

**C. Finance, Audit and Infrastructure Committee**

Mr. Grunder, chair, will report on the committee meetings of January 24, 2020 and February 20, 2020.

**Finance, Audit and Infrastructure Committee  
Meeting of January 24, 2020**

**Minutes**

**Present:** D. Fecher, M. Grunder, T. Gunlock, B. Langos, G. Ramos, V. Soin, S. Wenrick

**Guests:** T. Bedwell, J. Creeden, S. Edwards, J. Hensley, S. Mickey-Boggs, L. Luehrmann, G. Sample, S. Sherbet, S. Todd, L. Sidor, C. Woolley

Mr. Marty Grunder, committee chair, called the meeting to order at 9:02 a.m., welcomed everyone and introduced Mr. Tom Gunlock, the newest member to the Wright State Board of Trustees. Mr. Gunlock was serving as a Trustee of Miami University until Governor DeWine asked him to step away from Miami and accept an appointment to Wright State. The committee also welcomed Vishal Soin, WSU National Trustee, to his first Finance Committee meeting. Mr. Grunder then read the conflict of interest statement. No conflicts were noted.

**Committee Chair Comments**

Mr. Grunder announced we should have a good but brief meeting and get some updates. He then turned the meeting over to Mr. Greg Sample, chief operating officer.

**Chief Operating Officer Comments**

Mr. Greg Sample, chief operating officer, introduced his team which included Mr. Steve Sherbet, university bursar and director of treasury services, and Ms. Sommer Todd, director of university fiscal services. Mr. Sample asked the business managers to stand and be recognized as part of Sommer Todd's team. Lori Sidor, university controller, who is helping with the external audit, was also introduced.

Mr. Sample informed the Committee that Steve Sherbet has decided to retire after 29 years of service as Bursar. The university is currently in the midst of a search for a CFO and that search process is being handled internally to avoid an extemporaneous expense. As soon as that search concludes, we will then begin a search for a Bursar. Steve has agreed to work with us in that process through April.

**Monthly Financial Performance Reports**

Mr. Sample introduced Sommer Todd to present the monthly financial reports.

Ms. Todd stated there were no significant changes for this reporting period. The anticipated year-end numbers will be updated at the end of January when Spring tuition revenue is finalized and we have worked with functional areas to reforecast expenditures and other revenue categories. There were no questions on the reports.

Mr. Sherbet pointed out a few observations in Attachment 5, Working Capital for Cash Sources and Cash Uses, July through December, that's about a \$13 M swing during the first six months where sources are higher than uses. In our forecast from January through the end of the FY June, it reverses, in the total year end, basically a break even, \$313 M in Cash Sources and \$313 M in Uses. FY19 Cash Sources totaled \$337 M vs. Cash Uses of \$316 M, a roughly \$20 M positive difference. It will become more challenging as we construct the budget for FY21 because we have reached the point where all the hard and difficult cuts that we have made in the past have been reached, so enrollment and revenue is key to being able to make a difference in improving our situation. It demonstrates the critical need to stabilize enrollment and start to boost enrollment back up.

Looking at the illiquid investments, section two, from investment earnings the Raider student-managed asset management for the first six months is just over \$402,000 in investment income. Two other line items, which relate to our two private equity investments, the capital calls and redemptions, one small capital call back in October and that was on the SEI private equity investment but we also had a cash distribution of almost \$356,000 and still netted out to a positive.

For the current fiscal year ending June 30, 2020, we are forecasting no further capital calls or distributions from the private equity investments. So, if you net the capital call of \$178 K against the distributions of \$1,457,000 the university received during the first six months of FY2020, this reduced the illiquid investments by almost \$1.3 M and increased the liquid working capital assets by the same amount. So, the bottom line is these investments are performing well and have contributed back to the liquid portion of working capital which has helped to improve slightly our days cash on hand. There were no questions on the reports.

Attachment 6 is the standard graphs. The green top line shows a positive balance although it closes toward the end of the fiscal year as cash is spent down during the second half of the fiscal year. We are forecasting a slight improvement in our days cash on hand for the ending of FY20, 89 days vs 83 days.

Mr. Fecher congratulated the whole university. The graphs show a lot of hard work and sacrifice of the university. We are not where we need to be and we are not out of the woods. At least the reserves are now showing towards the top of these graphs vs. the bottom of the graphs.

***Links to the monthly financial performance report summaries:***

**Financial Reports Summary:**

[http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%201%20Monthly%20Financial%20Report%20as%20of%20Dec%2031\\_2020%200112.pdf](http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%201%20Monthly%20Financial%20Report%20as%20of%20Dec%2031_2020%200112.pdf)

**Monthly Cash Report Summary:**

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%205%20Cash%20Report%20as%20of%20December%202019.pdf.pdf>

**1. Contracts \$500,000 and Above**

Mr. Greg Sample, chief operating officer, presented an increase to the existing Ohlmann Group contract raising the total spend to \$725,000. These funds would be used to support the new marketing initiative focused on getting Wright State back out into the market place.

The committee discussed traditional and digital marketing.

***Full details of the expenditures can be found here:***

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Feb/meeting/FAI%208%20January%20Contracts%20%24500%20and%20over.pdf>

With a motion from Mr. Grunder and a second from Mr. Langos, the following resolution is before the full Board for approval.

**RESOLUTION-20**

WHEREAS, in order for the university to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may exceed \$500,000; therefore, be it

RESOLVED that authorization is granted for the accompanying contracts now before the Board of Trustees be, and hereby are approved.

I offer this Motion:

Is there a Second:

Roll Call Vote:

- **Approval of contracts \$250,000 to \$499,999**

Similar to the additional spend with Ohlmann, Mr. Sample then presented a contract with Ring for digital media buying services. This would complement the other marketing efforts highlighted in the conversation. Mr. Craig Woolley shared differences between the work of Ohlmann and Ring and how the two services would complement each other.

***Full details of the expenditures can be found here:***

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Jan/meeting/FAI%2010%20January%20Contracts%20%24250-%20%24499.pdf>

With a motion from Mr. Grunder and a second from Mr. Fecher, the following resolution was unanimously approved by the Finance, Audit and Infrastructure Committee. No further action is necessary.

**RESOLUTION: Approved by the FAI Committee**

WHEREAS, in order for the university to conduct business on an on-going basis, and provide products and services in a timely manner, purchases must be made; and

WHEREAS, these expenditures may amount to greater than \$250,000 and less than \$500,000; therefore, be it

RESOLVED that authorization is granted for the accompanying contract now before the Finance, Audit and Infrastructure Committee of the Board of Trustees be, and hereby are approved.

**Investment Reports**

Mr. Sherbet, university bursar and director of treasury services, presented the SEI investment report ending December 31, 2019. The investments are performing well and recommend that we stay with these investments.

The Committee discussed the maturity dates of the alternative investments. The Board continues to maintain their conservative, risk adverse investment strategy and continues to look for opportunities to divest the two alternative investments without a substantial loss.

**The Investment Reports can be accessed here:**

<http://www.wright.edu/board-of-trustees/meetings/meeting/372616>

## **External Auditor's Report**

Mr. Sample introduced Mr. Jim Creeden, managing partner, BKD external auditor.

Mr. Creeden stated an audit was performed of the financial statements as of June 30, 2019, which has been submitted to the Auditor of the State. The release of the final report from the state has not occurred. Because of that, Mr. Sample suggested the Committee convene to executive session to allow the Auditors to present more detailed information around the yet to be released audit.

## **Executive Session**

Mr. Grunder requested to meet with the Finance, Audit and Infrastructure Committee in executive session to discuss matters related to personnel, and

In accordance with the Ohio Open Meetings Law, the Wright State University Board of Trustees Finance, Audit and Infrastructure Committee, after a majority of a quorum and by roll call vote, determined to hold a Special Executive Session by offering the following resolution:

### **RESOLUTION 20-34**

RESOLVED that the Wright State University Board of Trustees Finance, Audit, and Infrastructure Committee agreed to hold a Special Executive Session on Friday, January 24, 2020 at 9:24 a.m.; 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 pursuant to federal law or state law
- Pending or imminent court action

Mr. Grunder moved for approval. Mr. Fecher seconded, and the motion was unanimously approved by roll call vote.

The meeting was adjourned at 11:53 a.m.

Respectfully Submitted,  
Teresa Bedwell

**Finance, Audit and Infrastructure Committee  
Meeting of February 20, 2020**

**Report Out**

- **Call to Order and Conflict of Interest Statement**
- **Committee Chair Comments**
- **Chief Operating Officer: Mr. Greg Sample – No Comments**
- **Monthly Financial Performance Reports: Ms. Sommer Todd and Mr. Steve Sherbet**

**Approval of Contracts \$150,000 to \$250,000**

Two contracts were under review by the Finance, Audit and Infrastructure Committee. This reporting is for information only. No further action is required.

<b>Vendor</b>	<b>Amount</b>
Double Bowler	\$152,957
Impact Solutions	\$230,000

***Details of the expenditures:***

<http://www.wright.edu/sites/www.wright.edu/files/uploads/2020/Feb/meeting/FAI%2010%209.%20Contracts%20and%20Expenditures%20%24150%2C000%20to%20%24249%2C000.pdf>

- **Investment Reports: SEI Investment Report for January 31, 2020, Mr. Steve Sherbet**

With a motion from Mr. Platt and a second from Mr. Fecher, the following resolution is before the full Board for approval.

**Sale of Wright State University Private Equity Investments  
to Wright State University Foundation**

**RESOLUTION 20-**

WHEREAS, Wright State University sought to diversify its non-endowment portfolio by adding long-term Private Equity investments in order to increase investment income; and

WHEREAS, the first Private Equity investment, Venture Investment Associates VII, was purchased in June 2012 with an anticipated maturity date of May 2025; and

WHEREAS, the second Private Equity investment, SEI Global Private Assets III, was purchased in January 2015 with an anticipated maturity date of April 2024; and

WHEREAS, work and progress continue as the University addresses future uncertainties and challenges requiring prudent, conservative management of working capital; and

WHEREAS, the Finance, Audit and Infrastructure Committee has directed University Administration to minimize potential future investment losses and increase liquidity in the University's non-endowment/working capital fund by converting long-term investment assets into cash and short-term cash equivalent investments; and

WHEREAS, these long-term private equity investments would be more suitable if held by the Wright State University Foundation in their endowment portfolio; and

BE IT RESOLVED that the Wright State University Board of Trustees delegates authority to the Executive Vice President and Chief Operating officer to sell both private equity investments to the Wright State University Foundation; and

BE IT FURTHER RESOLVED that Wright State University is willing to sell each private equity investment to the Foundation at market value with the University paying settlement/transfer costs not to exceed \$70,000; and

BE IT FURTHER RESOLVED this sale is subject to a final review by the Foundation's Investment Committee as well as formal approval from the Wright State University Foundation Board, if required.

I offer this Motion:

Is there a Second:

Roll Call Vote:

- **Adjourn**