

3. Management Report

Interim VP Meyer stated the Finance and Administrative Staff are reviewing the metrics requested by the committee at the February 2, 2016 meeting. The following will be presented as part of the Management Report at the next regularly scheduled Finance and Facilities Committee meeting: viability ratio, primary reserve ratio, net revenue ratio, return on net position ratio, debt burden ratio, current ratio, contribution ratio, tuition and fees funding ratio, and net income margin. Measurement dates will be June 30, 2016. Staff analysis to be reported on an on-going basis includes: sensitive or significant assumptions, basis of those assumptions, changes to those assumptions to date, year to date budget and actual comparison, and anticipated changes. At the February 2nd meeting an anticipated operating loss of \$2.1M was reported. Based on salary savings from unfilled positions the E&G will change from a negative operating budget of over \$1M to a positive \$500,000; the anticipated operating loss (overall deficit for the university) is now forecast to be between \$750,000 and \$1.2M.

4. Action Items

4.1 Recommendation to the Board regarding Adoption of a One-Time Funding Philosophy

Chair Sliwa recommended amending criteria three of the proposed philosophy - deleting the reference to the Board of Trustees so it would read " 3. Contribute to the Strategic Mission of Oregon Tech ~~Board of Trustees.~~" He suggested using a guideline of having a payback

information). Chair Sliwa asked that the board have the ability to preview fees prior to being asked to set them and for the policy to address transparency and compliance.

Trustee Stewart moved to recommend to the Board adoption of the Tuition and Fee Process Policy, and directed staff to return to the Finance and Facilities Committee at the next regularly scheduled meeting with a modified policy addressing:

1. clarification between incidental fees and other fees,
2. language of ORS 352.105 for reference (can be included in the agenda report and not the actual policy),
3. an explanation of the mandatory review and adoption process, and
4. a statement regarding transparency and compliance describing the implementation to arrive at this point.

Trustee Mason seconded the motion. With all Trustees present voting aye, the motion passed unanimously.

4.4 Recommendation to the Board regarding Approval of the Capital Budget of \$2,019,277 to Continue the Design and Construction of the Soccer Field Project- Continued from February 2, 2016 meeting

Athletic Director Schell gave an overview of the history of the project, the pro forma, and a proposed budget for FY16-17. He addressed the rationale for bringing soccer back to campus, the number of athletes who would benefit from the project, and the academic caliber of student athletes. He addressed the high dependency of the budget on advertising and confirmed that any deficit will be absorbed by the athletic department. He clarified that Rugby is an extra-rural sport with a budget of \$6,000 and they do not play other NAIA schools. Chair Sliwa walked through a list he created, based on information received to date of the pros and cons of passing the proposal (on file). Trustee Peterson questioned the replacement costs and timing being a con. Consensus that the committee is comfortable with recommending approval to the board based on the financial aspects under the committee's purview but there are other issues the board should consider prior to making

stated there was an error in the state's modeling; the overall effect to Oregon Tech is a decrease of \$80,000.

5.2 Creation of an Investment Policy and an Endowment Policy

Interim VP Meyer stated the inherited policies from the Oregon University System are sufficient for Oregon Tech. In an estimated 6-9 months an outside financial advisor will assist the university in reviewing and editing the policies. AVP Ricketts confirmed the endowment funds of the Foundation are not commingled with the University endowment funds. Discussion regarding various type of endowment funds; confirmation that the university only has a quasi-endowment currently. Consensus to wait until the end of the year for a Financial Advisor prior to amending the investment and endowment policies.

LUNCH BREAK – 11:50am - 12:20pm

5.3 Presentation of the June 30, 2015 Annual Financial Report

Director Barkelew walked through the annual financial report. She stated the university is subject to Government Accounting Standards Board (GASB) and explained the changes in GASB 68, which will impact our budgeting, including the net pension asset and the cost of