



**MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE
OF THE BOARD OF TRUSTEES OF EASTERN OREGON UNIVERSITY
November 19th, 2015, 12:00 p.m. – 3:00 p.m.
Ackerman Alumni Room, Ackerman Hall**

Board Members:

Present: Richard Chaves, Ray Brown, Holly Kerfoot (phone), Abel Mendoza (phone), Bill Johnson, and candidate Brad Stephens.

Absent: Tom Insko

Quorum present: Yes

Others Present:

Lara Moore, LeeAnn Case, Cora Beech, Chris Burford, and Heidi Tilicki

Proceedings:

Meeting called to order at 12:05 p.m. by Acting Chair, Richard Chaves

Announcements: The auxiliary funding discussion will be moved the next meeting.

Action Items: Minutes from the October meeting.

Motion: Ray Brown

Second: Bill Johnson

Action: Motion carried

Discussion Items:

Updated E&G Budget Overview - Lara Moore gave a brief overview of the settle-up agreement and the adjustment of the E&G budget. RB what is the status of services and supplies for today? \$300,000 is only a one time payment/income. We did not receive \$300,000 dollars of fee remissions, BJ why is this not shown on the chart? LM my guess is no less than 2.1 million in fee remissions. We no longer have a delivery fee.

E&G Monthly Budget Report - Trustee Johnson noted that this report is important to better understand the financial history of the university. How are grants received? Lara Moore answered that grants are considered restrictive. EOU assigns amounts to those programs that received the grant(s). EOU has a specific grant accountant that works directly with that pool of money. Chair

Chaves recommended the finance team compose a list of the grants EOU receives and what departments they go to. Trustee Johnson clarified that finances include pools of money such as budget, auxiliary, grant, and asked are there more? A summary of fund types will be included at the January meeting (including capital projects).

Trustee Ray Brown asked if we have found an internal auditor. Trustee Brown will check and look into a retired auditor for EOU and get back to Lara Moore on any prospects.

E&G Quarterly Management Report – Lara Moore briefly went over the settle up. An 8.2% fund balance is forecasted for the next year.

LeeAnn Case noted that EOU is the 3rd largest employer in Union County. She gave an overview of the employee breakdown for the university and the various categories we have. Employees are paid once a month. Lara Moore mentioned that the lack of volatility is helpful to keep track of payroll. EOU spends 2.4 million on average per month for payroll. Trustee Brown noted we are understaffed in some areas including custodial and groundskeepers.

Financial Ratios – Lara Moore mentioned that this is one piece of our conditional report to the HECC. Primary ratios include the contribution ratio, primary reserve, and debt burden ratio. We will always be reliant on state allocations and tuition. The debt burden ratio institutional based debt. Right now we are under 5%.

Benefits Cost Ratios – Lara Moore gave an overview of the PEBB benefits for EOU. EOU almost always contributes about 50% a person's salary towards their benefits. In order to meet the benefit needs of our university and the CSL (current service level), we always have to ask the legislatures to fund us at an appropriate level. LeeAnn Case noted that if there is an upside we always know how much money we are going to pay each year.

Eastern Promise – If grant money did not come through for this program, we knew EOU would have to pull some money from the E&G budget. What if we pulled grant money? Dan Mielke drafted a way to keep the program going at a lower cost. This is how we will keep the program afloat. This program costs about \$242,000 annually. Trustee Johnson noted his concern with eastern promise funding. Candidate Brad Stephens asked for the total number of students enrolled in Eastern Promise and which high schools participate with how many students.

Faculty Increase and Cost Implications - For informational purposes only, Lara Moore noted that from bargaining, for every percentage point the union gains, it is a \$87,000 cost to the university.

External Audit RFP – EOU is at the point when we need to send out an RFP. There are only about 4 in the State/country that can do this scope of work. The audit firm selection must be approved by this group. We hope to bring candidates to this group at the January meeting. The RFP evaluation committee is looking for someone from this group to be on the committee. We will wait to hear back from committee members that wish to serve. If possible, we may have our current auditors or partner on the phone to give the overview from our audit from last year.

Draft Financial Planning Calendar – The budget, tuition and capitol planning are key points along the calendar. Lara Moore noted that as we forecast we need to start talking about tuition for next year. The Vice Presidents of finance and administration from the 7 institution may get together to decide priorities for capital funding/planning. The HECC would like us to hand them a prioritized capitol list.

Trustee Johnson asked if the board will approve of the incidental fee? What about other fees? The Finance Committee will review fees with the board prior to the June meeting.

It is possible that EOU might receive additional funding for capital projects such as paving the parking lot at the stadium or to create a field house. We can gauge some response from the president.

Review January Agenda Items - The second quarterly management report is something to present to the board for the January 21st meeting. This body may bring one or two options for the board for review. This body might start a fund balance policy and ratio goal conversations in January. Trustee Johnson noted that the rest of the board would like to see these reports.

Meeting adjourned at 1:52 p.m.

Minutes submitted by Heidi Tilicki

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