



**Western Oregon University Board of Trustees:  
Finance & Administration Committee (FAC)  
Meeting No. 38  
February 11, 2025 | 01:00 – 5:00 pm**

**Meeting Minutes**

**I. CALL-TO- MEETING AND ROLL CALL**

Chair Evans calls the meeting to order at 1:04pm and asks Secretary Sorce to do a roll call:

**The following Trustees are present:** Trustee Rey Perez, Trustee Kate Schwarzler , Trustee Zook, Chair Gayle Evans

**The following Trustees were excused:** Trustee Mark Zook

**Other Staff Present:** President Jesse Peters, Board Secretary Sorce, Camarie Moreno, Chelle Batchelor, Noah Carrillo, Rebecca Chiles, Zachary Hammerle, Thomas Litterer, Amy Clark, Heather Brophy, Ashley Schaumburg, Kella Helyer, Penny Burgess

**II. CHAIR’S WELCOME AND ANNOUNCEMENTS**

Chair Evans thanked everyone for attending the meeting and notified the committee that Trustee Komp decided to resign from the board a few months early so that means that the committee is thin. Chair Evans emphasized that most of this committee is new, so it is very important for the committee members to ask questions before the meeting or during the meeting and go through the packet. Chair Evans also welcomed Western Oregon Universities new Vice President for Student Affairs Kwabena Boakye who will be starting at the beginning of March. Kwabena is a CPA and Certified Auditor and Chair Evans looks forward to working with him.

**III. CONSENT AGENDA**

- 1) Approval of the meeting minutes from November 5, 2024:

Trustee Schwarzler moves and Trustee Perez seconds the approval of the November 5, 2024 FAC meeting minutes. No additional discussion.

Chair Evans:	Aye
Trustee Perez	Aye
Trustee Schwarzler	Aye
Trustee Zook	Aye

**IV. ACTION ITEMS**

- 1) FY 2024 Financial Statements Audit and Single Audit



Chair Evans asked Mr. Shadron Lehman, Controller in Accounting and Business Services, to present the financial statement highlights, which are on page 8 of the docket, for review.

After Mr. Lehman's presentation, he introduced Kristen Diggs, a Partner at Eide Bailly and the independent auditor for this audit. Ms. Diggs explained the audit process and walked through the audit results. Their presentation can be found on page 22 of the docket. Ms. Diggs highlighted a material weakness in internal control related to borrower data and reconciliation, a significant deficiency in internal control on enrollment reporting, and a significant deficiency in internal control related to eligibility. Ms. Diggs also noted no significant transitions in the current year, and the audit of the financial statements resulted in an unmodified, clean opinion.

After Ms. Diggs's presentation, Trustee Schwarzler asked about the status of the software update in financial aid, which caused some delays and challenges in the audit. Western Oregon University Director of Financial Aid, Kella Helyer, answered Trustee Schwarzler's question by explaining at the same time as the software upgrade, the Financial Aid team had eight positions turnover, which caused a unique challenge because of the need to retrain people as a significant software upgrade was underway. The software update has been fully implemented, and the team is ready and confident to go into the 25-26 year that is just starting.

Trustee Schwarzler moved and Trustee Zook seconded that the Western Oregon University Finance and Administration Committee recommend to the Western Oregon University Board of Trustees to accept the University's fiscal year 2024 audit of financial statements. There was no additional discussion.

Roll Call Vote:

Chair Evans	Aye
Trustee Perez	Aye
Trustee Schwarzler	Aye
Trustee Zook	Aye

Motion Passes 4-0-0

Trustee Zook moves and Trustee Schwarzler seconds that the Western Oregon University Finance and Administration Committee recommend to the Board of Trustees to accept the University's fiscal year 2024 Single Audit and Management's proposed Corrective Action Plan. There was no additional discussion.

Roll Call Vote



Chair Evans	Aye
Trustee Perez	Aye
Trustee Schwarzler	Aye
Trustee Zook	Aye

Motion Passes 4-0-0

2) Accept the FY 2024 Management Report as of December 31, 2024):

Chair Evans asked Director of Budget & Planning Camarie Moreno to walk through the management report, which can be found on page 27 of the docket for review. Director Moreno noted a significant timing difference in tuition assessment, which affected the year-to-year comparisons. The university saw a tuition increase of about \$1.1 million, primarily due to a 5% tuition increase across the board and the addition of roughly \$300,000 from the first cohort of occupational therapy students. Enrollment fees were down by about \$100,000 primarily due to enrollment decreases. The university received a \$770,000 increase in state appropriations due to being in the second year of the biennium. Personnel costs increased by \$1.7 million, primarily due to salary and benefits adjustments across all employee classes. Services and supplies were down by \$650,000, but Director Moreno expressed concern about the sustainability of this trend. The university is projecting an actual deficit of \$3.3 million. However, Director Moreno believes they will end the fiscal year with a 14% fund balance, which is still within the target of Board guidance for fund balance. The auxiliaries are projected to break even at the end of the year. Chair Evans and Interim Vice President of Finance and Administration Mike Green discussed the need to better track consulting engagements and their lengths and outcomes.

Trustee Zook moved, and Trustee Perez seconded that the Western Oregon University Finance and Administration Committee accept the FY 25 Projected Year-End Report and the overall Management Report as of December 31, 2024.

Vote on the Motion:

Chair Evans	Aye
Trustee Perez	Aye
Trustee Schwarzler	Aye
Trustee Zook	Aye

Chair Evans gavelled the committee into Recess at 1:47pm.

Chair Evans gavelled the committee back into order at 2:00pm



Roll Call Vote to confirm Quorum:

Chair Evans	Present
Trustee Perez	Present
Trustee Schwarzler	Present
Trustee Zook	Present

Quorum Present

## **V. REPORTS & DISCUSSION ITEMS:**

### **1) University Budget Advisory Committee (UBAC):**

Chair Evans introduced Dr. Landon Hays and Zach Hammerle, two of the Tri-Chairs of the UBAC. They read their report, which can be found on page 37 of the docket. The committee has been working on aligning its activities with Western Oregon University's core values and mission. They participated in the VPFA search process and were impressed with the candidates, especially incoming Vice President of Finance and Administration Kwebena Boakye background in auditing. The committee is focusing on institutional sustainability and trying to understand budget decision criteria across campus. They are working to improve transparency and collaboration, particularly around academic program budgeting. The committee aims to be an information source and advisory body for the new VPFA going forward.

### **2) University Technology Advisory Committee (UTAC):**

Chair Evans introduced Tom Litterer and Chelle Batchelor, two of the Tri-Chairs of the University Technology Advisory Committee, who presented on behalf of UTAC. They read the UTAC report, which can be found on page 39 of the docket. Tri-Chair Litterer discussed the ongoing work in the strategic plan areas of institutional sustainability and transformational diversity, focusing on banner optimization. He mentioned the team's decision to use Okra as their new identity and access management system, which will simplify the login process and employee onboarding. Tri-Chair Litterer also highlighted the successful business process analysis (BPA) sessions for banner's financial aid and student areas and the upcoming BPA with Banner HR in May. He mentioned using the KASE tool to manage software inventory better and potentially reduce unnecessary software purchases. Chair Evans and Trustee Perez expressed interest in updates on the software utilization and potential cost savings.

Chair Evans asked about transferring payroll responsibilities from USSE to in-house and how banner is part of that solution. Executive Director of Human Resources and Payroll Desiree Noah discussed the reorganization of Banner payroll and the shift towards a more streamlined process. She mentioned



hiring a new director of payroll services with the aim of reducing modifications in the process. Chair Evans asked about the impact on employee benefits, to which Executive Director Noah confirmed that they are working on reconciling and updating these.

Tri-Chair Clark then discussed the work with Strata Information Group consultants on student configurations and the faculty load and compensation function in banner. She also mentioned ongoing work on security and access management. Tri-Chair Litterer updated the team on the digital accessibility policy, the progress of the current data center, and the proposed new data center project.

### 3) Finance & Administration Report

Mike Green, the Interim Vice President for Finance and Administration, mentioned this is his last report, as Kwabena Boakye will be developing it at the next meeting in April. Interim VPFA Green shared his thoughts on the differences between regional and research universities. He then delivered his report, which can be found on page 41 of the docket for review.

Interim VPFA Green also delivered the Cash Flow Projections, which are in the docket for review on page 45 of the docket. Interim VPFA Green discussed the importance of managing cash position and liquidity, noting a projected decline in cash balances from \$37 million to \$24 million, with \$8.1 million attributed to the spending down on the steam line project funding. He also highlighted a potential \$5 million cash balance decline, which he attributed to possible inaccuracies in their forecasting model. Interim VPFA Green emphasized the need to improve forecasting to manage liquidity better and ensure adequate cash reserves. He also mentioned the need to manage their working capital position and the potential for reclassifying some of their investments as current. Interim VPFA Green also discussed the need for a new line of credit, which is currently being sought through Public Financial Management LLC. Lastly, he mentioned the need to update their 5-year financial plan, which would involve rebalancing their budget and projecting to achieve a balanced budget within the next two years. This is important because it's hard to project accurately over two years. After all, things happen and state allocation changes.

Interim VPFA Green discussed the ongoing Banner optimization project, emphasizing its focus on streamlining processes, improving customer experiences, and removing paper from processes. He mentioned that the project is expected to yield cost savings, allowing the budget to stay static or be reduced. However, he also acknowledged the possibility of additional expenses and the need to plan for them. Chair Evans raised concerns about the maintenance of the system after the sustainability funds have been spent, and Director Litterer clarified that the long-term plan involves moving to an



SAS product with automated updates. Director Litterer said that the team will make sure to have conversations with departments of the need to make sure that updates are implemented and used. Trustee Perez suggested using a scorecard to quantify cost savings, and Director Litterer confirmed that a report detailing the current state and gaps would be presented in four weeks.

Lastly, Interim VPFA Green walked through developing the unit's strategic plans and aligning them with the university's strategic plan. The alignment chart is available on the board website under the February 11, 2025, Finance and Administration Committee information. During his presentation, Interim VPFA Green highlighted common themes across units, including the Banner Optimization program, reinforcing community importance, and engaging stakeholders in policy development. He emphasized the need to listen to feedback and improve processes. He then briefly outlines specific goals for different departments, such as computing services focusing on data security and accessibility, campus safety prioritizing emergency preparedness, and accounting and business services streamlining operations. Interim VPFA Green concluded by explaining that the next steps involve aligning unit goals with the strategic plan, the five-year budget plan, and budget priorities to allocate resources effectively. Assistant Vice President for Safety & Operations Rebecca Chiles praised the process and its alignment with the larger strategic plan. Gayle expressed her appreciation for the robust division strategic plan and its link to the larger strategic plan. Chair Evans was very impressed with the divisional and strategic plan alignment and thanked everyone for their hard work. Secretary Sorce provided context for the larger board meeting, where each division's alignment would be presented.

Interim VPFA Green then shifted the discussion and gave an update on the Quasi Endowment Performance. The information can be found on page 45 of the docket. In his presentation, Interim VPFA Green outlined the Board's fiduciary responsibility and the need for a risk-return analysis. He also mentioned the importance of a monitoring program to test outcomes against established metrics regularly. He then handed it off to Penny Burgess, the Executive Director and Director of Treasury Management Services at USSE. USSE guides and provides administrative duties for Western Oregon University's operating and quasi-endowment assets. The operating assets are managed with a primary objective of capital preservation and a secondary objective of total return and income. The quasi-endowment assets are invested to provide portfolio guidelines for the investment of the assets, including the investment objective of moderate capital appreciation over an intermediate-term period. The Oregon State Treasury provides banking and investment services to Western Oregon, including the Oregon Short-term Fund and the Core Bond Fund. The committee was then informed that the Western Asset Core Plus Bond Fund sale proceeds had been deposited in the Oregon Short-term Fund.





Interim VPFA Green emphasized the need for a clear investment policy for operating assets. The quasi-endowment already has an investment policy. He suggested drafting policies around risk-return and delegations and bringing a recommended fixed-income manager to the next meeting. Ms. Burgess agreed to work on these drafts and review the current policy for the quasi-endowment. Interim VPFA Green also highlighted the importance of considering the university's financial sustainability plan when discussing risk-return appetite. The committee also discussed the need for a more robust investment oversight structure and the potential for adding capital markets people in the future to the Board and the finance committee.

## **VI. Finance & Administration Committee Goals**

Chair Evans outlined the committee's goals, including reviewing the committee charter and preparing for the upcoming board meeting.

## **VII. February 25-26, 2025 BOARD MEETING PREPARATION**

Chair Evans mentioned the two big agenda items are the Management Report

## **VIII. ADJOURNMENT**

Chair Evans adjourned the meeting at 3:53pm.