



Western Oregon University Board of Trustees:
Finance & Administration Committee (FAC)
Meeting No. 26 – February 2, 2022
12:00-4:00pm

Public Meeting: via [Zoom](#) | Meeting ID: 864 5879 3996
Phone: +1-253-215-8782

Minutes

I. CALL-TO MEETING / ROLL CALL

Chair Cec Koontz called the meeting to order at 12:05pm.

The following Trustees were present:

Jerry Ambris
Leah Mitchell
Dave Foster
Cec Koontz

Others present:

Camarie Moreno
Lacey Davis
Ana Karaman
Darin Silbernagel
Jay Kenton
Kristin Diggs
Cara Groshong
Bill Kernan
Cole Boeck
Dona Vasas
Heather Mercer
Marion Barnes
Chelle Batchelor
Rick Williams
Michael Smith

II. CONSENT AGENDA

Approval of [November 4, 2021 Meeting Minutes](#)

Trustee Jerry Ambris motioned to approve the meeting minutes, Trustee Dave Foster seconded the motion, and the approval of the minutes passed unanimously.

III. ACTION ITEMS:

1) FY2021 Financial Statements Audit

Vice President Ana Karaman discussed the Financial Statements Highlights on page 10 of the docket. The Total Net Position increased by \$5.162M. This is primarily due to an increase in capital assets as a result of building upgrades and improvement to campus infrastructure. The Restricted Expendable Net Position increased by \$5.014M. Unrestricted Net Position decreased by \$6.863M which is primarily due to changes in OPEB and PERS calculations. Operating Revenues decreased by \$4.433M due to the continued decline in enrollment and because of the impacts from the COVID-19 pandemic. Operating Expenses decreased by \$11.115M due to campus-wide efforts to reduce spending. Due to the decline in revenues, WOU's cash position decreased by \$7.768M.

Chair Koontz suggested making it clear that the committee is talking in millions and not thousands for presenting this at the full board meeting on February 16, 2022.

Kristin Diggs from Eide Bailly presented on the 2021 Financial Statements Audit in Appendix A. Kristin explained that this report is an unmodified opinion which is a clean opinion. Based upon Eide Bailly's testing, they were comfortable with the balances that management prepared in the financial statement packet presented in the docket. This year was relatively quiet as it relates to new accounting standards that are applicable to WOU. Next year there will be a new leasing standard that will be applicable to the institution. Kristin encouraged everyone to keep that in mind for next year for the 2022 audit.

Trustee Leah Mitchell motioned that the committee accept the staff recommendation as presented on page 11 of the docket, Trustee Dave Foster seconded the motion, and the recommendation passed unanimously.

2) [FY2022 Management Report \(as of Dec. 31, 2021\)](#)

Ana Karaman and Camarie Moreno, Director of Budget and Planning discussed the management report on page 12 of the docket. Ana Karaman highlighted that this year's projections used different methodology for two categories (compared to the typical methodology of using prior year rates). Last year (2021) was atypical because less people were on campus. Using last year's (2021) percentages would make it appear like WOU was on a spending spree, but using the 2019-2020 percentages as a comparison to 2022 is a more normal spending pattern, so that is what was used. The second difference is in payroll which is due to pay adjustments that occurred after the university reached agreements with both SEIU and WOUFT. Therefore, the projection is built on the assumption that the remaining six months of payroll for the year will be equivalent to a 2% increase from December.

Camarie Moreno shared that the report is on track with what would be expected. Revenues have decreased which is a result of declining enrollment. Fall term 2021 was down 12% from fall term 2020. Winter term 2022 is about 10% down from winter term 2021. There is also a big decrease in online course fees. However, please remember that during FY2021 almost all

courses were online and this was referred to as a one-time influx into E&G funds because of COVID-19. Fee remissions are lagging behind last year. State appropriations have increased because the PUSF received a higher appropriation. \$1.5M HEERF III (ARP) funds have been drawn. Expenses are trailing slightly less for personnel which is due to campus wide initiatives to reduce expenses. Services and Supplies (S&S) are high in comparison to 2021, but that was an atypical year so this increase reflects more of a normal year.

Auxiliaries revenues are picking up compared to where auxiliaries were this time last year. Camarie shared that for a reference point WOU is at 9.3 million in auxiliary revenues, which is 5.7 million more than where the university was at the previous year, but back in 2019 (before COVID) auxiliaries were at 11 million. For E&G on the revenue side, it is projected that university is close to being on budget. An increase in grant activity is helping with indirect revenues. Other Revenues are coming in slightly under where initially projected. The Budget & Planning Office is projecting coming in under budget by about \$600,000 on personnel, and that is due to typical salvage savings. Overall, WOU is looking at a 3.2 million dollar deficit in Operating Net Revenue less Expenses. The One-Time Activities include the anticipated 3 million dollars in HEERF reimbursements.

Trustee Leah Mitchell motioned that the committee accept the recommendation as presented on page 16 of the docket, Trustee Jerry Ambris seconded the motion, and the recommendation passed unanimously.

IV. REPORTS & DISCUSSION ITEMS:

1) [University Budget Advisory Committee \(UBAC\)](#)

Co-Chair Cara Groshong explained the University Budget Advisory Committee (UBAC) report on page 25 of the docket. The Committee has campus Budget Conversations scheduled through June. The committee also revised the UBAC mission statements and term limits (from 2 years to 4 years). Chair Koontz asked if the meetings were hybrid or fully remote and Cara explained that the presentations take place via Zoom. The presentation component is recorded, and then the recording stops so that staff members can have an informal conversation to ask budget-related questions. All UBAC Budget Conversation recordings are posted on the UBAC website. Ana Karaman pointed out that an additional change is that UBAC will play a more active role in developing the budget for the next academic year. Trustee Dave Foster asked if UBAC would continue its work in evaluating initiatives or if that is being discontinued. Cara shared that UBAC will still accept proposals for efficiencies, but that other initiatives are on hold for now.

2) [University Technology Advisory Committee \(UTAC\)](#)

Co-Chair Chelle Batchelor discussed the University Technology Advisory Committee (UTAC) report on page 27 of the docket. Chelle explained that the December 2021 meeting focused on enrollment and retention which included Marion Barnes to discuss a marketing perspective and Mike Baltzley also presented on the winter modality survey. Chelle also described the reports

from the three UTAC Subcommittees which consist of the Technology Accessibility Subcommittee, the Technology Plan Subcommittee, and the Reporting Needs and Tools Subcommittee.

3) [Finance & Administration Report](#)

Ana Karaman presented the Finance & Administration Report on page 28 of the docket.

Chelle Batchelor provided an update on the Student Success Center Stakeholders Committee. This included the mission statement which was created through a collaborative process. The committee also did some tabling events to gather student input on what they envision for the Werner University Center, the Hamersley Library, and the Student Success Center. Input from students helped the committee understand that the Student Success Center will be focused on academic success and begin their work on identifying the services and programs that will be housed in that building.

Ana Karaman provided an update on the Freedom Center and shared that Co-Director Makana Ripley resigned and Michaela Loggins is now the interim Freedom Center Director. Ana also discussed the activities the center has planned for the month of February. Once WOU hires an Executive Director of Diversity, Equity, and Inclusion, this person will transition into serving as the Freedom Center Advisor.

Michael Smith, Director of Capital Planning and Construction provided an update on the steam pipe line on Monmouth Avenue. The area of work has been moved further south on Monmouth avenue by the Church street intersection. Materials will be arriving soon and will be stored in the original work site where the work trailers were located. The target completion date is April, and then another phase of work will begin if WOU is given more funding from the legislature. Jay Kenton and Dave McDonald have approached the legislation about this financial need of 16.5 million dollars.

Ana Karaman provided an update on the disbursements of the American Rescue Plan (ARP) Higher Education Emergency Relief Fund (HEERF) dollars on page 28 of the docket. WOU has an ARP work group which includes students and staff members. Dona Vasas, Bursar & Banner Systems Auditor shared some highlights on the round 2 disbursements. The committee decided that each student will receive \$450 winter term as the base award, which resulted in 3,410 students receiving this amount. 112 New Pell recipients received an enhanced award of \$600.

Both Heather Mercer, Interim Executive Director of Human Resources, and Bill Kernan, Director of University Computing Solutions provided an update on the implementation of Web-Time Entry. As of February 1, 2022, all unclassified staff are using Web-Time Entry. This is streamlining processes by moving from paper timesheets to electronic timesheets.

Darin Silbernagel, University Treasurer provided an update on the Cash Flows on page 31 of the docket. Based on December 31, 2021 actuals, it is estimated that the FY22 end cash will



be at \$22,847,144. Ana Karaman also provided an update on the WOU Quasi Endowment Investment Values as of December 31, 2021.

V. FEBRUARY 16, 2022 BOARD MEETING PREPARATION

VI. UPDATES AND AROUND-THE-TABLE

VII. ADJOURNMENT

Trustee Jerry Abris motioned to adjourn, all the Trustees signified by saying aye and the meeting ended at 2:19pm.