

**Western Oregon University Board of Trustees:
Finance & Administration Committee
Meeting No. 8 – July 13, 2017
Public Site: Werner University Center, Calapooia Room
12:00 – 4:00 PM**

MINUTES

1) Call-to Meeting / Roll Call

Chair Koontz called the meeting to order at 12:18 pm.

Committee members present: Jaime Arredondo (via teleconference), Marshall Guthrie, Ivan Hurtado, Cec Koontz (chair), Eric Yahnke (Vice President for Finance and Administration & CFO)

Others present: Reina Morgan (Assistant)

2) Chair's Welcome / Announcements

Cec welcomed everyone to the meeting and asked if there were any announcements to be made.

3) Consent Agenda

(a) Approval [April 14, 2017 FAC meeting minutes](#)

Marshall made a motion to approve the minutes as is. Jaime seconded the motion and all were in favor.

4) Discussion Items:

(a) [Capital construction update](#)

The Oregon Military Academy and Information Technology Center renovations were approved for 2017-2019. The new Student Health and Counseling Center is essentially complete and the Natural Science building renovation is moving along.

(b) FY2018 FAC Meeting Schedule

The committee discussed the difficulties that come with the timing of the meetings, mostly due to not being able to have official numbers/documents available in time for the docket deadline. The committee understands that this will always be the case and is comfortable seeing drafts/projections and then receiving an update with the official document at the next meeting. In order to have accurate financial information the meetings would need to take place a month later than the schedule that is currently set up and then we would miss the deadline for setting tuition rates. Since enrollment numbers are also finalized at a different time there really is no perfect set of dates to meet on. The committee felt that the numbers probably won't change enough from the draft to the final version that it would change how they respond to it.

VP Yahnke expressed a concern about publishing documents in draft form that people could possibly look at, not understand, and draw an incorrect conclusion from and then wonder why the numbers changed (once the final version replaces the draft). Yahnke also explained that at the time of the full board meeting, the actual numbers will be available. Should the actual numbers be presented there or the draft that the committee was shown? The committee agreed that the numbers the committee discusses and votes on should be what is taken to the full board.

VP Yahnke asked about the spending threshold of up to \$500,000 without board approval. He asked if the threshold should be raised so that a special board meeting does not need to be called for capital projects that could easily come over that. This threshold came from OUS and it doesn't get as much now due to inflation. The committee expressed that they would like to keep it at \$500,000 for the time being and a special meeting can be called if expenses over the threshold need to be approved sooner than the next scheduled board meeting.

The committee discussed whether or not committee meetings should continue to be two weeks prior to the full board meeting and decided to keep that schedule, but to schedule the meetings out for the year so everyone can anticipate when they will be happening and plan around them. Reina will propose meeting dates in a follow-up email.

Lastly, Yahnke asked if the committee would prefer to receive documents by the docket deadline or receive information closer to the meeting time that is more accurate. The committee voiced that they are okay with receiving it in less time so long as they still have some time to review the materials in advance of the meeting.

5) Action Item:

(a) FY2017 Q4 Management Report

VP Yahnke shared the details of the Q4 management report. We finished the quarter in the black and above the 15% fund balance threshold. There was a decrease in enrollment and an increase in rates. Labor expenses increased 5% and there were 46 vacancies that were initially budgeted. Thirty one of those positions were filled at some point during the year. The positions were vacant for an average of 67 business days, resulting in about \$1 million in savings. There were increases in heating and custodial costs due to snow closures that caused about \$30,000 in extra Physical Plant expenditures. Additionally there was \$100,000 in extra spending for the copier replacement program. We are now purchasing them for campus rather than leasing them and this will end up saving us about 56,000 a year plus per click savings.

The faculty leave bank is new this year. The new contract provides a payout that allows them to decide how much they want to carry in the bank for release time earned by providing by arrangement courses and overload. The entire bank is valued at \$500,000. Some will cash out and the rest will be in the form of leave.

Marshall made a motion to recommend the management report to the board for approval. Jaime seconded the motion and all were in favor.

(b) FY2018 University Budget

The public universities will be receiving \$69.5 million from the state, which is an increase from the Governor's recommended budget. Sports lottery funding was also reinstated.

We experienced a record number of graduates in the spring, but now we have the challenge of replacing those graduates. We will find out the state appropriation dollars around December and it will depend on the majors of those graduates. It will also be dependent on how many graduates the other universities had in comparison.

With the increased funding from the state we were able to set tuition rates at \$6 per credit less than what was originally proposed. We have the second lowest rate (with PSU and SOU). Our weighted

average increase with the promise rate puts us at less than 5% which is the lowest increase in the state.

VP Yahnke discussed the budget projection for the full biennium. The University Budget Committee reviewed \$3.5 million in budget reduction proposals and made recommendations to support 18 proposals, in the amount of \$3.1 million to reduce the deficit. The committee did not support any proposals that involved layoffs. Everything that is implemented will be reviewed and reconsidered after a year.

Our capital construction projects were approved and the Natural Science building renovation is underway. The team has found a way to complete the project without moving them out of the building. By doing the project in phases we will be able to save \$500 thousand by not having to renovate the old college of education building for swing space.

Ivan made a motion to recommend the budget for board approval. Marshall seconded the motion and all were in favor.

6) Updates and Around-the-Table / Board meeting prep

VP Yahnke provided some final updates to the committee. The campus master plan update will be launching in October. It will be a public process similar to the strategic plan. Hopefully this will lead into the capital construction funding requests that will start in the spring.

The committee reviewed the topics covered in the meeting and decided what items should be shared with the full board at the upcoming meeting.

7) Adjournment

The meeting was adjourned at 3:04 pm.