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## MINUTES

**Trustees Present:**

Steve Sliwa, Chair  
Bill Goloski

Jessica Gomez  
Vince Jones

Nagi Naganathan, President

**University Staff and Faculty Present:**

Thom Darrah, Interim Facilities Director  
Brian Fox, VP of Finance and Administration  
Jim Jones, CIO/AVP IT  
LeAnn Maupin, Interim Provost/Dean of the College of HAS  
Steve Neiheisel, VP of Strategic Enrollment Management  
Stephanie Pope, Budget Manager  
Terri Torres, FOAC Chair/Associate Mathematics Professor

**Others Present:**

Trevor Campbell, Kernutt Stokes  
Haley Lyons, Kernutt Stokes

1. **Call to Order/Roll/Declaration of a Quorum**  
Chair Sliwa called the meeting to order at 8:05am. The Secretary called roll and a quorum was declared.
2. **Consent Agenda**
  - 2.1 **Approve Minutes of May 25, 2017 Meeting**  
Minutes were approved as published.
3. **Reports**
  - 3.1 **Fiscal Operations Advisory Council**  
FOAC Chair Torres explained the council is an advisory body to the president. She stated a sub group formed to develop a budget model, and how current enrollment figures relate to the budget. She stated the council has not seen budget figures for, and has concerns about, OMIC. The next council meeting is November 1.
  - 3.2 **Finance, Facilities and Audit Status: Quarterly Review**
    - 5.1 **Fiscal Year 2017 Year-end Financial Review**  
VPFA Fox requested the Quarterly Review (agenda item 3.2) and Year-end Financial Review (agenda item 5.1) be heard together. Chair Sliwa approved the amendment to the agenda. VPFA Fox stated the figures are not audited and provided the committee a high

overview and summary of the key financial results. Discussion of the timing of forecasting and recognizing when expenses are actually made. We ended last year ahead of where we anticipated.

**VPFA Fox** explained that equipment review is now under ITS to identify academic equipment needs and establish a replacement cycle; this will assist in budget preparation and setting aside funds as needed. He noted the blue line in the E&G Fund Balance on the dashboard shows the current year; however, the formula pulled through the adjustment for the prior year; the number on the graph shows \$5.3M below the red line but it should be about \$1.6M above. Revenue cycles and quarters do not line up so tuition revenue is not recognized in September. October gives a better indication of yearly revenue. He introduced Stephanie Pope as the new Budget Director and explained that she will be working on establishing contribution margin of departments. As each position becomes vacant the Provost, VPFA, and President are reviewing it to determine if it should be filled or if funds should be shifted to permit FTE's elsewhere or save funds. Staff is attempting to identify why our utility bills are higher than normal. Auditors concluded in August and expect a clean audit in November. He announced Michele Meyer in the Business Affairs Office is moving into a management auditor position and a search will open for a Director with an Interim for a few months. She will build a basic pro-forma for help departments budget. **Chair Sliwa** requested VPFA Fox work with FOAC to understand the OMIC project.

#### 4. Action Items

- 4.1 **Review and Approve Fiscal Year 2018 Risk Assessment and Internal Audit Plan**
- 4.2 **Approval of the Quarterly Internal Audit Report**

**Haley Lyons** reminded the committee of, and explained, the internal audit charter. She stated the fraud, waste and abuse, ethics hotline is an important control structure of the university and that people are using it, however, many are still unaware of the hotline. She identified best practices that include educating people on the process and what happens when someone calls the hotline. She recommended the VPFA have a webpage regarding the process and hotline as close to one to two clicks from the main webpage. She stated the hotline received four reports this year; three are resolved/closed and one is pending. Two internal audit reports were conducted. The first addressed Telecommunications with a recommendation the university no longer bill departments for telephone charges to increase efficiency. The second addressed Tuition Remissions and it found the Financial Aid office is well-run and awards money to the right people. The recommendation was to tighten up documentation as to why awards are made.

**Trevor Campbell** addressed the risk assessment and audit plan. He stated the process last year (first year) was extremely comprehensive. An extensive survey was sent out to 42 auditable divisions in the university, the compiled data was used this year in an efficient process. He walked through the report and identified, based on data collected and campus interviews, risk themes, the top 10 risk units, and the top 20 risks within those units. These were plotted on a heat map. He stated the risk assessment is largely complete; they will continue to monitor the hotline throughout the year, check on prior audit recommendations, and begin work on the four proposed audits. **Ms. Lyons** stated the

major issues to address for most universities include Title IX, IT and cyber-security, and business affairs.

**Trustee Jones moved to accept the fiscal year 2018 risk assessment and audit report, approve the work plan for the fiscal year 2017-18, and to accept and approve the audit report for 2016-17. Trustee Gomez seconded the motion. With all Trustees present voting aye, the motion passed unanimously.**

## 5. Discussion Items

### 5.2 Capital Projects Update

**Interim Director Darrah** walked through a PowerPoint presentation including ongoing, recently completed, and upcoming capital projects, and capital repairs. He stated the Purvine re-roofing project is not shown on the map. **Chair Sliwa** suggested tracking completed projects, performance, and dollars spent. **Interim Director Darrah** stated there is approximately \$2.5M remaining for the emergency storm water project. **VPFA Fox** stated we will likely request the legislature revise the \$5M bond scope to permit us to expend the remaining \$2.5M funds on other infrastructure projects. **Chair Sliwa** suggested taking photos of these projects to show the Legislators how we spent the emergency funds when we thank them for the expenditures; show they are getting extra value for the dollars. **VPFA Fox** stated there is a requirement for 1% for art for major capital projects but the repair funds for Cornett are limited to extend the lifespan of equipment, infrastructure, and assets. He stated the deferred maintenance list is estimated at \$45M and that includes \$6-7M for renovation of Cornett. He clarified emergency and repair funds can be used to address the maintenance backlog. **Interim Director Darrah** addressed Facilities' ability to involve students and faculty in projects. **Chair Sliwa** suggested using value-engineering projects to involve students and faculty to come up with ideas. **VPFA Fox** stated a student is designing and building way-finding signs for the campus and the student is interested in participating in the artwork for the 1% for Cornett. He also asks contractors how many Oregon Tech interns they employ.

## 6. Other Business/New Business

**Chair Sliwa** stated work on the facilities master plan is postponed; it needs to relate to the strategic plan. He acknowledged the need to grow the campuses but the types of students we will recruit needs to be determined first. **VPFA Fox** stated a detailed conditions analysis is underway and staff can create a grounds plan and standards for consistency to beautify the campus. **Chair Sliwa** stated he noticed and appreciated the attention to detail in keeping up the campus. **President Naganathan** thanked Thom Darrah for managing so many projects.

## 7. Adjournment

**Chair Sliwa adjourned the meeting at 11:00am.**

Respectfully submitted,



Sandra Fox  
Board Secretary