

Attendance.

Marcia Aaron	Present	Lillian Moses	Present
Tim Boyle	Present	Patrick Phillips	Present
Renee Evans Jackman	Present	Connie Seeley	Present
Ross Kari, Chair	Present		

Convening. The Finance and Facilities Committee (FFC) of the Board of Trustees of the University of Oregon (Board) met at the Lundquist College of Business’s Portland location (Naito Building) September 15, 2022. Committee Chair Ross Kari called the meeting to order at 9:00 a.m. Pacific Time. (All times noted going forward are Pacific Time.) The secretary verified attendance and a quorum.

Below is a summary of the meeting’s proceedings; a full recording is available upon request.

Quarterly Financial Reports. Finance and Treasury Reports Overview. Jamie Moffitt, senior vice president for finance and administration and CFO and Brian Fox, associate vice president for budget, financial analysis, and data analytics, provided an overview of the university’s quarterly finance report. Fox reviewed key financial indicators, noting that tuition and fee revenue is up \$3.8M above third quarter projections due to strong enrollment and a rebound in study abroad activity, and there is significant one-time cost savings due to an unprecedented level of vacant positions. The final Education and General Fund (E&G) balance is at \$93.3M (8.6 weeks of operating expenses) vs Q3 projection of \$82.4M (7.5 weeks of operating expenses). These figures include Federal HEERF transfers in of \$18.7 M for lost tuition revenue. Fox discussed factors affecting revenue and expenses for the university including increased research activity, return to travel, and inflation related to capital construction projects. Trustees engaged in questions and conversations on items including, but not limited to, the size of the fund balance, factors contributing to low summer enrollment, impact of future federal student loan forgiveness, and student aid.

Jeff Schumacher, director of treasury operations, discussed the quarterly treasury report with trustees, describing that the average cash and investment pool balances for FY22 Q4, excluding bond proceeds and payroll tax deferral, were \$532 million, approximately \$86 million more than the same quarter in FY21. Major factors contributing to the increase to cash and investment pool balances include \$61 million increase in E&G funds (primarily due to reduced spending on compensation, transfers in of one-time HEERF funds, and timing of transfers out for capital projects) and increased balances across auxiliaries and designated operations (up \$25 million due to resumption of typical activities). Schumacher described cash and investment balances by Tier. Estimated average accounting yield for the cash & investment pool was 1.09% for Q4 FY22 compared to 1.29% for Q4 FY21. Fiscal YTD return for FY22 is 1.09%, compared to 1.43% in FY21. Reduced returns are a result of a lower short-term interest rate environment. Schumacher then reviewed debt service and lease payments and the ratio of the university’s cash and investments to debt levels. Trustees engaged in questions and conversations on items including, but not limited to, the composition of each investment tier, the yield on each investment tier, management of the fixed income portfolio, the ratio of cash and investments to debt, the long-term management of debt balances, and the need to grow our cash reserves over time to make necessary debt bullet payments in the future.

Capital Expenditure Authorization Reduction (Action). Jamie Moffitt, senior vice president for finance and administration and CFO, described the resolution to reduce the FY23 Capital authorization by \$61 million to account for the closing of the Concordia campus purchase in FY22 and not FY23.

ACTION: The resolution to approve reduce FY23 capital expenditure limitations was moved by Trustee Aaron and seconded by Trustee Kari. It passed by a voice vote without dissent.

Tuition Approval for Online Masters in Applied Behavioral Analysis (Action). Jamie Moffitt, senior vice president for finance and administration and CFO, described how tuition and fee tables approved by the board in March 2022 failed to include tuition rates for the new online masters in applied behavioral analysis approved by the Board in December 2021. The resolution adds a footnote in previously approved tables authorizing the university to charge standard graduate masters clinical science tuition rates for college of education students in the new online Masters in applied behavioral analysis program.

ACTION: The resolution to approve the inclusion of the online masters in applied behavioral analysis in the previously approved tuition and fee tables was moved by Trustee Aaron and seconded by Trustee Boyle. It passed by a voice vote without dissent.

Annual Retirement Plan Report. Jamie Moffitt, senior vice president for finance and administration and CFO, reviewed the university's responsibility to manage retirement plans for the seven public universities in Oregon. She reviewed each plan including the optional retirement plan, tax deferred investment plan, and legacy retirement plans. Moffitt discussed current plan assets, management and oversight of the plans including the structure of the investment and administration committees, as well as activities being taken to continuously improve plan administration. Trustees engaged in questions and conversations on items including, but not limited to, the number of state employees in each retirement plan, any litigation related to management of funds, the value of having the university continue to manage this program, and the board's fiduciary responsibility for oversight of this fund.

Capital Project Approval (Action). Knight Campus Phase II Budget Authorization. Michael Harwood, associate vice president and university architect, and Darin Dehle, director of design and construction, discussed the request by the university to increase budget authorization by an additional \$15 million to address continued planning costs necessary to develop a more specific and accurate cost proposal that can be delivered to the Board for requested approval.

ACTION: The resolution to approve the increase in budget authorization by \$15 million on Knight Campus phase II planning was moved by Trustee Aaron and seconded by Trustee Kari. It passed by a voice vote without dissent.

Football Practice facility (Action). Michael Harwood, associate vice president and university architect, and HJ Cohn, senior associate athletic director, reviewed the university proposal to build a new indoor football practice facility and associated outdoor practice fields, and the proposed land swap with the city necessary for the project. Cohn reviewed the design of the practice facility. Harwood noted that the changes would require the realignment of Leo Harris Parkway and the acquisition of nearby land owned by the City of Eugene, a total of approximately 4.5 acres of property. Harwood then described the land the university would transfer to the City of Eugene, which consists of approximately 8 acres south of the Willamette

River. Most of the land is non-developable. Harwood next described additional commitments the university is making as a part of the land arrangement, including support to the Eugene Science Center for lost parking revenue and improvements to local natural areas. Trustees engaged in discussion and questions on issues including, but not limited to, development allowances on land being provided to the City of Eugene, any opposition to the land swap, the local area improvements and offsets provided to the Science Center and Cuthbert Amphitheatre, the city's plans to use the newly acquired property for parkland, and the fact that construction of the new practice facility is privately funded.

ACTION: The resolution to approve the land swap with the City of Eugene was moved by Trustee Aaron and seconded by Trustee Kari. It passed by a voice vote without dissent.

Wireless Tower Lease Approval (Action). Kevin Reed, general counsel, reviewed the request for authority for the university to enter into new lease agreements related to the KWAX radio station operated by the university. The request authorizes the university to move forward with establishing lease agreements at costs not to exceed \$350,000.

ACTION: The resolution to authorize the university to move forward with establishing lease agreements related to KWAX towers was moved by Trustee Evans Jackman and seconded by Trustee Seeley. It passed by a voice vote without dissent.

Meeting Adjourned at 10:08 a.m.