

MINUTES

Committee Trustees Present:

Chair Steve Sliwa
Melissa Ceron
Jill Mason
Jessica Gomez

Additional Trustees Present:

President Chris Maples
Bill Goloski

University Staff and Faculty Present:

Erin Foley, VP of Student Affairs/Dean of Students
Lori Harris, Senior Fiscal Manager
Jamie Kennel, Paramedic Education Program, Director and Associate Professor
Michelle Meyer, Interim VPFA
Paul Rowan, VP ITS/CIO
Di Saunders, AVP Communications and Public Affairs
Michael Schell, Athletic Director
Jack Walker, Geomatics Professor

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

Chair Sliwa started the meeting at 12:06pm; there was not a quorum. **Trustee Ceron** agreed to move to the Discussion items of the agenda; Items 4.1 and 4.2 were addressed. **Trustee Mason** joined the meeting at 12:20. **Chair Sliwa** called the meeting to order at 12:22pm. The Secretary called roll and a quorum was declared.

2. Consent Agenda

2.1 Approve Minutes of October 8, 2015 Meeting

Trustee Ceron moved to approve the consent agenda. **Trustee Mason** 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

Interim VP Meyer explained the proposed policy; it only addresses the E&G fund. Discussion regarding the word ‘approximate’ and the percent ranges for the annual budget operations revenue and the minimum fund balance. **President Maples** requested the term “minimum” be repeated from the title of 2.0 in sections 2.1 and 2.3 for reinforcement. **Chair Sliwa** suggested amending Section 2.1 to have a minimum fund balance of 10-15%. Consensus to remove the term ‘approximate’ in Sections 2.1 and 2.3 and add the word ‘minimum’.

Trustee Gomez moved to recommend to the Board adoption of the Operating Fund Balance Policy as amended: Section 2.1 shall state “Oregon Tech shall develop budgets that target ~~an a minimum~~ ending annual budgeted operations fund balance of ~~ap- proximately~~ 10 to 15 percent of annual budgeted operations revenues.” Sections 2.3 shall state “The university shall advise the Board in the event projected or actual *minimum* ending balances on an annual basis fall below five percent or rise above 33 percent of revenues. Included in the information provided by the university shall be an explanation for the variance and a plan to rebalance the budgeted operations fund balances over time to *a minimum of approximately* 10 to 15 percent of annual budget operations revenue.” **Trustee Ceron** seconded the motion. **With all Trustees present voting aye, the motion passed unanimously.**

3.2 Recommendation to the Board regarding Approval of the Capital Budget of \$2,019,277 to Continue the Design and Construction of the Soccer Field Project

Director Schell stated the design of the project, with a large contingency, is proposed to be completed within the bond funding amount; there are \$1.88M in funds remaining. Alternate items have been identified if there is adequate funding. Snow fall prevented a geotechnical analysis and a topographic survey of the field; engineers are utilizing geotechnical data from the previous parking lot project to the west and spot elevations and Google Earth are being used to create the rough design until complete topography information is available. Three forums were held to communicate the proposal with the campus community and obtain feedback. Notes from the first meeting were sent to this committee last night. A common concern is the displacement of the extramural rugby club; an alternative is to work with the City to establish a rugby field at Moore Park. The City’s park advisory committee will meet to discuss the proposal on March 3. This is not a soccer team project; the Athletic Department is responsible for meeting the debt service. He explained that the budget numbers are coming from the Athletic Director and the FAST program, not Finance or Business Affairs. There will not be an increase in the Athletic budget, nor will the Athletic Department look to increase student fees to balance the project costs. Athletic Staff will need to increase their revenue through things such as camps and advertising.

President Maples explained the communication process that was instituted and stated the notes from the last two meetings will be provided to the Board for consideration at the

February 22-23 meeting. He stated the proposal was brought to the Fiscal Operations Advisory Committee (FOAC) twice and it is concerned with the ability to finance the project. The cost overruns will not leave the athletic department.

Chair Sliwa recommended the Committee consider two things when reviewing this proposal: are there funds available to pay for the project without overly burdening the campus and does the project fit with the Facilities Master Plan; we are in the process of creating the Plan. Discussion regarding FOAC memos. **Director Schell** stated the soccer project was the number one priority even prior to President Maples' tenure. He explained other projects such as the tennis courts are not associated with intercollegiate athletics or physical education classes so they were not considered for this funding. Discussion regarding overall budget of Athletic Department and debt service amount.

Trustee Gomez moved to recommend the Board approve the capital budget of \$2,019,277 to continue the design and construction of the Soccer Field Project **Trustee Mason** seconded the motion.

President Maples clarified that debt service repayment started in 2015 and the Finance **Trustee Gomez** suggested waiting for the notes from the other two forums and for the Finance Department to review the figures from Director Schell; complete the process before making a recommendation.

Consensus to not call the question; the motion was tabled to the February 22, 2016 meeting.

4. Discussion Items

4.1 First Period Management Report

Interim VP Meyer stated this report covers revenue and expenses from to July 1 to October 31, 2015 in both the Education and General (E&G) and Auxiliary Funds. She walked through the variances from the initial budget. Discussion on content of the report, the increased deficit and the President's proposal to make adjustments to turn the trend around. **President Maples will address the adjustments to be made in more detail at the February 22-23 Board meeting. Requests to: 1) show a summary for all funds at the bottom of the report, 2) create a page of metrics for inclusion in the report (to show where we've been, where we are, and the difference - to serve as a reminder of where we sit.), and 3) include a written analysis of the report to assist Trustees in interpreting the information.**

4.2 Facilities Master Plan Update

Interim VP Meyer walked through proposed schedule and items for inclusion in the report. The Request For Proposal will go out in February, the contract should be awarded in March/April, and the report would be complete within 18 months. Budget is \$200,000.

4.3 Emergency Funding Request Update

Interim VP Meyer explained the university's request for Q-Bonds from the State for repairs to electrical and drainage systems. She confirmed that short-term repairs on the elec-

trical system were made, funds will be dispersed from our existing budget and will be reflected in the second period management report; repairs to the drainage system will wait for issuance of the bonds. She is working with the University's insurance carrier. **President Maples** did not feel there would be any political issues associated with this and other agencies' capital requests. He stated the legislature will hold a public meeting on February 12 to obtain public comment.

4.4 **Financial Advisor Request for Proposal Update**

Interim VP Meyer stated that a Financial Advisor will be necessary to assist Oregon Tech obtain bond ratings. The Request for Proposals will be issued in March 2016 with the contract awarded in May/June 2016; the contract is for a 3 year period with the option to extend.

4.5 **Financial Statement Auditor Request for Proposal Update**

Interim VP Meyer stated the Request for Proposals will be issued in early February with potential review by the Finance and Facilities Committee acting as the Audit Committee in March; the contract awarded in May/June 2016; the contract is for 3 years with the option to extend. Discussion regarding the process once the auditor is engaged and how they would interact with the Finance and Facilities Committee acting as the Audit Committee. **Trustee Gomez** joined the call at approximately 12:40pm.

4.6 **Internal Audit Update**

Interim VP Meyer stated she and President Maples recommend a hybrid approach to the internal audit update with a part-time employee (0.6FTE) to work within the existing budget.

5. **Adjournment**

Chair Sliwa adjourned the meeting at 1:41pm