



**Special Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
Sunset Room, Klamath Falls Campus
April 6, 2015
2:00pm – 4:30pm**

**Finance and Facilities Committee
Minutes**

Committee Trustees Present:

Steve Sliwa, Chair
Melissa Ceron
Jessica Gomez

Dana Henry
Gary Johnston
Paul Stewart

Other Trustees Present:

Lisa Graham
Christopher Maples

University Staff and Faculty Present:

Mateo Aboy, Assoc. Provost, VP for Research
Brad Burda, Provost, VP for Academic Affairs
Lita Colligan, Assoc. VP for Strategic Partnerships and Government Relations
Marla Edge, Director of Academic Agreements
Erin Foley, VP for Student Affairs and Dean of Students
Sandra Fox, Board Secretary
Lori Harris, Senior Fiscal Manager
LeAnn Maupin, Dean of Health and Applied Sciences
Ron McCutcheon, Director of Human Resources
Michelle Meyer, Director of Business Affairs
Denise Reid, Asst. Director of Business Affairs
Paul Rowan, Assoc. VP of Information Technology Services, Chief Information Officer
Mary Ann Zemke, VP for Finance and Administration

Other Attendees:

Holly Dillemoth, Herald and News Reporter
Caroline Wright, CliftonLarsenAllen
Doug Yates, former VP of Finance for Oregon Tech

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

Chair Sliwa called the meeting to order at 2:07pm. The secretary called roll and a quorum was declared.

2. Consent Agenda

No items

3. Action Items

3.1 Recommendation to Board to Endorse the 2015-16 Student Tuition and Fees

VP Zemke stated the State Board of Higher Education will consider the Board's recommendation at the State's June meeting. She handed out discussion points (on record). Discussion took place regarding tuition differentials for majors and courses, enrollment growth strategies for resident versus non-resident, and the need to review tuition by program. Additional discussion regarding state funding and the likelihood it will decrease; market driven tuition; the need to expand the number of comparative universities; how 40-40-20 integrates with Oregon Tech's plan; and the need to continue to deliver good value and make good investments.

Trustee Stewart motioned to recommend the board endorse a 5% base tuition increase and a differential tuition of 15% in specified Engineering and Technology programs for the 2015-16 academic year and 2016 summer session. Trustee Gomez seconded.

Discussion regarding the amount of increases proposed for tuition and incidental, not user or optional, fees. Explanation that the tuition and fees will be reviewed in June by the State Board of Higher Education. Written correspondence was received from **Alexander Hogan**, Oregon Tech student. **Consensus that the committee needs to discuss a strategy to address future deficits and ending fund balance amounts.** Discussion regarding setting tuition based on market cost versus based on expenditures and state funding. Financial aid discussion: management of enrollment and financial aid when there is a reliance on student tuition for budgeting; discount tuition; the importance of spending funds on tangible/visible assets at the university.

With all Trustees present voting aye, the motion passed unanimously.

3.2 Creation of a Committee Charter and Recommendation to Board to Approve Committee Charter

Chair Sliwa walked the committee through the charter and explained that it can be amended over time. There was a suggestion to clarify the terms: review, oversight, monitor, and recommend. There was also a request for future discussion on risk and which committee is responsible for each type of risk.

Trustee Gomez motioned to recommend approval of the Finance and Facilities Committee Charter to the board as proposed. Trustee Johnston seconded. With all Trustees present voting aye, the motion passed unanimously.

4. Discussion Items

4.1 Periodic Operating Management Report

VP Zemke walked the members through the report showing year-to-date revenues and expenditures, percentage of projected amounts, and projected end amounts. This report will be presented to the committee three times a year. Discussion regarding what is contained in capital (software, equipment, library acquisitions). **Chair Sliwa requested staff track the**

percent of personnel costs made up by adjunct faculty and graduate teaching assistants at various campuses. Discussion regarding existing items which are tracked.

4.2 FY 2014 Audited Financial Statement

VP Zemke introduced Caroline Wright, Engagement Director from CliftonLarsenAllen. **Ms. Wright** explained the standards of the audit, the process of the audit and then presented the statement to the committee. This is the first stand-alone audit; Oregon Tech has been a component of the Oregon University System audit and will remain as such through fiscal year 15. The opinion was unmodified, which is the best opinion that can be given. There is legacy debt which will still be controlled by the shared services; new debt will be managed by each university. Discussion regarding recommendations from auditors or a management letter identifying ways the Board can improve on processes. **Chair Sliwa requested the committee look at the long-term debt portfolio and how it will be tracked in the future and what the strategy might be, and deferred maintenance and what it entails. Consensus the Audit Committee needs to identify risks for auditors to address for 2016.**

4.3 FY 2015 Audited Financial Statement Report

VP Zemke stated a system wide audit will still be conducted for FY 15. Estimated cost for standalone audit is \$27,000, costs will likely increase to \$125,000 for future years because it will be independent.

4.4 FY 2016 Annual Audit Request for Proposal

VP Zemke stated Requests for Proposals should be due by the end of October. The committee would need to ratify the contract with the chosen auditor. She walked the committee through the usual timeline for the audit. A joint audit with the Foundation or with other universities cannot be conducted for legal reasons. Discussion regarding internal audit and auditors. **Chair Sliwa suggested having a conversation at the next committee meeting regarding the RFP, internal audits, and the processes.**

4.5 Endowment Liquidation and Transfer of Funds to Oregon Tech Foundation

VP Zemke explained the endowment fund has a market value of \$296,000 and a book value of \$109,000. The endowment offers loans through financial aid and through the business office. It is currently managed by the state treasury, it can be moved to the Foundation or remain with the Public University Fund. Annual distributions are about \$122,000.

Consensus of the committee is to transfer funds to the Oregon Tech Foundation.

5. Adjournment

With no further business proposed, the meeting was adjourned at 4:30p.m.

Respectfully submitted,



Sandra Fox
Board Secretary