
Finance and Facilities Committee Minutes

Trustees Present:

Vince Jones, Chair	Michele Vitali	Dr. Nagi Naganathan (<i>ex officio</i>)
Stefan Bird	Mason Wichmann	Kanth Gopalpur
Mike Starr		

Other Trustees in Attendance:

John Davis

University Staff and Faculty Present in person:

Joanna Mott, Provost and Vice President of Academic Affairs and Strategic Enrollment
Thom Darrah, Director-Facilities Management Services
Don DaSaro, President-Fiscal Operations Advisory Council
Ken Fincher, Vice President University Advancement & Interim Board Secretary
Erin Foley, Vice President of Student Affairs & Dean of Students
David Groff, General Counsel
John Harman, Vice President Finance & Administration
Adria Paschal, Senior Executive Assistant to the President
Lori Garrard, Executive Assistant to the VP of University Advancement
Bryan Wada, Information Technology Consultant 2
Jean Bushong, CLA
Eric Talbot, Soderstrom Architects
Kurt Haapala, Mahlom Architects
Mike Shea, Soderstrom Architects
Don DaSaro, Professor and President of FOAC
Trevor Campbell, KernuttStokes
Bryan Simkanich, CLA
Hope Rogers, KernuttStokes

1. **Call to Order/Roll/Declaration of a Quorum** *Chair Vince Jones*
Chair Jones called the meeting to order at 8:02 am. The Board Secretary called roll and a quorum was declared.
2. **Consent Agenda** *Chair Vince Jones*
 - 2.1 **Approve Minutes of the January 25, 2023 Meeting**
No changes to minutes voiced. Minutes approved as submitted.

3. Reports

3.1 Fiscal Operations Advisory Council FOAC Professor Don DaSaro (Verbal only)

- **Professor DaSaro** advised that the university needs more operating revenue and long-term funding. Tuition and state funding are on a downward trend, and they are the primary sources of funding for the university.
- **Professor DaSaro** stated there was a meeting with Faculty Senate President Torres, VP Harman, and himself to discuss enrollment, and a good conversation occurred with many good ideas.
- **Professor DaSaro** met with senior leadership to share ideas to help increase funding.
- The viability of the geothermal plant was discussed, as well as the maintenance and improvements to the infrastructure of the geothermal system on campus.

3.2 Quarterly Finance, Facilities, and Audit Report

- **VP Harman** shared his presentation and discussed the YTD performance report.

3.2.1 FY 2022-2023 YTD February Management Report (A) VP John Harman

- Projections show that reserve funds may not be needed this year to cover expenses. **Trustee Gopalpur** asked if there were deferred expenses. VP Harman advised that it is primarily because of salary savings from unfilled positions. However, we would spend more next year when the positions are filled.

3.2.2 Q-2 Financial Dashboard(B) VP John Harman

- The Q-2 FY 2022-23 Quarterly financial dashboard was shared and explained.

3.2.3 Q-2 Investment report (C) VP John Harman

- **VP Harman** shared the investment report and performance with the benchmark and advised that we are close to the benchmark and performing well.

3.2.4 Master Facilities Planning Update Soderstrom Architects

- Mike Shea from Soderstrom Architects shared his presentation to show the progress of the facilities master plan. There is currently a conditions assessment of all the buildings to create a repair and replacement list for the next 10-15 years as well as the campus infrastructure, including the geothermal system. They have created a site plan for proposed improvements. One priority identified was the front entrance and creating a student services building and parking improvements. Another priority is the dental hygiene clinic. They suggest moving the clinic to Purvine Hall with more space and parking. They also propose improving outdoor space for recreation activities and a banquet facility that could be community-based.
- **Chair Jones** clarified that there has been a need for an updated facilities master plan for several years, which is needed to understand the needs of the Klamath Falls and Portland Metro campuses. He asked Mr. Shea if this was a draft or a progress report. **Shea** advised that this draft is close to being shared with everyone, and there will be a final draft by the end of May 2023. **Shea** addressed the housing need at the Portland Metro

campus, and there is the ability to build housing on-site, and the City of Wilsonville is willing to assist.

- **Chair Jones** addressed the student services building proposal and why the location was chosen. **Shea** explained the importance of the front entrance of the campus and how the student service building would be the official welcome point with support services. **Chair Jones** stated he would like the facilities master plan to be presented to the entire Board.
- **President Naganathan** asked **VP Harman** to talk about how the facilities planning council has been engaged and their interaction with the campus community in the process. **VP Harman** spoke about the collaborative process as well as shared governance as the facilities planning commission is made up of students, faculty, and staff.
- **Chair Davis** asked if there was data on the effect that campus beautification in a master plan has on enrollment and attractiveness of a university for incoming students. **Mike Shea** discussed creating an attractive campus does typically help to attract students and thus, with enrollment.
- **Mike Shea** advised that the next steps are to create drafts and documents that can be used with a 10–15-year timeline.
- **President Naganathan** clarified that the geothermal plant referred to is the power plant, while Oregon Tech’s current year efforts at the State Legislature are about the geothermal infrastructure.

3.2.5 Student Housing Planning Update *Mahlum Architects*

- **Kurt Haapala** from Mahlum Architects shared his presentation regarding the student housing project. There is an Oregon Tech steering committee along with the design team who collaborated on this project.
- **Haapala** shared the proposed sites for the new student housing building and other details for the project.
- The following steps are schematic design, general contractor onboarding, and cost estimating.
- **Chair Jones** asked for background information on Mahlum Architects and other projects they have completed, which Kurt Haapala provided.

3.2.6 Q-3 Capital Projects Update (D) *Director Thom Darrab*

- **Director Thom Darrab** shared his presentation to review projects underway: Boivin Hall Renovation, which is on budget and schedule and will be complete in June 2023; Track/Stadium Renovation is on track to be completed by May 2023; and the OMIC – Additive Innovation Center.
- The new project is the new student housing facility. It is moving into the schematic design phase.
- **Director Darrab** also reviewed the Capital Improvement & Renewal (CIR) projects.

3.2.7 Q-3 Internal Audit Report (E) *Kernutt Stokes*

- **Trever Campbell** and **Hope Rogers** from KernuttStokes presented the internal audit update. Two current projects are being reviewed, procurement and contracting and policy and procedure review. Hope Rogers advised that there was only one issue in procurement and contracting.
- **Trever Campbell** shared the policy and procedure review and advised that the audit will begin in May.
- The Fraud, Waste, and Abuse Ethics Hotline cases have been investigated and resolved.

Action Items

4.1 Academic Year 2023-24 Tuition and Fees Recommendation - *VP John Harman*

- **VP Harman** shared the state and board policy guiding the transparent and collaborative process.
 - **Harman** discussed that state funding for higher education is inadequate and other essential factors impacting the budget; he shared expenses, university funding, and the history of tuition costs as factors. As a result, a \$6.8 million spending gap is anticipated, and a resolution to balance the budget must be found.
 - The TRC (Tuition Recommendation Committee) recommended a 5% increase in tuition and fee increase. This was also supported by the ASOIT. That will result in a \$163 increase per term for a student taking a course load of 15 hours. VP Harman advised that President Naganathan has recommended a 4.9% increase.
 - **Trustee Starr** asked if the cost of living and other economic expenses were considered. **VP Harman** stated that students are very aware of the inflation in Oregon and in higher education institutions.
 - **Trustee Gopalpur** was concerned about long-term trends with state funding and a decrease in enrollment. Oregon Tech's most significant expense is labor. **VP Harman** advised that **President Naganathan** has been talking with leadership in the legislature and the governor's office and stated we are being proactive on campus, including hiring visiting instructors where appropriate. The Technical and Regional Universities are also pursuing a sustainability funding effort with Governor Kotek's office.
 - **Chair Davis** stated he and **President Naganathan** met with legislators a few weeks ago regarding tuition trends, pointing out the shift in financial burden from the state to the student. Chair Davis also addressed the decrease in enrollment and encouraged all members of the university to take ownership of the situation.
 - **President Naganathan** thanked members of the Board for testifying in front of the legislature and encouraged all of them to participate in Polytechnic Pride Day on May 23rd.
- Staff requests a **Motion by the Committee to the full Board that the Academic Year 2023-24 Tuition and Fees be increased by 4.9% in accordance with the President's recommendation** memo and authorize the President or their designee, as available under policy and law, to make minor and technical adjustments to these

proposed rates as necessary to correct mathematical rounding errors, inconsistencies or omissions and execute the Board's directives.

Motion: Mike Starr

Second: Kanth Gopalpur

Roll Call vote: Trustee Jones aye, Trustee Gopalpur, Trustee Starr aye, Trustee Vitali aye, Trustee Wichmann aye, Trustee Bird aye. Motion passes.

4.2 2022 Single Audit and FY 2023 Audit Planning – *Jean Bushong CLA*

- **Jean Bushong** reviewed the single audit at Oregon Tech. Her colleague Bryan Simkanich reviewed the results of the single audit. There were three findings during the audit. They include suspension and debarment, earmarking, and reporting. The earmarking and reporting issues were resolved, but the suspension and debarment were not resolved due to the timing of the corrective action. **Jean Bushong** clarified the timing of the suspension and debarment issue and advised that it is easy to resolve.
- **Jean Bushong** explained the audit process and approach.

After review of the FY 2022 Single Audit Report, staff requests a **Motion to the full Board recommending acceptance of the Oregon Tech FY 2022 Single Audit Report.**

Motion: Trustee Gopalpur

Second: Trustee Vitali

Roll call vote: Trustee Jones aye, Trustee Bird aye, Trustee Gopalpur aye, Trustee Vitali aye, Trustee Wichmann aye.

With all trustees present and voting aye, the motion passed unanimously.

5. Discussion Items *Chair Vince Jones*

None

6. Other Business/New Business *Chair Vince Jones*

None

7. Adjournment: 10:28 am

Respectfully submitted,



Dr. Ken Fincher

Vice President University Advancement & Interim Board Secretary

Dear [Name]