

MINUTES

Committee Trustees Present:

| | | |
|-------------------|---------------|---------------|
| Chair Steve Sliwa | Melissa Ceron | Jessica Gomez |
| Gary Johnston | Paul Stewart | |

Additional Trustees Present:

| | |
|------------------------|--------------|
| Chair Lisa Graham | Jeremy Brown |
| President Chris Maples | Bill Goloski |

University Staff and Faculty Present:

Sue Cain, Senior Budget and Planning Officer
Lita Colligan, AVP Strategic Partnerships
Erin Foley, VP of Student Affairs/Dean of Students
Lori Harris, Senior Fiscal Manager
Traci Houtz, Associate Director of HR
Michelle Meyer, Interim VPFA
Laura McKinney, VP Wilsonville
Hallie Neupert, Interim Dean ETM
MaryLou Nicholson, Accountant
Denise Reid, Assistant Director of Business Affairs
Sara Reuter, Director of Sponsored Projects and Grant Administration
Tracy Ricketts, AVP Development and Alumni Relations
Paul Rowan, VP ITS
Di Saunders, AVP Communications and Public Affairs
Terri Torres, Associate Professor Mathematics

Others

Penny Burgess, CFA, Directory of Treasury Operations, USSE

1. Call to Order/Roll/Declaration of a Quorum

Chair Sliwa called the meeting to order at 12:37pm. The Secretary called roll and a quorum was declared.

2. Consent Agenda

2.1 Approve Minutes of July 9, 2015 Meeting

Trustee Johnston requested the addition of “differential” to his final statement “**Trustee Johnston** requested a report on *differential* tuition and how it is spent, for the next meeting.”

Trustee Johnston moved to approve the minutes as amended. **Trustee Gomez** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

3. Action Items

3.1 Recommendation to the Board regarding Adoption of an Operating Budget Fund Balance Policy

No action required; item is postponed until the next committee meeting.

3.2 Recommendation to the Board regarding Adoption of the 2015-16 Budget

Interim VP Meyer walked through a PowerPoint presentation (on record). She stated for the first time the university has an all-funds budget; previously only an E&G budget was prepared. The department is working to create a plant fund budget for next fiscal year and improve the manner in which information is presented. Discussion regarding the layout and content of the budget report and how public budget reporting differs from private budget reporting. **Interim VP Meyer** stated two scenarios were run for the budget: personnel reductions (open positions) and expenses allocated to specific time periods.

President Maples stated that moving forward there will be an increase in predictability of the budget as we understand what we are paying for as a result of the dissolution of the Oregon University System. He acknowledged that the increase in expenses which is larger than the increase in revenue is not sustainable. **Trustee Johnston** would like to know how much the university is paying out of pocket to cover the required services due to the dissolution of OUS (what amount is not covered by the funding allocated to the university to cover shared services).

Chair Sliwa stated that this amount of discrepancy between revenues of expenses is extremely out of balance and the executive team needs to take ownership and make decisions; balancing the budget cannot be accomplished by small cuts. **President Maples** stated that the university can address the deficit by offering new programs, increasing enrollment, trimming back some programs, and looking at options for discount programs; he will not balance the budget on the backs of the students, faculty and staff.

Interim VP Meyer explained the large increase in administrative staff personnel costs is due to new staff positions and staff positions which were previously not filled. **President Maples** stated that these costs show the restoration of many of the positions which were cut at the beginning of his tenure; faculty salaries also need to be brought in-line at some time.

Discussion regarding the amount of debt attributed to Oregon Tech and what the breakdown is for repayment between the state and the university, the need to become less reliant on state funding, and the need for the state to fund us at a fair level.

President Maples stated that the critical action items for next year to balance the budget include:

1. Hiring an Enrollment Manager (additional students in the door, retention and graduation),
2. Conducting a program review (options that students have to transfer internally),
3. Looking at costs, and
4. Spending time with HECC advocating for additional funds.

Discussion regarding Resolution language. **Trustee Stewart** proposed to delete the last two sentences of # 2 starting with “this process.” **Chair Sliwa** proposed amending #3 from “committed” to “reserved.” He proposed to amend the language in Section 2 to allow the President the flexibility to act within his spending authority and take emergencies into consideration. He proposed to create Section 3 “Throughout the year the President and/or Executive Staff shall provide the Board updates on strategies identified and implement to bring the budget into alignment, and prior to preparing the fiscal year 16-17 budget, shall provide a full report. At a minimum the strategies shall include: 1. enrollment management strategies, 2. academic program alignments, 3. cost analyses, and 4. advocacy for more appropriately aligned state support.”

Trustee Johnston moved to recommend to the Board approval of the Resolution, as amended by the Committee, adopting the FY2015-16 budget. **Trustee Gomez** seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

3.3 Recommendation to the Board regarding Debt Acquisition and Capital Construction

No action required; item is postponed until the next committee meeting.

4. Discussion Items

4.1 Debt Policy Presentation

Penny Burgess, CFA, Directory of Treasury Operations, USSE walked through a PowerPoint presentation (on record) outlining funding options. **Penny Burgess** will look into the cost to obtain a credit rating. She stated that per inherited OUS policy the university has capacity to acquire debt: policy maximum for debt burden ratio is 7.0% and the University is at 5.5%.

4.2 Investment Performance Review

Penny Burgess, CFA, Directory of Treasury Operations, USSE reviewed the information contained in the Board docket including the Public University Fund and its performance.

4.3 Third Quarter Report

Interim VP Meyer stated that the title of the item should be Third *Period* Report. This period covers revenue and expenses from March 1-June 30, 2015 in the Education and General, and Auxiliary funds.

4.4 One-time Funding Philosophy Update

Interim VP Meyer reviewed the draft one-time funding philosophy. A final document will be presented at the February board meeting. **President Maples** stated the revenue from the Harmony campus sale is in a reserve account to generate increased revenue.

Interim VP Meyer stated keeping the funds in reserve for the 15-16FY will strengthen the balance sheet. **Trustee Johnston** suggested expanding bullet number one to include items like Gift Officers who bring in more money than their salary. **President Maples** stated the intent is to increase revenues in other manners than just increasing tuition.

4.5 Facility Master Plan Update

Interim VP Meyer stated the Request for Proposal (RFP) is in draft form, the scope of work was sent out to executive staff for comment, and will be finalized and published once the Academic Master Plan is finalized. She identified the need to conduct community outreach as well as obtain input from university members. It is a 16-18 month process to create the plan. **Trustee Sliwa** recommended the RFP include a deliverable requirement for graphics and videos to increase interest.

4.6 Institutional Risk Assessment Process Update

Interim VP Meyer reviewed PowerPoint slides(on record) regarding Risk Assessment. **Chair Sliwa** requested **Interim VP Meyer** bring to the February meeting, a list of risks and a self-assessment of how the university, not each individual department, ranks. Items to address include: natural disasters, a safety incident, a public relations incident, etc. Staff should ensure processes to address these issues are in place.

Chair Sliwa asked **Interim VP Meyer** to address the university's insurance ranking at the May meeting.

Chair Sliwa stated there is a committee meeting scheduled for February but given the amount of items needing attention it is likely an electronic meeting will be scheduled in early January.

5. Adjournment

Trustee Johnston moved to adjourn the meeting. **Trustee Gomez** seconded the motion. With all trustees present voting aye, the motion passed unanimously. Meeting was adjourned at 3:00pm.

Respectfully submitted,



Sandra Fox,
Board Secretary