

MINUTES

Trustees Present:

Steve Sliwa, Chair
Bill Goloski

Jessica Gomez
Vince Jones

Nagi Naganathan, President
Paul Stewart

University Staff and Faculty Present:

Erin Foley, VP of Student Affairs/Dean of Students
Brian Fox, VP of Finance and Administration
Jim Jones, CIO/AVP IT
LeAnn Maupin, Interim Provost/Dean of the College of HAS
Laura McKinney, VP of Wilsonville
Steve Neiheisel, VP of Strategic Enrollment Management
Di Saunders, AVP of Marketing and Public Relations
Maureen Sevigny, Distance Education Program Director
Terri Torres, FOAC Chair/Associate Mathematics Professor (via SKYPE)
Erika Veth, Dean of Online Learning

Others Present:

Trevor Campbell, Kernutt Stokes
Haley Lyons, Kernutt Stokes
Craig Mays, Johnson Controls International
Ron Young, Johnson Controls International

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

Chair Sliwa called the meeting to order at 9:33am. The Secretary called roll and a quorum was declared.

2. Consent Agenda

**2.1 Approve Minutes of February 23, 2017 Meeting
Minutes were approved as published.**

3. Reports

3.1 Fiscal Operations Advisory Council

FOAC Chair Torres summarized the actions of the council including participation in the tuition and fee setting process and review of the faculty compensation study; she stated that the Faculty Senate President will likely ask the board to consider adopting a compensation philosophy for faculty. There was discussion regarding comparator

universities. She stated faculty are cautious about the Oregon Manufacturing Innovation Center (OMIC) because of the lack of transparency in the past and previous broken promises. Faculty are also concerned about enrollment and how it will impact the future of the university; they are willing to help but do not feel they influence enrollment much. Concern that the COLA is tied to enrollment and not production in the classroom.

3.2 Finance, Facilities and Audit Status: Quarterly Review

VPFA Fox gave an overview of department accomplishments and explained there are now processes in place to clarify accountability, such as the RAPID decision framework in major goods and services procurements, and customer satisfaction surveys to assess other implemented changes. He reviewed the dashboards in the agenda packet, noting \$7.5M was transferred from the general fund to the quasi-endowment fund, the fund balance is tracking with last year, and he anticipates net reduction in general fund balance of \$1.7M after accounting for transfers to the quasi-endowment. **Chair Sliwa suggested adding a weighting system for the remission portion of the dashboard to understand comparisons.** **VPFA Fox** walked through how vacant positions are considered in the budget, stating there is a need to balance the expense of overload pay for faculty with salary savings so they are offsetting; academic capacity must also be considered. He noted that the cost of utilities are higher than budgeted as the geothermal plant was down for most of the year and there was water intrusion into the sewer system. The Facilities crew is working on assessing physical plant issues and identifying solutions. Discussion regarding funding for deferred maintenance. **Chair Sliwa stated a potential topic for discussion at the board retreat could be a discussion regarding shifting the focus from asking the state for operating dollars to requesting capital dollars and looking at alternative funding sources.** **Trustee Jones** asked about the facility costs of the Wilsonville campus versus the Klamath campus and whether there are cost-saving measures that could be taken. **Chair Sliwa** requested that all board resolutions amending the budget be noted on the dashboard, and for there to be consistency in relating positive figures as good, and negative figures as poor.

4. Action Items

4.1 Recommendation to the Full Board to Adopt the 2017-18 Education and General Operating Fund Budget

VPFA Fox walked through a presentation noting a \$3.2M decline in fund balance, which includes \$1.5M dedicated to a strategic investment pool, some of which is dedicated to salaries. Negotiations with the classified staff union are ongoing and should conclude in the fall. **Chair Sliwa** clarified that if we over-perform and have more than \$1M, the president can spend up to \$1M but anything over that requires board approval. He stated that we cannot continue to work in a deficit and be a thriving institution but that the board previously anticipated, with a new administration and with the investments made, there would be one year of a deficit budget. **Chair Sliwa stated that a possible topic for discussion at the board retreat could be identification of possible strategic actions to address the reality of decreased state funding and increased unfunded mandates.** **VPFA Fox** stated he will be working on academic program capacity and addressing the need to set standards around programing for courses, such as the minimum number of

students per class. Consensus that this will be a one-time deficit budget and reserve surplus funds will be spent to make needed investments.

Trustee Gomez moved to recommend the full board adopt the 2017-18 Education and General Operating Fund Budget as presented. Trustee Stewart seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

4.2 Approval of the Quarterly Internal Audit Report

VPFA Fox introduced **Haley Lyons** and **Trevor Campbell** from Kernutt Stokes. **Ms. Lyons** stated the first area audited was the internal service center and they are now reviewing policies and procedures related to tuition and remissions. Discussion regarding remission caps. A draft action plan, based on the risk assessment report, will be brought before the board for adoption next year. **Mr. Campbell** stated they are receiving reports from the fraud hotline and all issues have been resolved.

Trustee Stewart moved to approve the quarterly internal audit report as presented. Trustee Gomez seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

5. Discussion Items

5.1 Update on Geothermal Power Plant

Ron Young and **Craig Mays** from Johnson Controls International (JCI) gave a background and status update of the geothermal power plant project, explaining that the project has not been accepted by the university, therefore the warranty period has not started. JCI reiterated its commitment to standing up and fully commissioning the project ideally in November 2017.

6. Other Business/New Business

Chair Sliwa stated that Dr. Nagi gained the support of the two other public universities involved with the Oregon Manufacturing Innovation Center and established Oregon Tech as the host university to satisfy concerns of Boeing.

7. Adjournment

Chair Sliwa adjourned the meeting at 11:41am.

Respectfully submitted,



Sandra Fox
Board Secretary