we didn't go over on the unspent proceeds budget on page 20. Before we go through that, I want to remind the board that this is our time to discuss all of the line items. I want to elaborate or have Steve or Jean or John, the bulk of that 23 1/2 million dollars obviously is the 20 1/2 million in residence halls and auxiliary deferred maintenance and improvements to the home. We are not authorizing specific improvements today. We are setting a budget, which committee laws will bring to us and finalize, but give us an idea that I remember it was mentioned that the very possible to spend billions of dollars on these residence halls and do not be any manifestation of it on the outside, that students in the hall would really notice it. Because there is so much deferred maintenance with the electrical plumbing that needs to be done in those facilities. I want the board to be aware that 20 1/2 million maybe all that we have available. But when we do this study, but we are basically doing, we will do study out of this 20 9/2 million and then the board will contemplate specific expenditures and areas. Is that correct?

That is correct.

What residence halls will be interested?

I think at this point, the LEP study was going to include Griffin, Kerr and Steen.

Brandon would normally be able to answer that. I think the goal now is to take a look at the needs and current Griffith and Steen. With a

little bit of elevator work and the landing. But that is my -- just until we know what we have and price out. The hope is that we can do the mechanical and electrical plumbing. I know some people don't like acronyms. Mechanical electrical and plumbing work and still have significant funds available to deal with Steen as far as just aesthetics and appeal. If we don't, will be in a position to make a decision, which would -- you are right, we are not asking for any -- we would come back with whatever the final decision -- final request was to expend those funds. Right now, we decide the price. Courtesy provided some thumbnail pricing on the projects, but had included some interior work as well. We will need to suss that out. It was aggregated into one number. Even those numbers, if they hold, who knows with the way price escalation goes, it looks like there could be significant amount available for the work we would want to do. With any fee anesthetics. Go back to why that is our first year students all. That is where prospective students and their families look at as a place to live. We want to make sure that it is kept to up-to-date as possible while also paying attention to what the long-term MEP needs are and some of our other facilities. When one of those systems fails, it is very expensive to deal with. While we have the capacity of these bond proceeds, we want to make sure we do the right thing by both halls and hopefully have enough to do the right thing by Steen. If we do not have both, we will have to come back with a proposal and discuss it with the board about what our thoughts are.

As I recall from our vote, that group --

There all what you call community now but

Steen is sweet based?

Those are suites. There is one a bathroom that serves two rooms.

Which I assume refers to your students, I've heard that when you have this 60 hour requirement on campus, your residence, obviously, it impacts your recruitment and your enrollment. I think I'm checking with you on doing as much aesthetic work and dress-up work at Steen as we possibly can. We have to worry about keeping get attractive.

We want to be conscious about using bond proceeds about long-term work. Rather than carpet in student housing. Some of that would be part and parcel of redoing something for long term. It is not mutually exclusive. And back to the bathrooms. That's been a point of consideration for a while. There is an expense to doing that. If you do it, the cost of what your charge would be for that hall, it would have to be adjusted to consider covering the cost of that. It doesn't mean you have to do every floor or every hall or every wing. You could have different wings, different halls with different communities in there. What we are conscious about is our price points. If you look at our overall housing numbers, we maintain a fairly good inventory of low price points for students, relative to most of our peers. We are conscious about maintaining that as well. It is sort of the navigation through that. Those halls are very large. And to do complete renovations of all the

restrooms and bathroom facilities on every floor and every hall, we would have substantial expense. The bottom line is we are not asking any of that today. We're saying F study the MBD and what we want to do at Steen, the best of both worlds and VLANs within the available funds. If not, we will parse out and come back to you with a proposal to make those.

We talked about the demolition of a least a couple of -- is that not related to this point?

It is. I don't know if they have mentioned that, but Mays Hall and Hall number 10 have done their job. They have done well for many years. It is time for them to be given All-America status. The plan -- hall 16 flows into the schedule for the dining hall. That is something we want to really move away. Mays Hall and Hall 10 I really not worthy of any substantial investment at this point. I went back over there and did a farewell tour last week just to be sure. They need to -- I shed a little bit of a tear. It is time. They need to go. They are becoming maintenance and liability issues at this point. They need to go. Part of the proceeds would be to remove Mays and Hall Tan. The plan now -- I wish Branden was here to cover this. The plan now is to maintain North and South Halls just in case we need capacity if we do any interior work in one of the larger residence halls during that time. Long-term, they would be removed as well. The cost, I think we have an estimate from courtesy. It would have to be re-evaluated to make sure it is good. The cost for Mays and 10 was fairly nominal. It was less than 300 thousand each. 16 was fairly expensive. It will be about \$150,000. It is that old-style concrete poured in place. It will fight back.

I would say -- just going on the courtesy price come out of my head, with nothing in front of me not being Brandon, I would say that we are probably about 1 million have to do all. I will likely be proven wrong when they come back and every price it. But if I remember, that is with the study indicated.

Just to add to that, and we had Dr. Jeremy Higgins here, the buildings all have to be --. It will be the whole process of demolition for those three.

>> I have a question regarding the capacity and the number of rooms we currently have on campus. I think all this close together. As I look to numbers, each has taken me back for up to enrollment. Aroma seems to be the most important thing we need to focus on. Enrollment should drive where we are with our residence halls and our dining needs to be. Some of the things I've looked at, and I've been able to go to the coordinating board information numbers and aroma numbers, we write a line in certain areas, the things we're doing but I was so some of those out now because this speaks to the residence halls and I think in the future we need to have some of these conversations because what we are doing thou may not fit what we were doing in 2034 years ago some of these halls, you mentioned tan MAs in North and South, they were built in the early 60s. There 60+ years old. When you look at other universities and what their on-campus requirements are to live on campus. We have a 60 hour. A lot of universities that peer groups are within a range are one year or less. I went through and look at other universities online and to see how we measure that. Lamarr has a one

year. South Houston has a one year. Charleston has a two. But I'll speak more about that. UT Tyler has to available. All the a and M's, commerce, zero. No requirement to live on campus. Angelo State has zero. Texas Southern has one year. All the others have zero or one year. We are at a two year period I've questioned with things they have on enrollment we have a student who maybe one set of options do I want to live on campus on one year off campus to? If we have a lot of too, does that affect is? I'm not saying it does. I don't have the data, but I could suggest we need to look at that say and say what if the requirement to live on campus had on the University? And that is a deterrent, it will affect what we need in housing and maybe one your students are some there after that fall into it. There was another set of numbers I found on the coordinating board, fall 2019 routing housing survey. A lot of public universities that have technical colleges and so forth. If you look at the number of available beds, based on enrollment, most of them have 4+ students per bed, 4-5 is basically the number. If you take the average is closing TSU, it is way off the chart. They had very few rooms. The average is about 4.56. Per bed. We have 2.6. We are way at the bottom of all these universities. We are dead at the bottom.

At the top of capacity.

We are way too high-capacity. Most of our peer groups -- if you look at a San Houston, they are 3700 or so availability. We are 45.

When you look at some of the others, they are much lower. When you look at Lamarr, 2491. I do have numbers on commuters. There is distance learning where they have ones that don't online. That is another conversation we need to have in the future. A lot of the aroma you see as some universities that we are measuring up against are putting their distant learning and to that number. There enrollment is going up but they are not housing students on the campus. With that being said, I really felt like that we have put ourselves in a position we are having to feed this beast. We having to give students an, get fittings and to take care of the meal plan housing, and when we voted on the meal plan last year, I wasn't at the point where it is that the contract we were voting gone and the capacity and the number of students we were putting in are required to put into the contract because I think based on these numbers and what I capacity in residence hall should be, that number probably needs to be tweaked down. If it does, even our dining, do we need the dining. East cafeteria has a lot of capacity right now. If we could go in and do modification without tearing down the reconstructing, that may be a thing to look at. I enrollment needs will grow. But the students needs are changing. As we walked through some of these residence halls, I was shocked at what they look like. The village look good the landing look good. The Lodge for some of older ones, do you really want to put money into those or do we want to look at changing housing? What I would suggest one talking about Mays and South, I think we need to revisit

taking those down and may be planned to put a hall there that looks like what students would like to see when they come here, keep seems like it is because it is a first year and a half the accommodation, but maybe work on the next several years to take our residence halls around

some, but get the halls -- most universities are red, it is available. They will have capacity in students in 100%. After that, they will of the community take care of it with regular housing and apartments. My recommendation will be we need to look at that. If you take our look, we have planning and residence halls so many are in the 60s and 70s. When Steve and I spoke before, some time ago, I believe it worked well for the University to have that many because they were older and paid off. We can take whatever and it would lower renovations for students and the ones that are much higher. I will say the other cash cow, but they were doing well because they were paid off. Now because of deferred maintenance, we will have to put a lot of money and to keep them to the same standard they are now with no changes. I just really feel like if we will spend \$20 million to put into her or Griffith or something close to it, I would think we need to go back and look at taking our capacity down, get new facilities and and with our number one spot in 2000 and 2006 and 2011 or newer one, we may have 80% of our needing capacity with residence halls that were at least in the 2005 splash. That is my thigh. I have a lot of data to support it. But that is just me talking in basic terms.

Brandon , you had a great thing going before you came in. [Laughter]
>> You already have your data. I have some to.

Did you hear all of Robert's comments?

I did hear everything.

That was one about the dining hall component and a residence hall component to it. Robertson fill in the gap. Go ahead. Address any of the common.

Look at it from a global perspective, I've been looking at this issue since I got here two years ago. We you come and sometimes, you cannot -- week, to a place,

you're not an expert LSU come from far away. I came 10 hours away. I have been working in student affairs from his 23 years. The research I have seen is telling me that you need to think about consolidating your inventory. That is what is out there in the greatest fear. Robert, I think there are a lot of things we can do. But I just got off the road for my delayed flight. I apologize.

If you need a moment --

I am good. Taking down the halls , total revenue of about \$137,000 annually. If you take a deferred maintenance , what we put into them to clean up, to utilities and all that, you add those two up, over 10 years, you save about \$15 million. If you took them down over the same period of 10 years, you would only make 8 million. It would take 20 years. You will add deferred maintenance to it. It will take him in 20 years to get your money out of them. Even then, I would argue that students are going to look at him and them and causing zombie buildings. They look dead and don't look new. I think they take away from the campus.

I think that meshes with his comments about bringing down our old student housing capacity. The question might be that why would we stop at two if that is the case. Why don't we do for?

Thank you. I think we need two of them for swing pace. The way we look at -- the review of what the nuts and bolts

and the infrastructure of the buildings look like, we focus on Griffith, Kerr and Steen, which is where predominately our freshman and first-year students will be. That is not just -- we talk a lot about recruitment, but what is even more is retention. When they come here and look at that, even though we may get some 30 hours or 60 hours, then living is something they think is subpar, this is where the rub is. You want to use bond monies smartly to put it on things that are worth investing and paying interest on. But with the students can't bear looking at and what I'm trying to do with my team is how we create revenue in space to make those ascetics look good. We may see that is not a big as an investment. Their hair less than four years or less. They want to walk in and the shower looks good. That I want to see black caulk. They want to see new shower curtains. They want to feel warm. That is how the rub of how much do we balance making it look good versus -- I love the new residence hall, I just don't think we can afford the dent on it.

I have a couple of comments on that. I go back to the four units because I just don't think in the grand scheme of things they will play a big value in the University, but also I will point out back in 2005 and six, there were four parking garage complexes but I campus. They were strategically put on campus and I think of a place in the right position and they would accommodate if you put those for down and plan to put something back in those horseshoe areas. That would be residence halls. You have North and South is that, you have capacity with your parking garages.

I think it plays well. Even the architecture, in look like Kerr and Griffith, just have a better inside appeal to students. So you don't lose that look, those buildings are unique and I think they look nice and they have been here a long time. But I go back and I think our capacity -- we need to be looking at in the 3000 range instead of four or five. At the end of the day, with newer facilities, something that we can go out and market to students that look like others. At first, I was concerned some of the value that we had on our rooms, we have in some areas that are pricing out at 5000, \$4000. For students, that that is high. The students are paying it. Would I have a lot of vacancies. I'm looking at 2019 numbers. I don't think it is the price of the product or the room is an issue, it is the quality where it is in relation to the University. Going back, and I think if we set a goal and say this is the capacity, we would like your -- and say where do we spend the money to get there and put into a facility to give it a new and of life in another 15 years, and others it doesn't make sense. We will use those until they are completed. If they still have a useful life of 3-5 years, they gives us a chance to get to that level and get that funding for those facilities. If we think they have a few years left, I would want to start putting money into that now because we may change that dynamic. I mentioned I really believe we need to go back and

look at that 30 hour versus 60. I really feel like it is hurting us on enrollment and also I think we are forcing students to come I campus and have to be in a facility that is not -- is subpar.

I agree with you. When I came here, I looked at -- one of the questions I had is 60 hours was higher than some places. Some places consist of -- most places will have a liver requirement. I have a study from -- in there we look at sophomores living on, they retained -- I go back to it is not just the recruitment. It is more important that the big RF retention. If we recruit a lot and then leave, we will get the reputation of will not finish or whatever. Slowly fails away. Whatever slogan they have. The study looked at was sophomores in this, my attention. We have 95% retention living on campus. If you live with your family off-campus, you're at 92%. If you lived off campus with friends of the family, 93%.

Retention rates?

Yes.

Living off campus with friends was high as?

Living on campus for sophomores. 95%. They're all close relatively. Think about it. For us, we are talking about dollars, that 95% can be the difference in revenue. It helps academically living on campus. They are more successful. Same way as working a job on campus. I would like to grace and flexibility. I was talking with Ed tool. There was a local realtor. I worry about the rental rates are so high outside in the public for houses, not just apartment rent, the students being able to afford that and do we have the ability -- some college towns have overbuilt residence off-campus properties. I don't think that is the case here in Nacogdoches. If anything, we need more. The problem is the way we built the budget bottom with the auxiliary budget. We saw this in bed. When they're not required to live on, cost millions of dollars in revenue. It put us in a very sticky finance position. If you read the research, a lot of stuff and retention is based on connection, well-being and belonging. That is what we are in the business up and student affairs. We support the academic mission, but we also were students being here we operate on that and we're down to a skeleton crew, I'm not sure how I would get to the year without some assistance to make the budget. This being transparent.

Just to put this into context, I think we have -- we need dorms that are attractive to students perspectives that so when they come here this might be the best fit for the mother University we won't the dorms to turn them away. For our purposes right now, we are putting on this resolution for bond funds, and the slight change. The approach for these bond funds. We are really looking at exhibit A we saw early year. Does that meet our needs for today? All of these discussions and issues are very important, but those are not things that will be decided today. I think what we are saying is we are acknowledging these are really important issues on a board level for enrollment. It is such a driver for us. We need to see how they were allocating \$20 million to

how that can be allocated to improving enrollment and enhancing the student experience here. But we are not deciding today what those things are. We are just deciding on the resolution today. I think we're all on the same page for that.

That is correct. I assume it is very possible that after we study our needs on campus, the demolition of two or three residence halls, that number could change potentially. We are not locking again the specific budget money that. We have allocated 20 million, but we are not saying how that million will be spent.

At this point, correct me if I'm wrong, but at this point of we are out of that 20.4, the only thing we are saying we plan to do is take Hall 16, Mays and Ten.

And take on other dorms based on additional conversations?

Right now, that would be the approach to what was we want to for sure do now. And we have to price out some of these other things to be able to come back with any reviewer that and based on Roberts questions, we can assess to some of that information and factor that into our future planning.

20 1/2 million, that is a tight budget for all the things we talked about Foraker, Griffith and Steen. You will come back to us about specific budget line items inside that 20 and a half-million after this?
>> Correct.

I want to mention that as a separate issue. Dining, robber also alluded to, I assume that that this week we are getting past the point of no return with respect to whether we are going to build a new Collis cafeteria. Seven part of the resolution was to construct new dining. Part of the issue was renovating the East college has always been time it takes to do that and will you serve 1500 meals a day with service.

If you remember and the report, Curtis it was that they wanted to really try to hold onto it. They were not able to answer the question. We went back to the past where we were not able to answer that question when we decided to do what we did in 2018. There -- is Collis has 900 seats now. The new hall would have 650. At least that is the beginning planning number. One of the issues that has always been how you set up a mess tent in a parking lot somewhere for a year while you are getting and renovating the only dining hall that side of campus. That was in insurmountable problem we just couldn't arrive in and support. The plan was takedown 16, build the new dining hall and take down the old one.

I had a question on that. When we voted last time on this, the contract with Chartwell's, what is our requirement on that contract, Brandon?, The mills I was supposed to provide a request from Chartwell's? Have we met that number or have we had to pay additional contracts regarding the number?

We haven't had to pay additional on the contract. The first year, I think with the challenges of COVID-19, and we will talk in another committee about the long-term impact, the way we structured it is we -- a big portion of our money is coming -- one would look at the contract, the financial part of it is 20, 30%. There are other factors we looked at for partnership and all these things we enhance with the student experience. We get about -- when we go .

That is where a lot of the money is coming from. I think it is interlock with enrollment. That is what I say it can just be a student affairs concern. It has to be a university concern. Everybody here.

The more likely I think we will get revenue off of that staying off-campus

create a better and more positive experience for the students. I can't recall the exact finite number.

Here's my question. Let's say at some point we have a study in the comes back and a recommendation in the study reports that the we have a 60 hour requirement on campus. And maybe it would change that to a 30 or 80 -- zero. What does that do to housing? The projection will say we don't know the first or second year.

We do that projection. What would be the loss on that or we incur? Based on that, Meals now will be this amount. Which falls outside of the contract. My point is, we may be forced to stay with the 60 the hearse enrollment because we cannot change this Chartwell contract for another six years. And we have these residence halls updates and a risk for the students living on campus. I hate we are putting a position that I housing at our meals dictate the number of students that have to be on campus.

Let me mention something on 60 hour requirement. With the advent of credit, many students are coming in with 20+ hours, sometimes 30 hours already. We have reviewed several years ago changing the 60 hours to two years . That is what a lot of institutions have done. They change to a two-year period West Texas A&M called the four semesters. We did not. We left it at 60. He realized a lot of students could hour out if they brought in enough hours.

We should see a drop in our enrollment if that is the case because the students are not being on campus. The data was support that. The other question, we need to look at the credit. If you look at other universities, they don't have the numbers pushing through . I was shocked when I look at some of the universities I felt like with distance learning data that they are not doing the credit. I feel like the credit hurt us with the -- but also we provide educations for a lot of students that didn't stay within SFA. I think if we look at that program and modify it , and that is a different conversation, but give a credit, if you take a credit from SFA, we will take the full amount you have to live in Nacogdoches. If you decide to come to SFA, we will give the credit on tuition for future wish to enroll and SFA. That would put people here or they will pay the full amount. They pay the full amount, you know have colleges complain so much because we charting

our regular tuition rate. There are conversations and thoughts on that. The data supports if it was a great opportunity for universities, think a lot more would be doing that. I didn't see it. If the data is out there and supports a lot of people are doing it, let me know. But I don't see it. Once again, a lot of my decisions, looking at other universities trying to find logic in what they're doing to make sure we make those same decisions or have that same thought process.

Two things on to highlight. I always respect our competitors, but having worked in higher education, many other people who have worked longer than me, one of the unique things about higher education, we are all unique and dynamic culturally as institutions. I think we can look at best practices and peers, but I don't think we can completely State Bar self to a because the culture of SFA is uniquely different than the cultures at UT Tyler and Sam Houston and am in commerce. We can borrow, use and talk all about doing that having those conversations, I agree with the 100% regent fluoresce. The big appointment to highlight is regent fluoresce as we are tied. It is a tough situation. Coming in and tying a lot of it to your enrollment, -- your auxiliary budget, without the murky analog challenge that we all need to talk about is, we wouldn't be in this position

completely, but were paying \$1 million off the top every year and bond that covered. If I didn't have that part of me likes the idea of building new, but this new create the potential of more on top that I will always have to pay off? I have to pay that right off the top before I even go down. Strip the division of student affairs personnel wise as lien this is what I could get it. The point where I say I want to make changes and take risk. I will have to put money back in over the student center so I can generate some revenue so I can keep housing afloat if I numbers fluctuate 100 or 200 off-campus. Those have big impacts in the budget. Going from where I am. Paying down debt coverage, paying off \$350 with the cameras and annually over the next four years, and then doing deferred maintenance . If I'm down 120 students, looking at moving everything around so I'm not \$1 million in debt for fiscal year. That is just how -- I'm being very transparent. I have a team that works on this daily. Just like Robert, we let the data. We are swimming around in it. We are always open to feedback. We welcome it. You all are a bright board. We want to hear it. But with the president was saying is this is an option we put forward and we did our best the dive analysis on it based on practice and experience. But we are always willing to look at things to keep -- that his direction you are always need to go in. I am a soldier and I want to do good for me at the end of the day and the students and was best for the home. >> Brandon, I appreciate you saying we are unique and different. That is what sets us apart in East Texas and SFA for the last 100 years. I echo that. We look at other universities, we can find things that we can compare to and try to strive to, but I would not and I do not want to see this university looked at like all the others. I appreciate you saying that.

Back to where we ask you to do today . On page two of the bond resolution at the bottom , due to the effects of COVID , the board of Banas construction of the residence hall as originally planned and further authorizes the expenditure of all remaining 2019 bond proceeds , including after starting for the designated project set forth in

exhibit a. This resolution is to abandon construction of residence hall moving to deferred maintenance of the residence hall. The second section says the board hereby confirms receiving the dining hall facility and the expenditure of the taxable series to 2019 bond proceeds including the interest earnings for the dining hall and it has some legal requirements. The other thing is moving out of the residence hall proceeds to fund those academic projects, all the roofs on the building for the music building, HVAC on the R building that we feel like need to be done and. All under exhibit a.

Pace one would be exhibit A, section 1 resolution. The dining hall facility in section 2.

Asking if we can turn back, the resolution is to use the funds for these purposes.

Within that 20.4 million , there is some future consideration?

Right.

In the 23 million, our funds with Chartwell's, we are going down the river on the return.

Residence halls and auxiliary department maintenance. It is not scheduled out and exactly what that would be. There are plans --

and I just want to make sure our committee understands where we are on that. To some degree, and saw that 20.4 million, some future discussions and collects abilities , but in section 2, dining was heading our core here to --. And demolition of dorm 16.

If you recall, we don't have any project budget set for any of these. For we even do anything, we -- that is with the next part covers. The project budget that will be set by the finance audit committees.

We have to work fast.

And it goes right back to what I said before. If we will study enrollment, what effect it has on University and that will have on dining, what if they come back and say

it would be better if you were one year or a zero year, and we do the projections and we don't need that capacity. We have a Chartwell contract that can we go back and negotiate change, do something to reduce that requirement , and do we really need a hall that we are looking at or dining facility that we look at putting in at that level? If we agree to this and vote on it, we are taking another step to put us in a direction we can make that change. We have to move where we are going or am I reading that wrong?

30% reduction in the cafeteria now.

But right now, we we have been service with that cafeteria. We have been servicing 4500 students living on campus right now.

I guess what we are saying is we can get by with less. In terms of capacity on the east college.

What if we didn't do the new dining facility is what I'm saying. Would we have capacity now?

We would have capacity in a broken down cafeteria that has a lot of problems and we are about that to replace kitchen equipment in any way. We could limp along but we are two years away from a new dining facility if we kick it off today. We're talking probably the spring of -- fall of 20 -- fall of 2024. We would just be in limbo for that period of time. I understand what you are saying is that if we make a change that impacts that, but I look at we're talking 650 seats, I don't know we are going to shrink capacity so much that will not serve us. We will take a look at it and make sure.

Also, talk about seats, keeping your mind with the frame, it is all the configuration. If we put a bunch of four toppers in there and get X amount, students normally would not roll up to a four top what somebody already had a four top and the like can I sit with you. And when I do that. We talked about

are they going to be more longer community styles. The seat numbers may go up to 700. It is just because we are doing more long tops versus if you put a bunch of small for tops in there and students, as much as we want them to engage and hang out, think about yourself and your own businesses, would you roll up to a tabletop with one you didn't know them and be like, I would like to do that. That is how students make friends, but they probably will not do that. What they could do it if it was a long table of 15.

You mentioned the \$8 million debt service right now. If we pay another dining hall to that, and we do some remodels on residence halls, issued debt service going to go up from 8 million?

It is always there.

If we did not spend it, if we find a way to get around it and reduce it, you wouldn't be servicing \$1 million? You have a less amount?

But the University will be servicing it.

But he wouldn't as auxiliary.

I go to we're here to educate a student. Have enrollment and educated student but we provide residence halls and food to accommodate those students getting an education. It looks like from what I see is we are trying to be room and board for students and get them in here because

we had this week we have created and we are going to do whatever we can to make sure we can serve it that capacity. If we do, why stay at 60 hours? When I do 90s? All of them. We will get more students on campus? We wouldn't do that. I'm trying to say, what will we do to get enrollment right and do whatever it takes and we service them with meals and residence. That's all I'm asking. I don't know the answer. I truly don't. I think we need to spend time doing that. I don't want to be

in a position where we are forcing ourselves to do something and change the dynamics of aroma to do that.

The testing is if we find that a different way philosophically, research shows that we live on campus, when there on campus, they will be retained at a higher rate. They will typically have higher grades and they will connect and experiences -- during COVID-19, students talked about what they missed the most. They missed that connection and bonding and interaction. Those are the places -- we know they're happening in classrooms. The students spend the majority of the time outside of the classroom. It is those experiences in those environments, it is how they shape behaviors and success. We have to do it. We have to look at those situations. When we -- when I looked at it as the vice president, it was how much money am I going to put into another low architecturally it may be a certain style, the students to pay attention to that. We maintain it as a certain thing or an architect may care about that, but the students, what they care about is is the food going to be could, thus the selected place that is ran down. I go in there and I eat, I go to the dining halls and when I look at the current East campus, you may as well markout if it is a circle or a pie, we only use about this much of it. To even feed the students. Most of it is just keeping in cooling and cleaning and is not getting use. We are putting resources into a behemoth that I think we necessarily need. In the Courtesy report, the recommendation was they lean towards the new dining hall and part of the rationale was an external consultant was it bridges our new music with our performing arts and in the middle you had this new connected dining hall that creates synergy and showcases

and inundated in a cool place they want to come live and learn and engage.

What that, there probably is learning we can look at in those reports and statistics may support it. But I know there are systems. Corpus Christi has 12,000 students. Then 2800 beds. Kingsville has 1000, 2200 beds. Charlton has 13,000, 3500 beds. Evidently, I'm saying there has to be some logic in the number of beds we have based on the enrollments. If it was a higher retention and great for the University, I would think of the University will be doing that as well. I cannot see it in the data each one of these are unique. They depend on the geography and located. But I cannot see that here. I deftly think Texas A&M University, U of H and others are doing it wrong and I'm glad we're doing it right. I think --

I think healthy for us would be about 3500. Between 3330 500 on campus. I don't think we have enough space. 10-15 years what we will have to worry about unless we want to have something new.

Right now how many beds we have on campus?

Right now, that is the tricky question. How many do we have or how much revenue regenerating?

How much do we have? By taking down Ten MAs, were not adding considerable beds.

Based on the 2019 board numbers, were shown to have 4850 beds. I have a document that Steve gave me that I appreciate very much. It shows 2736.

It is about that number. 4736. Take out maze Hall, hundred and five, not much at all. You could take out North and South, lesson 100, that is another 200. You can take a lot of those out.

A los

unless you want to demolish more, we're moving in the right direction, but we're not adding.

But we are about to put money into existing facilities that will not bring another dollar. My point is, if you go in and tear out the innards of it, and rebuild it, -- he will go from, let's say Kerr and Griffith were \$2400, will show you \$3500 now so we made at the water runs in the toilet flushes.

That is the nature of the beast of deferred maintenance.

Wipe it and that if you could go into another complex and -- maybe instead of living 400 committed 300 but you start getting \$4000 beds off of it. I am saying let it take its useful life out and put something in place so you don't think money into it, get it to generate substantial dollars. Look at the lodges. They're going for 44, 45, \$5000 rooms

But the expense of adding new dormitories on this campus requires funds we simply don't have.

What would the expense be?

The original plan was to build a new residence hall, which we are saying in the resolution we are abandoning, and building the new dining hall, the new -- I will have to allow some old fuzzy numbers here -- the bonds that were sold at the time were anticipated to be able to build basically replace what we would lose by taking a 16. About 400.

When we look at what was available based on the price escalation, we were down with that 39 million all total, about 16 help me out with the math. Probably about 25 for a residence hall. We can get about we're down to about 150 beds. That is one reason we said we eliminated that at that point and said that is not because we knew we were going to have deferred maintenance needs. Also, we knew we we had refunded \$900 million to students out of housing when the COVID came along. It

took away some of the capacity we had to do some of the deferred maintenance out of those funds. We would have to price it out and see and it depends on the what you built. If you build stick construction or something that will last longer. You can probably price it out a little bit different on that.

Regardless, we still haven't solved the problem of deferred maintenance expense. If we're not going to demolish them, we have to do deferred maintenance.

That or you roll the die.

And that was my question in the reporting. It is really say how much longer before it would be -- we heard people say we have problems, but really is that time. One year? Five years? Ten?

That is what we are asking to do. We want to have an examination of that to tell us what useful life is left in their and price out what it would take if we could do something with it. We are working with something more than all of the information we have.

This part of the resolution doesn't eliminate that down the road.

The cafeteria, that is they want to keep going back to. If we had 3500 is the number, and from that we should have some idea of what melphalan students will have with that and what is to be our capacity at that point. We have contracts that six more years on that are priced out at \$9 million a year? Like a \$70 million a year contract or something. That is significant dollars that we had. That will force us to say we have to have that many students in this plan, that many students in the residence halls and spend this amount to either fix it what we have or to others. In the meantime, it may be with a damper effect on enrollment, I just don't know. I know I'm asking a lot of questions, but I think if we get that car in front of the horse, will have other -- will be forced have to say I voted on this. We are not moving in that direction.

>>

How do we make take care that's how many meals a day? How do we meet that need and simultaneously renovate these college cafeteria? How do we do that?

I don't even know what the capacity of UCS. I go in there during the day on campus, and there's a lot you can do still there. That capacity, but it is not where people are sending along lines. I can walk right up into the market at marketplace anytime I want to and there is no line. I wonder, are we at capacity or if the capacity left? What we have now strategically? Doesn't accommodate it so we can make the right decision as to making the decision? Are we forced to make this decision now?

We do have a time constraint on this.

My question is, haven't we spent -- did I misunderstand that we hired courtesy for the last 90 days to do this is a study in the express are telling us this is what we should do do those studies.

I can answer that. I looked at the report. Looks like courtesy basically, we gave them information and from that they made a recommendation. One of the major defining points from Courtesy said that the University expects or something to that affect 40% of the enrollment is in residence halls. I asked Steve that question. What did that 40% come from?

Somebody on campus gave him the number based on a 60 hour. You will anticipated 40%. Is that really a direct -- courtesy should a look at what we had and said this is what you can do it not be -- they will fit what we say we want. We told him we needed 40% capacity. They came in and said you can do this. If we said we be 2500 beds and what is your recommendation, it would be different I believe. That is my opinion and I may be wrong. Consultants typically give you -- consultant and what you want to know and you tell them certain factors and they tell you this is what you can do based on those set of data.

I don't know -- I was in the meetings, but I don't know if there was ever said that we expect 40%. Based on the data, that is what average out to about. >> I questioned the 40% number. It was worded that it didn't say we require, but it was something and I wondered where that 40% come from.

I think 40% has been a historical percentage. Your point is that based on the 60 hour requirement is why it is 40%. And unless hour requirement result in fewer percentage, but I think the 40% has been over time fairly historical number pre-COVID.

I think you are right. We look at the numbers like enrollment, they look at past projections. Let's just make sure we do make the right decision and I spend money and later realized that maybe that is not the best thing to do and maybe -- Brigettee, you're right. We hired courtesy and that is the recommendation, maybe we go at that. Maybe courtesy did a look at our requirements and enrollment.

Even within that enrollment, there is probably conversation about why or some colleges have done better in less enrollment. I will go back to high school and junior college enrollment. Which is another conversation.

Do we know for sure courtesy did not look at those things?

That is a good question. If they did, please enlighten me on it. That would support me making the right decision. You might ask that later.

Hopefully, we'll have about two hours to read some of this. I want to hold to that 2:45 schedule. We need to be over there at 2:45?

2:30.

Do we start that?

I think -- .

We made that arrangement. I don't want them to have to be late on this. I do think the good news is this is the heavy lifting part of our committee meeting. I think the rest of it will be pretty --. I don't know how we will proceed with this at this point, but I want -- time constraints on our bond proceeds.

We talked about that in issue that a while ago. There was a three year time limit and a five-year time limit. With the bonds being issued 2019, we passed the three year but because of the how the market was, we don't think we really have any issues with that. We should not have them expended in the five year mark. From 2019. February 2019. So sometime in 2024. We can see if we have any leeway on that. But it should be February 2024. As far as the original bond stash the original bond documents did not give us authority to do academic projects. We can't move forward with those until passing the bond resolution. The bond resolution is changing -- the authority that was in the original bond documents, we have the authority to do the residence hall and the dining in the original bond documents. But not the academic projects.

We will try to -- not conduct any business during our tour. Let's take a quick break. Bottom chair, I will throw back to you. Let you be in charge of the program now until the tour.

It is to: 42. Let's take -- what is a transportation mode?

We are walking. >> Let's take -- . [Laughter]

I think a stop would be in order .

Less just disassembled downstairs and start walking.

We are recessing the meeting. [The event is on a recess. The session will reconvene at 4:30 pm. Captioner on standby.]

[Captioners transitioning]

We are back from our tour. We have not yet -- concluded our building and grounds committee meeting. So, we will go back to regent Aldridge for that.

Thank you, madam chair. We will get through these remaining as soon as possible. I think they will be efficiently dealt with. I will try to make the first report efficiently dealt with by reminding everyone that this really is a report to building grounds committee and in as

much as it deals with building and grounds initiatives, it's important that it be reported to the building and grounds committee but ultimately the decision on this will be record out for a vote by finance and audit committee. [Inaudible].

I think we wrangled with the relevant discussion items, section 1 and section 2 of the resolution. I think it's important that we get this resolution passed at this board meeting but I will defer, again, to finance and audit committee for the resolution. So, moving on to CCAP update, at the last board meeting, we definitely had direction there and course of action and develop more definition at this board meeting with regards to programming and so forth. Regina has an update for us that is a pay level above ours that deferred to this agenda item in specific details down the road for us as well. Give us a C Kay update.

Capital construction pro expwructs rereceived an aloe quailings of 4,493,200,832. As part of the senate bill 52 it authorized that not later than March 31, 2022 a commission would be developed and they would issue model guidelines requiring dealing with procurement and construction related to those capitol projects and it gave a date of December 31, 2022 for that commission to prepare and submit a report to the governor and other oversight individuals about those procurement and construction guidelines and recommendations. So, our understanding and Charlotte reported on this, that the house has not appointed their members of the commission so the committee has not met, we don't have the guidelines and none of us can move forward using these funds for the projects until that work is done at the legislative level. So, we are at a holding pattern on the C cap to issue the bonds to do design work or any of that. We can't do a reimbursement resolution. That's the C cap report.

I asked earlier, every other education institution of higher learning in the State of Texas is at the same spot we are in. As far as you know, none has extended any of their C cap funds?

They have not expended C cap funds. A couple have chosen to use [Inaudible] preliminary work. But that is the report that we get back.

Okay. So, we anticipate given the December deadline, a March deadline for handling this panel ends, a chair has been appointed, senate representative has been appointed, house representative has not been appointed.

That is my understanding.

That's right.

So. I hope it gets resolved soon. Past the point in the statute where it was supposed to be resolved. Any questions on that, we will move forward to the construction report. Gina or John, whoever --

Yes.

John interim fiscal plant director will give that report.

Mr. Chair, I will be as efficient as you would like [Inaudible] this is the report that we bring you every quarter. It will be familiar to all of you. The summary of projects as of June 30, 2022. And I will touch on them briefly. The first is the campus space and realignment item. You will recall January of 2022 [Inaudible] to cover IP refresh. We did Reno sayings to Austin second and third floors that included the provost across the hall to the [Inaudible] Provo suite, renovations under the controller's office area. Work in the library. I believe that that is referred to as the lumber Jack learning com. This is an initiative that came out of the academic area, provost can speak more to this at a later time as this project begins to develop. We will use funds out of of this account to cover that. Fine arts, we have moved substantial completion date out from the end of February to the second week of March. The project remains generally on schedule. However, we are going to accommodate for us the concerns that we have over the lighting and supply issues as well as weather delays that occurred over the project. Full transparency, we are reporting to you the day that we are moving that out to the first or second week of March. It's -- it could easily move back into the original slot as things develop. That's what we are looking at. We are looking at supply chain issues that we will handle with AV equipment. We are watching that closely. Over the last couple of quarters, I reported to the board that we are beginning the FF and E procurement process, a long process and we are starting to see headwinds here. Especially internally. We intend to come back to you in October with better information. We felt prudent to come to you now to let you know that when the budget was established somewhere in the 2018-19 timeframe, the budget for FF and E was a million \$714,000. The bulk of that number was furniture for the offices, furniture for the public spaces, the lobby centers, big areas. There are concerns and I will tell you that this is going to happen. Inflation is going to impact this. The 2018-2019 the world changed since then. We all know. We have been through a pandemic, we got serious supply chain issues. So, we are watching that and we intend to come back to the board in October with where we are at that time and where we are going from there. It's nothing to be alarmed about. It's not anything that is troubling, however, we want to be up front with you that when we walk back in here in October, this won't be a surprise to you. We got ideas on solutions to get us to the finish line and we plan to present it to you.

When you say FF and E and the project budget, the project budget will be impacted because the FFB budget will be impacted?

True. Yes. We also got areas that are contingencies. You know, this is a unique project that it's a renovation of an old building and new construction of a new building. They are going to connect. In the old building, there was things that they found that they got in to that they didn't anticipate. So, that -- you got into contingency when you do that. There was one area in particular on the west side, on the second level that there was a wing that there were faculty offices, when that was built in the '50s, all plaster walls. Big offices in there. This is a great example. The original scope the architect laid it out they were going to cut some offices in half, in other words make

two offices, reconfigure the space. The contractor got in there, and impacted a lot of things. It impacted fire safety, mechanical, IT, all of these components. The contractor turned it into a change order back to the architect and said the best option here is to just demo the space, one big area like this room and let us rebuild all of that out. So, things like that that came along after we got into the project. The roof was originally not in scope. The roof of the existing fine arts building was not originally in the scope. The storm took a toll on that roof. We opted a change over, went through the same process, take the roof now, a couple \$300,000. Things like that that accumulated over the course of the project. So, those -- again, nothing to be alarmed but as we move through this process, we come back to you in October, we will have information for you on where we are going and how we can -- so you are not surprised. So, to that end, what is going on there now, you may have noticed this when perhaps if you have driven around or as we -- you saw some of it as we walked, on the east side, the glass is beginning to go in. That whole side of the building is beginning to take shape. It will be a beautiful elevation when it's all said and done. So, the glass installation has begun. In power point one, the original intent was to connect to the main plan, but the fine arts project on the plan. The time that this was turned into the board office until now, we have begun -- they sent water back and forth. So, we are connected on the circulation on power plant one. We are not [Inaudible] contractor feels good about where they are. There were things that they were able to get and they have it in storage at the warehouse, so, that helped us tremendously. Keeping the project on schedule, but it is a moving target. One delay in the Sheetrock shipment and you are behind on that. So, right now so far so good, fine arts, as far as that is concerned. This is a big one. And I intend when we come back to you in October, we are going to start to TEE this up as far as the transition for substantial completion to building occupancy. The way this will land, it will land kind of in the middle of the semester. And we are going to have a runway where we got to get, you know, finish the substantial completion where we talked about, the building is ready for occupancy by the intended use to use it. We have to get phones and computers and all of these elements in and we got to get furniture in and all these details worked out. There are [Inaudible] all of those components have to come in. A lot of work has to be done for a summer occupancy, summer ribbon cutting and have this building ready to go by August the 1st for fall semester. So, when we come back in October, we will have details for you to lay that out, this is what that will look like as far as next steps are concerned. So, we will have more details for you then. Basketball performance center, we reported on this extensively. We are down to -- I heard last week. That has been secured. The firm has been secured. That will commence and our goal that the vision October to potentially come back to you and close out on this project. Power plant one and utility system upgrade, I combined these in to one. We have been reporting on these projects separately. I combined these because both projects are 100% complete. The engineers have completed the final site inspections. We are in the process of gathering the operation maintenance documents, get those in to the plan room. We are processing final applications for payment for these two projects. And the last project to report on today is the Shelton gym air handler project. A year ago at this

meeting the board approved \$675,000 to replace the system in the gym. That project is largely completed. It will be finished in the next couple of weeks. We worked around schedules this summer with the academic area, campus recreation and athletics, three entities that use the building the most. Feel we are almost to the finish line on this project and we will see significant savings on it. We will see where we land when we are said and done. It will not be 675. It will probably be in the 400 range. We will report back to the board on that in October. With that, Mr. Chair, back to you and I will be happy to take questions from the board on any of these items.

Any questions?

We will move to agenda item -- thank you, John. Move to agenda item 17. Gina, are you in charge of this contract authorization?

Sure. So, for the electricity item, we have really a future looking contract. We are in the consortium with Texas A & M university system that includes schools such as west Texas A & M, A and M international, commerce and then the tech agriculture locations to name a few. So, we have been in contract with the Texas general land office for that consortium that expires December 31, 2030. We are looking to contract with that consortium to secure competitive rates for the future. The contract is January 1, 2024 to June 30, 2025. Making the commitment to go with the consortium for electricity. Fiscal year '21, we spent 2.8 million on electricity. So far this year we spent 2.3 million. So, that is a large part of our electricity expenditures for the university.

Any questions regarding this contract authorization?

[Inaudible] to the board on Tuesday. Agenda item 18, remaining from building grounds, there are five policy revisions, correct me if I'm wrong, I believe all are scheduled reviews and I found nothing substantial in the amendments, grammatical and minor.

Minor words.

I don't have any -- I don't particularly like it title fire and light safety but not a big deal. I didn't find anything wrong with those policies. And, again, they are scheduled revisions. Any questions about those five policies? Okay. Given that those are minor, I don't think they are worth individual scrutiny although I did give them individual scrutiny myself. We will bring a agenda item 18 to the board for approval. We have the building round tour and successfully put that first agenda item over to the audit, I believe that that completes building and grounds committee.

Thank you, regent Alders. With that, we are scheduled at this point in the meeting to recess to executive session. We will do that at this time. [executive session] We will take a 10-minute break and reconvene in executive session.