

**WRIGHT STATE UNIVERSITY
BOARD OF TRUSTEES**

**Finance, Audit, Governance and Compliance Committee Meeting
Thursday, December 9, 2021
3:00 p.m. – 4:00 p.m.**

**Wright State University
Student Union Endeavour Room (E156)**

Minutes

Present: D. Fecher, S. Fitzpatrick, T. Gunlock, B. Bucklew, D. Conway, B. Langos, R. Shah

Guests: S. Edwards, O. Evans, B. Kawosa, G. Sample, S. Todd, B. Sparks, S. Mickey-Boggs, M. Grushon, M. Stankas, S. Culley, S. Todd, B. Boyd, D. Lamp, L. Sidor

1. Call to Order

The meeting was called to order by Chair Fecher at 3:00PM on Thursday, December 19, 2021. Chair Fecher requested that Chair Gunlock appoint two board members to the FAGC committee due to a lack of a quorum. Chair Gunlock appointed Trustee Conway and Trustee Bucklew to serve on the committee.

Chair Fecher welcomed the board members present as well as guests.

Trustee Fecher asked the secretary, Shari Mickey-Boggs, to call the roll. There was a quorum (4,0,0)

2. Proof of Notice of Meeting

The chair noted that the meeting was called by written notification; a quorum was present.

Chair's Statement was read:

The Wright State University Board of Trustees is a public body subject to the Ohio Open Meetings Act. It operates on a fixed agenda to those attending the meeting. Persons wishing to address the Board in its public session should submit a written request to the Board of Trustees' office 72 hours in advance of the meeting in order to be placed on the agenda. However, all persons address the Board at the invitation of the Board and are subject to

time limitations and other guidelines established to maintain the good order of the meeting.

3. Conflict of Interest Statement

Chair Fecher read the conflict of interest statement.

It is of the utmost importance to ensure that all university decisions are free from any real or perceived conflicts of interest.

Therefore, please be mindful of all obligations with which you have charged as a Trustee of Wright State University, and take the steps you deem appropriate to perform your duties fairly and impartially.

4. Disposition of Previous Minutes

Chair Fecher asked for a motion for the approval of the minutes for the FAGC September 16, 2021 and November 17, 2021 meetings as submitted. Trustee Fitzpatrick moved to approve the minutes as submitted and was seconded by Trustee Conway. Trustee Fecher asked for any discussion on the minutes as distributed, and hearing no discussion, the motion was unanimously approved by a voice vote.

5. Committee Chair Comments

Chair Fecher offered no comments and directly proceeded to the Chief Operating Officer Comments.

6. Chief Operating Officer Comments

Mr. Sample stated our audit partners Mr. Creeden and Mr. Behme were visiting with the board in Executive Session.

7. Monthly Financial Performance Reports

Mr. Sample indicated the monthly financial performance reports had not materially changed since the previous FAGC meeting in November.

8. Investment Reports

Mr. Sample indicated the reports had not changed since the previous FAGC meeting in November.

9. Bond Resolution

Mr. Kawosa indicated the University refinanced its series 2011A and 2012 bonds resulting in total savings of approximately \$7 to \$8 million spread over 2021 to 2030. There was, however, \$335,000 in outstanding Series 2011 B bonds that were not refinanced and the purpose of the following resolution is to call and retire those outstanding bonds.

It was further explained that there will be no material impact on the cash balance because \$165,000 was anyway due in FY 22 and \$170,000 was due in FY 23. The major change is that the cash outflow of \$170,000 will occur in FY 22 instead of FY 23. The total savings are \$9,464.

After discussion, Chair Fecher asked the secretary to read the following resolution:

Resolution 22 –

WHEREAS the university recently refinanced its 2011 and 2012 bond debt and approximately \$335,000 of Series 2011 B bonds was not refinanced and

WHEREAS pursuant to Resolution 12-13 regarding optional redemption of the Series 2011 bonds, the university can retire the 2011 B bonds by giving 45 days notice to the trustees and

WHEREAS retiring the bonds will save the university's interest cost and

WHEREAS retiring the bonds will simplify the university's administration of its dept program and

WHEREAS general revenue funds are available and bond retirement does not compromise liquidity now

THEREFORE the following is hereby adopted as the resolution of the Wright State University Board of Trustees resolved.

The President is hereby authorized and directed to take and perform all lawful actions she deems reasonably necessary or desirable to effectuate the Board's directives herein.

To move this resolution to the full board for approval, motion and second are needed.

Chair Fecher offered the motion and Trustee Fitzpatrick seconded the motion. A roll call vote was conducted. (4, 0, 0)

10. Tuition Guarantee Resolution

Mr. Sample stated that this is a normal process resolution that the board passes each year. It authorizes the president to set the tuition as well as meal planning fees and other fees for the university for the upcoming year. We are working the IUC and the state of Ohio in terms of understanding what the limits are to what we can and can't do because we are regulated in this area. The president is then obligated to present the final information to the board at the June budget meeting.

Mr. Fecher requested that the resolution be read.

Resolution 22 –

WHEREAS under revised code section 3345.48 states that tuition fees and rate increases may be increased one time per subsequent cohort by the sum of the 36 month rate of inflation, as measured by the Consumer Price Index, plus the 2% general inflationary increase authorized by the General Assembly as part of the state biennium budget process for fiscal year 22 and 23 and WHERE the one time tuition rate increase for subsequent cohort group 5 needs to be approved by the Wright State University Board of Trustees effective fall September semester 2022.

THEREFORE, be it resolved that the Wright State University Board of Trustees delegates authority to the President of Wright State University to establish final tuition rates for subsequent cohort group 5, not to exceed the 36 month rate of inflation as measured by the Consumer Price Index, plus the 2% general inflationary increase not to exceed the increase authorized by the General Assembly for the 2022/23 fiscal year and be it further resolved that the Board Trustees delegates authority to the President to set final room rates for 2022/23 for subsequent cohort group 5 effective fall semester 2022 once final market data is gathered and analyzed and be it further resolved that the Board of Trustees delegates authority to the President to set final meal plan rates for 2022/23 for subsequent cohort group 5 effective fall semester 2022 once vital market data is gathered and analyzed and be it further resolved that the president or his designee will provide a final report to the Board of Trustees on 2022/23 tuition and fees rates, room rates and meal plan rates at the June 2022 budget presentation.

Chair Fecher offered the motion and was seconded by Trustee Conway. A roll call vote was conducted. (4,0,0)

11. Contracts \$150,000 - \$249,000

Mr. Sample stated that were none requiring the committee's approval, but there are two that fall into that category. Baker Tilly to which the board is aware that we do not currently have an internal auditor and so we have

contracted with them. Trustee Fecher oversaw an ITN process and they were selected to provide internal audit services for the upcoming year. That contract is not to expected to exceed \$190,000.

The second is with ASM Global. The board is aware that we have been attempting to work with outside management companies to assist us with booking shows at the Nutter Center to increase revenue. ASM was chosen as a result of an ITN process being completed. The benefit of the relationship with ASM Global is that there is no out of pocket expense to the university and ASM Global doesn't get any compensation from the relationship until after Wright State exercises and receives the amount of traditional revenue they have generated on own from bookings at the Nutter Center. This is a value-added contract.

12. Affordability and Efficiency Report

Mr. Sample stated that all public universities are required on an annual basis to submit an Affordability and Efficiency report to the State of Ohio and encouraged the new board members to read through this. This study provides insight into the university operations and how we address both affordability and efficiency. The previous reports have been focused on COVID related activity because that was an area of interest from the State of Ohio. This report does need to be approved by the board. The document was submitted in October on the condition that the full board approved it at this meeting.

There were no discussions or questions regarding this resolution.

Chair Fecher asked the secretary to read the following resolution:

Resolution 22-

WHEREAS Sub House Bill 64 section 369.560 requires that all Boards of Trustees for each state institution of higher education shall develop an efficiency review of the institution based on the recommendations of the Ohio Task Force on Affordability Efficiency and

WHEREAS the review considers efficiencies, academic processes, policy reforms, cost savings, redeployment of savings and tangible benefits to students and

WHEREAS not later than October 29, 2021, each state institution of higher education itself submit the reports required under this section to the Chancellor of the Ohio Department of Higher Education, either approved or pending approval by the institution's Board of Trustees.

THEREFORE, be it is resolved that the attached Wright State University Affordability and Efficiency Report as submitted.

Chair Fecher made the motion to accept the resolution and seconded by Trustee Conway. A roll call vote was conducted. (4, 0,0)

13. Other Business

Mr. Sample recognized Nova Lasky, the Director of Organizational Planning, who put in the time and effort to pull together the Affordability and Efficiency Report.

14. BKD Comments and Update on Audit Status

Jim Creeden and Mike Behme were present. They had just a few comments about the audit. This past year, they completed our audit of the financial statement of the university as of June 30, 2021 and submitted those to the Auditor of the State in accordance with their October 15th deadline. The audit of the university's compliance with their major federal work programs, which is also known as the Uniform Guidance Audit, is currently wrapping up and will be submitted to the Auditor of the State in accordance with their December 15th deadline.

In addition, they completed an NCAA Agreed Upon Procedures report over the university's revenues and expenses of the athletics program that is also being wrapped up and will be submitted by December 15th in accordance with the state's deadline. The submitted reports are subject to the Auditor of State's review and, until that time, the reports are not considered final.

15. Executive Session

Chair Fecher indicated committee members will have the opportunity to further discuss the audit in Executive Session and announced the committee will move into Executive Session to discuss matters required to be kept confidential by Federal or State Laws and Regulations.

Chair Fecher asked the secretary to read the following resolution:

Executive Session Resolution 22 –

RESOLVED that the Wright State University Board of Trustees' Finance, Audit, Governance, and Compliance Committee agrees to hold a Special Executive Session on December 9, 2021; and be it further

RESOLVED that pursuant to the Ohio Revised Code 121.22(G), the following issues may be discussed in Executive Session:

- Matters required to be kept confidential by federal law or regulations or state statutes per R.C. 121.22(G)(5).

Chair Fecher offered the motion to approve and Trustee Fitzpatrick seconded the motion. A roll call vote was conducted. (4,0,0)

The committee entered Executive Session at 3:17PM.

The committee concluded Executive Session and reconvened at 4:12PM.

The secretary called the roll and a quorum was present.

Chair Fecher asked if there was any further business to be brought before the committee.

Hearing none, he moved to adjourn the meeting. Trustee Fitzpatrick seconded the motion.

The motion to adjourn the meeting was unanimously approved by a voice vote at 4:17PM.

Respectfully submitted,

Daniel Palmer
Secretary to the Board of Trustees