MINUTES OF THE REGULAR MEETING OF THE
BOARD FINANCE AND ADMINISTRATION COMMITTEE
MAY 6, 2011

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Board members present included: Chair Kirk Schueler and Directors Allyn Ford and Brian Fox; Director Lynda Ciuffetti was absent due to a business conflict.

Chancellor’s staff present included: Chancellor George Pernsteiner, Vice Chancellor Jay Kenton, Michael Green, Endi Hartigan, Jan Lewis, Karen Levear, Patricia Snopkowski, Marcia Stuart, and Charles Triplett.

Others present included President Bob Davies (EOU); Provost Sabah Randhawa (OSU); Vice Presidents Lindsay Desrochers (PSU), Frances Dyke (UO), Darlene Morgan (EOU), Craig Morris (SOU), Bob Nettles (OSU), Mark Weiss, and Mary Anne Zemke (OIT); Joyce Fred (OSU), Robin Holmes (UO), Antonia Allen, Tom Lofton (Oregon State Treasury), and Dee Wendler (PSU).

1. **CALL TO ORDER/ROLL CALL/WELCOME**
   Chair Kirk Schueler called the meeting to order at 8:02 a.m.

2. **ACTION ITEMS**
   a. **Approval of April 2011 Minutes**

      **Action:** Chair Schueler called for a motion to approve the minutes; Directors Allyn Ford made the motion and Brian Fox seconded. With no discussion, motion carried.

   b. **OUS, Managerial Reporting – Quarterly Management Report**

      Chair Schueler called upon Controller Michael Green to present the report to the Committee. Discussion included the impact of the recent Pac-10 deal for UO and OSU, drivers of increased expenditures at PSU, and possible causes and impact of fewer international students than expected at WOU.

      **Action:** Chair Schueler called for a motion to approve the report as presented; Directors Brian Fox made the motion and Allyn Ford seconded. With no discussion, motion carried.
c. **OUS, Report on Investments – As of March 31, 2011**

Chair Schueler called upon the Director of Treasury Operations Karen Levear to present the report. She thanked Mr. Tom Lofton, Treasury, for his attending the meeting. Committee discussion focused on alternative investments, the proportion of total investments in alternative funds and the benchmarks used for comparison. Members requested additional information on the amount of uncommitted investment capital and Ms. Levear agreed to email that information to the group.

**Action:** Chair Schueler called for a motion to approve the report as presented; Directors Allyn Ford made the motion and Brian Fox seconded. With no discussion, motion carried.

d. **OUS Internal Audit Division 2011 Goals and Quarterly Progress Report**

Chair Schueler called upon Executive Director Patricia Snopkowski to present the report. Ms. Snopkowski noted that several Systemwide IT-related areas have been identified for additional audit, including sustainability, human resource capital, and system failures. A peer review will be held in July with a report to the Board in October.

**Action:** Chair Schueler called for a motion to approve the report as presented; Directors Brian Fox made the motion and Allyn Ford seconded. With no discussion, motion carried.

e. **OUS, Allocation of Additional Federal Stimulus Funds as Increased by HB 5050 – “2009-11 Rebalance Bill”**

Chair Schueler called upon Assistant Vice Chancellor for Budget Operations Jan Lewis to describe the proposed action.

**Action:** Director Allyn Ford made the motion to approve the recommendation and Director Brian Fox seconded; motion passed.

f. **OHSU/OUS Life Sciences Collaborative Complex Project, Authorization for Land Transfer**

Chair Schueler called upon Vice President Lindsay Desrochers, Portland State University, to present the item and noted that full Board approval is required to authorize a land transfer. The committee’s role today is to review and decide if the transfer and easement to TriMet should be forwarded to the full Board in June for consideration. Committee discussion focused on the impact of lost parking at PSU and the TriMet project timeline.
**Action:** Chair Schueler called for a motion to approve the proposal and forward to the full Board for consideration in June 2011; Directors Brian Fox made the motion and Allyn Ford seconded. With no discussion, motion carried.

g. **UO, Request to Amend 2011-2013 Capital Budget Request to Include Erb Memorial Union and Student Recreation Center Renovation and Expansion**

Chair Schueler called upon Vice President Frances Dyke and Vice President for Student Affairs Robin Holmes (UO) to present the item. Ms. Holmes described the two projects and explained that the expansion is expected to increase revenue in the coming years. To date, $10 million has been pledged toward the construction of a concert hall. She emphasized student support of the proposed projects and noted that Associated Students of the University of Oregon has endorsed the plans. Concerns were expressed regarding the proposed student fees and the generational inequity of charging students in advance of the facilities opening. Discussion also highlighted concerns about the UO debt burden approaching the 7 percent limit set by Board policy.

**Action:** After a lengthy discussion, Chair Schueler called for a motion to approve the recommendation as presented in the docket materials; Directors Ford made the motion and Schueler seconded. Those voting in favor: Directors Allyn Ford and Kirk Schueler; voting in opposition: Director Brian Fox. Motion carried.

3. **DISCUSSION ITEM**

a. **OUS, Risk Management Transition/Consultant**

Chair Schueler called upon Vice Chancellor Kenton to present the item; Dr. Kenton, in turn, introduced Joyce Fred, Risk Officer, OSU. Given the potential passage of Senate Bill 242, Staff recommends engaging a risk management consultant with specialized expertise in the unique requirements of public higher education institutions. This consultant will research various options, make specific recommendations regarding the best options for each coverage type, and provide assistance in the transition from Department of Administrative Services oversight to a Systemwide comprehensive risk management program. This item will be brought to the Committee for approval at a future meeting.

4. **ADJOURNMENT**

Ms. Levear announced that a successful bond sale was conducted in April. With no further business, Chair Schueler adjourned the meeting at 10:47 a.m.