

**Western Oregon University Board of Trustees:
Finance & Administration Committee
Meeting No. 9 – October 12, 2017
Public Site: Werner University Center, Willamette Room
9:00 AM – 1:00 PM**

MINUTES

I. CALL-TO MEETING / ROLL CALL

Chair Koontz called the meeting to order at 9:07 am.

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: Rebecca Chiles (Director, Campus Public Safety), Reina Daugherty (Assistant), Malissa Larson (UBC), Randi Lydum (UBC), Michael Smith (Director, Facilities Services), Laura Tierney (UBC), Judy Vanderburg (UBC)

II. COMMITTEE CHAIR'S WELCOME / ANNOUNCEMENTS

Chair Koontz welcomed everyone to the meeting.

III. CONSENT AGENDA

- 1) Approval July 13, 2017 Meeting Minutes

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

IV. DISCUSSION ITEMS:

- 1) Investment Report – Penny Burgess

The Public University Fund gained 0.6 percent for the quarter and 0.9 percent for the fiscal year ended June 30,

2017. The P.U.F. generated an annualized yield of 1.8 percent for the fiscal year, though fixed income price declines during the second and third quarters led to the P.U.F.'s total fiscal year return of 0.9 percent, as investors priced in expectations of rising interest rates across the yield curve. The P.U.F.'s three-year average return was 1.6 percent.

The Oregon Short-Term Fund returned 0.3 percent for the quarter and 1.1 percent for the fiscal year, outperforming its benchmark for the quarter and year by 10 and 60 basis points, respectively. The Core Bond Fund returned 0.8 percent for the quarter, underperforming its benchmark by 10 basis points. The investment in the Core Bond Fund was initiated on April 3, 2017 to incorporate fossil fuel investment policy restrictions other policy modifications.

During the quarter, investment earnings distributed to Western Oregon University totaled \$256,871. The market value of WOU's allocable share of the P.U.F. was \$47,538,259 on June 30, 2017.

2) Campus Public Safety: Annual Security and Fire Safety "Clery" Report; 2017-18 Training Opportunities – Rebecca Chiles

The Clery Act was named after a student who was raped and murdered at college by someone who had raped students on that campus previously. Her and her parents had been told by the college that the campus was safe so they lobbied to make it so that campuses are forced to provide accurate crime statistics. The statistics for WOU are collected by Public Safety, but come from other sources like the Office of Student Conduct, Abby's House, SHCC, and the Monmouth Police Department. The most notable part of this year's report is that drug and alcohol violations have gone up significantly. This is partly because students have a misconception that marijuana is okay to have on campus. Another possible reason for the increase is that Student Conduct has a new reporting system that captures incidents better than in the past. The report is sent out to campus and is available on the Public Safety website, in addition to there being printed versions in Student Affairs, HR, Abby's House, and Public Safety.

Public Safety has signed up with the Disaster Resilient Universities (DRU) network that has allowed us to provide training from FEMA for Higher Ed. A number of preparedness activities have been happening including drills, tabletop exercises, an inventory of campus resources, online and in-person trainings, securing places to store emergency equipment, and ALICE trainings (for unarmed response to active shooters). There are now ALICE scenario trainings offered in addition to the lectures and we have had four more officers trained to be instructors. Public Safety

received a CASA grant that is allowing several officers to attend a training on forensic experiential trauma interviewing in November.

3) Facilities Services: Capital Construction, Capital Repairs, and Deferred Maintenance – Michael Smith

Michael presented on deferred maintenance and capital projects. He shared that they rely heavily on the strategic and master plan when deciding on projects to work on. Almost 75% of projects involve deferred maintenance. An independent firm projected our needs with no investment at just under \$40 million in 2017. HVAC is the largest need on campus. Our HVAC systems are outdated and inefficient so there is opportunity to greatly improve our energy costs. ADA needs are also much needed and are consistently being addressed.

The master plan process for 2017-2018 has started. SRG was selected as the architecture firm to facilitate it. This will help to adjust priorities to meet WOU's strategic goals.

Michael explained the upcoming capital projects and the needs of each project. Eric shared that \$6 million in bonds was sold for OMA, but that more is needed for extra that it is going to cost. There is some bridge funding and savings from the natural science building renovation that can be applied to help fill the gap.

V. ACTION ITEM:

1) FY2018 Q1 Management Report

VP Yahnke discussed the details of the management report. We are anticipating a 3% increase over last year for state appropriations. The increase in state funding is about 10% across the state, with our share determined by the SSCM, SELP loan program, and ETIC allocations in support of engineering initiatives. Tuition and fees were originally projected with a 5% decline in enrollment. We are seeing a 2-3% decline instead, but we won't know the final numbers until October 20th.

There is a new jumpstart program for students who are eligible for Oregon promise to come to WOU instead of community college. We have budgeted a 5% increase for labor expenses. This takes into account negotiated salary increases and OPE. The Budget projects a 14.5% fund balance, which is within the range of 10-20%, and just below the target of 15%. This leaves us with a \$1.4m budgeted

deficit in the general fund. The University Budget Committee (UBC) reviewed proposals for reductions in the spring. We will be talking about which of those initiatives to deploy to balance the budget.

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

2) FY2018 Initial Budget

The state is starting to have conversations about tension between capital funds and operation funds. We are expecting to see the same amount for sports lottery funding. That money primarily goes to athletics, while some goes to graduate scholarships. We lost money this year from the SSCM due to declining enrollment/outcomes. Last year we had the benefit of the stop/loss provision, but this year that benefit is no longer offered.

The University Budget Committee (UBC) has recommended a list of proposals that could garner savings. Once we know the final enrollment numbers we will be deciding which recommendations to deploy. The UBC wants the proposals to be reviewed after a year for their effect and to see if it is sustainable to continue.

There are many projects currently underway, including: budget rebalance, campus master plan, first full UBC cycle, HECC workgroups, and capital construction funding requests.

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

VI. UPDATES AND AROUND-THE-TABLE / BOARD MEETING PREP

The committee discussed topics to bring forward to the full board. VP Yahnke shared updates about the OMA transfer and welcome week training sessions. Chair Koontz shared about the SHCC building grand opening.

The upcoming FAC meetings will need to be rescheduled in order to meet the deadlines for the new full board meeting schedule. The next meeting will now be on January 4th.

VII. ADJOURNMENT

The meeting was adjourned at 12:13 pm.

