



**Western Oregon University Board of Trustees:
Finance & Administration Committee
Meeting No. 7 – April 14, 2017
Public Site: Hamersly Library, Room 205
1:00 – 5:00 PM**

MINUTES

1) Call-to Meeting / Roll Call

Vice chair Hurtado called the meeting to order at 1:04 pm.

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

Others present: Penny Burgess (USSE), Louann Casares, Sam Dunaway, Michael Ellis, David Foster, Tina Fuchs, Richard Kavanagh, Malissa Larson, Natalie Legras, Leo Mejia Aguilar, Reina Morgan (Assistant), Brandon Neish, Rosita Olalde, Cynthia Olivares, Katherine Schmidt, Darin Silbernagel, Michael Smith, Laura Tierney

2) Chair's Welcome / Announcements

Vice chair Hurtado welcomed everyone to the meeting and invited VP Yahnke to offer some introductions. Yahnke introduced Michael Smith, the new director of the Physical Plant; Darin Silbernagel, the director of the business office; Tuition Advisory Committee students; Brandon Neish, the payroll manager; Penny Burgess from USSE; and members of the newly formed University Budget Committee.

3) Consent Agenda

- (a) Approval [January 6, 2017 FAC meeting minutes](#)

Koontz made a motion to approve the January meeting minutes as presented. Arredondo seconded the motion and all were in favor.

4) Reports

- (a) Q2 Investment Report – Penny Burgess

Penny shared that the P.U.F. investment return as of December 31st was negative 0.7% for the quarter and negative 0.3% fiscal year-to-date. The short-term fund returned a

positive 0.3% for the quarter, 0.5% fiscal year-to-date, and 0.6% for the three year average. It outperformed its 91-day T-bill benchmark in all three periods.

The intermediate-term pool returned a negative 1.7% for the quarter, negative 1.4% fiscal year-to-date and positive 1.8% average over three years. It outperformed its benchmark for all three periods.

The long-term pool returned a negative 1.8% for the quarter, negative 1.2% fiscal year-to-date and positive 2.6% average over three years. It outperformed its benchmark for the quarter and fiscal year-to-date, but underperformed by 50 basis points for the three year average.

WOU ended the second quarter with just over \$43 million in operating cash and investments.

Penny also shared that the OSU Board approved changes to the PUF investment policy to incorporate fossil fuel restrictions, the creation of a new core bond fund, and a custom benchmark to track the new fund's performance. They also approved a framework to guide the evaluation of future PUF investment policy change requests.

Additionally, Penny discussed WOU's outstanding debt balances and bond sale. As of April 1st the total amount of outstanding debt issued on behalf of WOU was \$111.2 million. WOU is obligated to repay \$50.4 million of it and the remainder is the state's obligation.

Every year the state's debt manager reviews the bond portfolio for refunding opportunities. The state identified some XI-F and XI-G bonds that met the state's criteria for refunding. The estimated refund savings was \$1.1 million over the life of the bonds.

5) Action Item:

(a) [FY17 Q3 Management Report](#)

Brandon Neish discussed the Q2 management report and responded to questions. Arredondo made a motion to recommend the report to the board for approval. Guthrie seconded the motion and all were in favor.

(b) 2017-2018 Tuition and Fees

VP Yahnke discussed the process that has gone on in order to set proposed rates for tuition and fees. He shared the challenges the university is facing with regards to enrollment, the new funding allocation methodology, and flat state funding. Yahnke

invited students from the Tuition Advisory Committee to share their comments and concerns.

Yahnke shared a chart that shows the proposed rate increase--contingent on state funding--with a maximum increase of 10%.

Koontz made a motion to recommend the rates to the board for approval as outlined. Guthrie seconded the motion and all were in favor.

6) Discussion Items:

(a) Capital construction update

VP Yahnke gave an update on capital construction. The new student health and counseling center should be ready for use in July. It will be ready on time, but slightly over budget due to additional excavation and HVAC needs.

The old college of education building is being used as swing space while the natural science building is being renovated. An architect designed the swing space to meet the needs of their programs and should be ready for move in by mid to late June and classes will be taught there for a year.

The Oregon Military Academy sale will be complete in September.

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

The committee discussed what items should be presented at the upcoming full board meeting. A response to the governor's letter and an overview of the new University Budget Committee will be included in addition to the action items.

8) Adjournment

The meeting was adjourned at 3:17 pm.

Koontz reconvened the meeting at 3:19 pm with Koontz, Arredondo, and Guthrie present in order to accept a [letter](#) from the tuition advisory committee as part of the meeting record. Koontz made the motion, Arredondo seconded the motion, and all were in favor.

The meeting was adjourned again at 3:20 pm.