
**Finance and Facilities Committee
also Sitting as the Audit Committee
MINUTES**

Trustees Present:

Vince Jones, Chair
Jessica Gomez

Nagi Naganathan, President
Grace Rusth

Mike Starr

Trustees Unable to Attend:

Paul Stewart

University Faculty and Staff Present:

Abdy Afjeh, Associate Provost Research & Academic Affairs
Richard Bailey, FOAC Chair and Management Professor (via skype)
Craig Campbell, OMIC Director
Maureen DeArmond, AVP Human Resources
Brian Fox, VP of Finance and Administration
Dave Groff, Legal Counsel
Tom Keyser, Dean of the ETM College
Stephanie Pope, Assistant Vice President Financial Operations (via skype)
John VanDyke, Athletic Director (vis skype)

Others Present:

Jean Bushong, CliftenLarsenAllen
Jana Cain, Kernutt Stokes
Haley Lyons, Kernutt Stokes

1. **Call to Order/Roll/Declaration of a Quorum**
Chair Jones called the meeting to order at 8:40am. The Secretary called roll and a quorum was declared.
2. **Consent Agenda**
 - 2.1 **Approval of Minutes of the November 21, 2019 Meeting**
With no amendments, the meeting minutes of the November 21, 2019 stand as published.
3. **Reports**

3.1 Fiscal Operations Advisory Council

FOAC Chair Bailey relayed that revenues are significantly up from the board adopted budget but so are expenses. He feels it is a missed opportunity to balance the budget. The significant investment in admissions and the emphasis on growing enrollment has come at a cost of reducing S&S for departments. Salary savings are a concern for faculty; faculty feel cancelled classes and unfilled positions result in faculty teaching overload or cancelled classes. The emphasis on enrollment growth has come at a cost to some departments. Reports show that over the last 5 years enrollment has been flat, budget has grown by 50% with no increase in student credit hours. The focus on enrollment is important but the university should be cautious relying on tuition increases. He noted there was an increase of revenue by 50% over the past 5 years but concern that the fund balance is being spent down. He stated the committee would like to have input on divisional budget goals and the investment priorities. **President Naganathan** understood that courses were cancelled due to under enrollment in them.

3.2 Finance, Facilities and Audit Status Update: Quarter Two Fiscal Year 2020 Report

VP Fox explained the dashboard was not included in this report. He reviewed the quarterly management report in the agenda packet including the ratio analysis, capital projects and cash flows. The anticipated fund balance of \$1.6M is below the \$1.8M approved by the Board as a result of managing retention, labor savings, and a conservative approach to S&S. He noted that the committee requested targets or ranges on the ratio analysis at the last meeting but they are not included yet as capital spend is throwing off some of the ratios and he would like to portray accurate information. He reviewed the capital report including the attempts to address concerns about temperatures in Cornett.

4. Action Items

4.1 Acceptance of the Annual Financial Report and Single Audit Report

Jean Bushong explained the purpose of the audit and the responsibility to communicate significant findings to the board. Certain internal controls were selected to review and the opinion is of the financial statement. An unmodified opinion with no findings was issued. She reviewed the changes in GASB reporting requirements and highlighted trends in higher education.

Board Chair Gomez moved to accept the annual financial report and single audit report. **Trustee Starr** seconded the motion. **With all trustees present voting aye, the motion passed unanimously.**

4.2 Acceptance of the Internal Audit Report

Haley Lyons and **Jana Cain** presented a PowerPoint covering the internal audit. They noted that the OMIC report had three findings, one observation and six process improvement recommendations; and Athletics had three findings, three observations and four process improvement recommendations.

Trustee Rusth moved to accept the internal audit report. **Trustee Starr** seconded the motion. **With all trustees present voting aye, the motion passed unanimously.**

4.3 Recommendation to the Board to Authorize Staff to Enter into a Contract for Internal Auditing Services.

VP Fox reviewed the proposal in the agenda report.

Board Chair Gomez moved to recommend the Board authorize staff to issue a request for proposal for internal audit services and negotiate a contract, and authorize the Chair of the Finance and Facilities Committee, acting as the Audit Committee, to finalize and execute the request for proposal and resulting contract. **Trustee Rusth** seconded the motion. With all trustees present voting aye, the motion passed unanimously.

5. Discussion Items

5.1 Tuition Development Process Update

VP Fox reviewed PowerPoint slides explaining the tuition recommendation committee requirements, how the committee works and the calendar and timeline for the process.

5.2 OMIC Annual Update

Director Campbell shared a PowerPoint presentation. **Trustee Jones** requested a conversation with President Naganathan, Director Campbell, and VP Fox regarding development of the OMIC site and an overall master plan for the facility.

6. Other Business/New Business - none

7. Adjournment

The meeting was adjourned at 11:09am.

Respectfully submitted,



Sandra Fox
Board Secretary