Meeting of the
Oregon Tech Board of Trustees
Finance and Facilities Committee
virtually via Microsoft Teams
Wednesday, April 10,2024
9:30 am – 11: 5 am

Finance and Facilities Committee

MOTION

Motion by the Committee for Approval by the full Board of the Facilities Master Plan with delegation of authority to the president or his designee to finalize report formatting and to coordinate capital projects and infrastructure improvements in collaboration with the Finance and Facilities Committee Chair.

Motion: Trustee

	FY 2022-23 February Actuals	FY 2023-24 February Actuals	FY 2022-23 Year End Actuals	FY 2023-24 Board Adopted Budget (BAB)	FY 2023-24 Adjusted Budget		

FY2024 Q2 Investment Report

BACKGROUND

The Oregon Tech (university) investment report for the second quarter (Q2) of FY2024 is presented in the following sections:

- FY2024 Q2 Oregon Tech Investment Report – This section includes a report on the investments of the operating and endowment assets of the university. This report reflects the university's operating assets that are invested in the Public University Fund and the university's endowmen

Core Bond Fund

FY2024 Q2 MARKET COMMENTARY

(Prepared by Meketa Investment Group, consultants to the Oregon Investment Council)

Report on Investments – as of December 31, 2023

Economic and Market Update

Markets rallied during the fourth calendar quarter in anticipation of central bank policy rate cuts ahead in 2024.

- Major central banks have largely paused interest rates hikes. Markets are now largely expecting the Federal Open Market Committee (FOMC) to maintain interest rates at the current levels and begin cutting rates as soon as calendar Q1 2024.
- Inflation rose in December in the U.S. and Europe, but both finished the calendar year much lower than where they started. China remained in deflationary territory (-0.3%) at calendar year-end.
- U.S. equities (S&P 500 index) posted strong gains for the quarter (11.7%), raising full calendar year results to +26.3%. Most sectors rallied, driven by growth sectors.
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Market Returns[1]
December 31, 2023

[1]Source: Oregon State Treasury

U.S. Equities: U.S. equities had a strong final quarter of the calendar year, driven by expectations that rate cuts may be ahead in 2024. Small cap stocks outperformed their large cap peers for the quarter while growth outpaced value with the exception of small cap. Large cap stocks outperformed small cap stocks by a wide margin for the calendar year and growth outpaced value across market caps. Calendar year results were clearly driven by large cap technology stocks. Within the S&P 500 index, the “Magnificent 7” stocks

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Overall, the U.S. labor market remains healthy with the unemployment rate relatively low, wage growth now positive in real terms, and initial claims for unemployment staying subdued. In December, U.S. unemployment remained unchanged (3.7%) and came in slightly below

Slowing inflation and growth have led to expectations for a reduction in the pace of aggressive policy tightening. The Fed has been on hold since July 2023 when it raised rates to a range of 5.25%-5.50%. Markets are pricing in six rate cuts next year given the track of economic data and recent comments from the Fed, while the Fed itself is only predicting three. How this discrepancy is resolved will be key in calendar year 2024.

The European and U.K. central banks also recently paused their rate increases on slowing inflation. In Japan, the Bank of Japan (BOJ) has further relaxed its yield curve control on the 10-year bond, and expectations for further policy normalization are rising. The central bank in China has maintained interest rates at record low levels and continues to inject liquidity into the banking system, as weaker than expected economic data appears to indicate a widespread slowdown.

The U.S. dollar declined around 5% in the fourth calendar quarter as generally weaker economic data led investors to antic(i)2.6 3pte a11.3 (t)-6.6a(onom)-5.iou FonJM2 ( )Cthiptng syU insthreccae

Thom Darrah | Director of Facilities & Capital Planning

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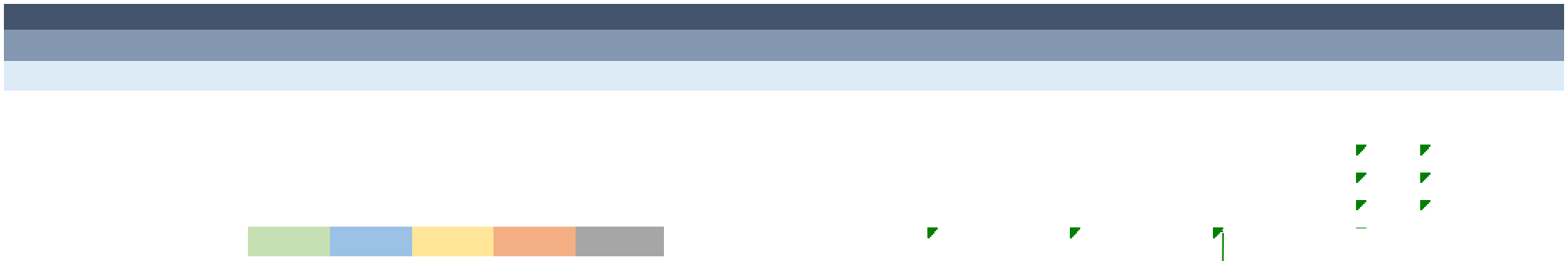
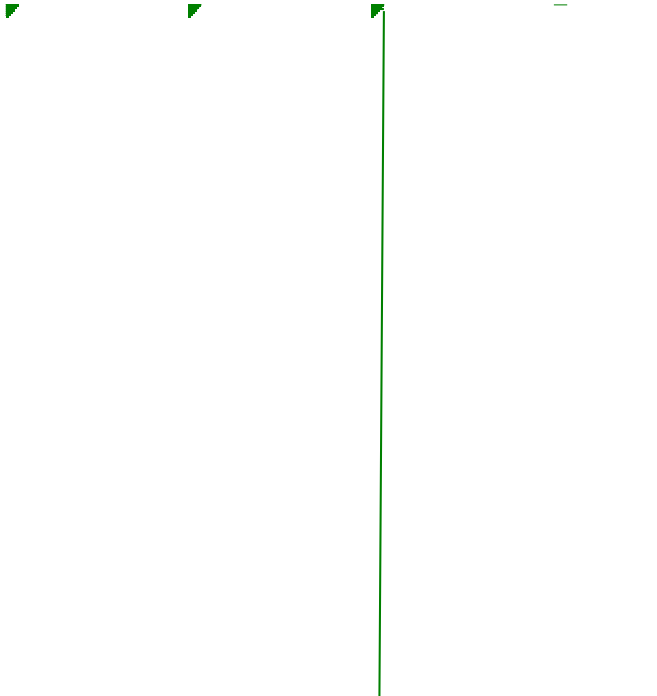
New Student Housing





New Student Housing

Extended Project Insights

- Early Procurement (CLT Panels): 2.12.2024
- Early Work: 4.15.24 through 6.07.2024
    1) Install erosion control.
    2) Setup r53et nstaeam8sl.2)
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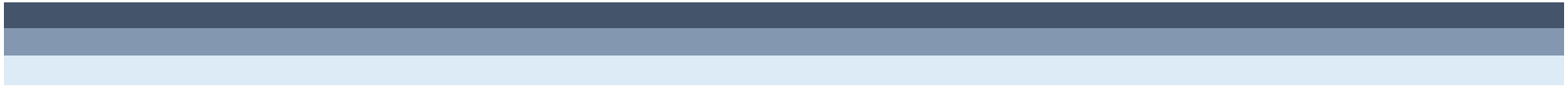
New Student Housing

New Student Housing

New Student Housing

New Student Housing

Geothermal Systems Emergency Renovation



Geothermal Systems Emergency Renovation

Geothermal Systems Emergency Renovation

Bovin Hall Traffic Improvements

Bovin Hall Traffic Improvements

Bovin Hall Traffic Improvements

Bovin Hall Traffic Improvements

DPT Research Lab Renovation

Construction: Sept. 2023 - Mar. 2024

Project construction underway.

Design: ORW

Build: DCI

Plan | Design | Bid | Build | Closeout

on

Cost Breakdown	Orig. Budget	Rev. Budget	Cost To Date	%	Balance
Design (13%	$ 35,205	$ 35,205	$ 31,685	90%	$ 3,520
Construction (78%	$ 212,894	$ 235,820	$ 188,655	80%	$ 47,165
Other (9%)	$ 24,811	$ 1,885	$ -	0%	$ 1,885
Project Totals	$ 272,910	$ 272,910	$ 220,340	81%	$ 52,570

CO's / Amendments

DCI: CO 1	$	11,084
DCI: CO 2	$	4,912
DCI: CO 3	$	-
DCI: CO 4		$6,930
	$	-
Total:	$	22,926

DPT Research Lab Renovation

DPT Research Lab Renovation

ABA Clinic Renovation

Extended Project Insights

- Project Design Completion: March 29, 2024
- Project Permitting: April 2024
- Project Construction - Anticipated Start: May 20,2024
- Project Completion: November 29, 2024

ABAClinicRenovationn

Contact Information

Thom Darrah, Director of Facilities
Phone: 541.885.1661
Email: Thom.Darrah@oit.edu

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FINANCE AND ADMINISTRATION
John Harman, MBA, CGMA, CMPE Vice President
3201 Campus Drive, Klamath Falls, OR 97601

5. Significant

16. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

17. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. The University has disclosed the temporary impairment of the geothermal plant due to being out of service for repairs at year end. For other assets, impairment loss and insurance recoveries have been properly recorded, if applicable.

18. We believe that all material expenditures exp

e. All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting

13. We haveprovidedou

c. We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance

d. We

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ACTION

Agenda Item No. 4.

FY 2023 Single Audit Report

Background

Oregon Tech receives federal funds through financial aid programs, grants, awards and more recently through Higher Education Emergency Relief Funds (HEERF) related to the COVID-19 pandemic.

Nonprofit and governmental organizations with federal expenditures in excess of $750,000 annually are required by law to have an annual Single Audit. This includes and 0.514 financial statements a compliance audit of federal awards. The Single Audit reviews internal controls and whether federal
ds were managed in compliance with applicable federal requirements for grants and awards

A Single Audit is often referred to as a S

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Board of Trustees
Finance and Facilities Committee

10 April 24

ƒBackground

ƒGoals

ƒMilestones

ƒDeliverables

ƒNext Steps

- Impact of COVID-19 pandemic on university academics and operations
- Common practice in higher education to adopt business continuity programs
- Internal Audit report recommending the creation of an ITS disaster recovery plan
- Dated Emergency Operations Plan from 2018

- Support ability to effectively manage adverse events, business disruptions and emergencies across the enterprise

- Introduce an alignedbusiness continuity, disaster recovery and emergency management framework

- Employ policy, governance, plans, procedures, training, drills/exercises/tests and continuous improvement to support programmatic maturity

- Request for Proposals released 06 June 23, closed 27 June 23
- Vendor Presentations held on 25 August 23
- Notice of Intent to Award issued 4 November 22
- Agreement with B. Riley Advisory Services executed 8 December 22
- Revival and Amendment 1 (Agreement Extension) executed 24 January 24
- Amendment 2 (Planning Solution License Renewal) executed 24 January 24
- Tabletop Exercise held on 15 February 24
- Executive Briefing conducted on 7 March 24

ƒ Threat and Hazard Identification and Risk Assessment (THIRA)

ƒ IT Disaster Recovery Current State Assessment

ƒ Business Impact Analysis (BIA)

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ƒBusiness Continuity Plan Development

ƒEmergency Operations Plan Integration

ƒDisaster Recovery Plan Development

ƒTabletop Exercise

- Testing, Training and Exercising (TTE) Program Development
- Executive Presentation

Long Term

- Establish policy governing emergency and disaster planning
- Implement enterprise risk management model to identify, prioritize and manage key institutional risks
- Conduct annual exercises/testing at the business unit and enterprise level
- Conduct annual risk and resilience presentation to the Board of Trustees

Questions?

Douglas Tripp, M.Sc.

Resilience, Emergency Management and Safety (REMS)

Oregon Institute of Technology