November 22, 2016

TO: The Board of Trustees of the University of Oregon

FR: Angela Wilhelms, Secretary

RE: Notice of Finance and Facilities Committee Meeting

The Finance and Facilities Committee of the Board of Trustees of the University of Oregon will hold a public meeting on the date and at the location set forth below. Subjects of the meeting will include: standard finance and treasury reports, authorization for certain investment activities, energy policies and programs as they relate to UO buildings, and eminent domain relating to property along Franklin Boulevard.

The meeting will occur as follows:

Thursday, December 1, 2016 at 9:45 am
White Stag Building, Room 142/144

The meeting will be webcast, with a link available at https://trustees.uoregon.edu/meetings.

The White Stag Building is located at 70 NW Couch Street, Portland, Oregon. If special accommodations, including an accommodation for a location to observe the meeting via webcast from the Eugene campus, are required, please contact Amanda Hatch at (541) 346-3013 at least 72 hours in advance.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 **T** (541) 346-3166 **trustees.uoregon.edu**

Board of Trustees of the University of Oregon
Finance and Facilities Committee
Public Meeting
9:45 am – Thursday, December 1
White Stag Building, Room 142/144

Convene

- Call to order, roll call
- Approval of Sept 2016 FFC minutes (Action)

1. **Standing Finance and Treasury Reports (Written Only) and Authorization for Certain Investment Activities (Action)**: Karen Levear, Director of Treasury Operations

2. **UO Buildings – Energy Policies and Programs**: Michael Harwood, Associate VP for Campus Planning and Facilities Management

3. **Authorization of Possible Eminent Domain Proceedings (Action)**: Kevin Reed, Vice President and General Counsel

Meeting Adjourns

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 **T** (541) 346-3166 **trustees.uoregon.edu**

Agenda Item #1

Finance and Treasury Reports (Written)

Authorization for Certain Investment Activities

Audited Financial Statements

- Audited financial statements and the report on compliance for federal programs were issued on November 1st, 2016.
- University of Oregon received unmodified / clean opinions on both audits
- GASB 68 had a considerable accounting impact on income statement and balance sheet
- Adjusting for the accounting impact of GASB 68, the University's net capital assets grew, while unrestricted net assets (UNA) remained relatively flat

Q1 FY2017 Financial Projections

- The December FY17 projections are consistent with the figures shared in June Board meeting
- The FY17 E&G fund is projected, after capital expenditures, to be run rate even.
- Projected tuition revenue is up slightly due to improved fall student carrying loads, student mix, and small increases in summer activity.
- The increase noted on the report for health benefit expenses relates to a timing issue with payments

Treasury Operations

- The University issued $60 million of debt last year.
- Rating agencies rated debt AA2/AA- and reaffirmed rating of prior UO debt.
- Measure 95 passed which allows the University to invest long term (tier 3) assets in equities
- The University is working with the Foundation regarding management of Tier 3 assets

FY15 Actual's Quarter 4 (July - June) Report - All Funds except Agency and Clearing

	Education and General	Designated Ops and Service Center	Auxiliaries	Grant Funds	Restricted Gift Funds	Other Funds	Plant Funds	Internal Bank	Total from Operations	Year-End Reporting Adj.	Total
State Appropriation	$ 56,111,454	$ 1,216,016	$ 440,000	$ 60,000	$ -	$ -	$ -	$ 31,448	**$ 57,858,918**		
Tuition and Fees	$ 372,366,154	$ 12,267,619	$ 38,787,466	$ 211	$ (27,981)	$ -	$ -	$ 3,288,507	**$ 426,681,976**		
Gifts Grants & Contracts	$ 336,462	$ 5,718,677	$ 103,974	$ 107,381,317	$ 57,096,891	$ 2,000	$ 11,954,359	$ -	**$ 182,593,680**		
ICC Revenue	$ 19,185,870	$ -	$ -	$ -	$ -	$ -	$ 1,311,975	$ -	**$ 20,497,845**		
Federal Student Aid	$ -	$ -	$ -	$ 24,381,695	$ -	$ -	$ -	$ -	**$ 24,381,695**		
Interest and Investment	$ 5,186,262	$ 12,827,784	$ 481,532	$ 13,596	$ 1,315,306	$ (613,809)	$ 15,206,704	$ 2,343,555	**$ 36,760,930**		
Internal Sales	$ 24,075	$ 34,989,109	$ 13,087,757	$ 18,413	$ 2,250	$ -	$ -	$ 21,701,056	**$ 69,822,660**		
Sales & Services	$ 2,561,521	$ 11,134,093	$ 133,642,285	$ 1,082,146	$ 1,736,593	$ -	$ -	$ -	**$ 150,156,639**		
Other Revenues	$ 2,394,119	$ 2,255,718	$ 2,011,062	$ -	$ 352,716	$ -	$ 105,605	$ -	**$ 7,119,221**		
Transfers From Ore State Agencies	$ 259,292	$ -	$ -	$ 7,615,280	$ -	$ -	$ 8,998,000	$ 4,902,962	**$ 21,775,533**		
Total Revenue	**$ 458,425,209**	**$ 80,409,016**	**$ 188,554,076**	**$ 140,552,657**	**$ 60,475,776**	**$ (611,809)**	**$ 37,576,643**	**$ 32,267,528**	**$ 997,649,097**		
Salaries and Wages	$ 239,906,266	$ 23,301,513	$ 54,105,857	$ 37,363,399	$ 13,278,159	$ -	$ -	$ 149,508	**$ 368,104,702**		
OPE Health Benefits	$ 50,044,694	$ 5,281,580	$ 11,872,839	$ 7,521,003	$ 1,307,960	$ -	$ -	$ 16,169	**$ 76,044,245**		
OPE Retirement	$ 39,273,259	$ 3,975,541	$ 7,788,454	$ 5,432,679	$ 1,711,494	$ -	$ -	$ 18,061	**$ 58,199,488**		
OPE Other	$ 22,381,290	$ 2,045,257	$ 4,132,984	$ 2,554,429	$ 2,342,573	$ -	$ -	$ 12,202	**$ 33,468,735**		
OPE GTF Remissions	$ 21,621,966	$ 372,311	$ 115,807	$ 1,808,500	$ 203,086	$ -	$ -	$ -	**$ 24,121,669**		
Total Personnel Services	**$ 373,227,474**	**$ 34,976,201**	**$ 78,015,942**	**$ 54,680,011**	**$ 18,843,272**	**$ -**	**$ -**	**$ 195,940**	**$ 559,938,839**		
Service & Supplies	$ 90,732,301	$ 23,487,612	$ 70,915,621	$ 26,066,897	$ 17,186,820	$ 633,491	$ 1,952,497	$ 28,306,764	**$ 259,282,003**		
Merchandise-Resale/Redistribution	$ 3,030	$ 14,925,166	$ 13,260,827	$ 4,000	$ 145	$ -	$ -	$ -	**$ 28,193,168**		
Internal Sales Reimbursements	$ (14,374,610)	$ (2,194,983)	$ (1,229,573)	$ (26,102)	$ (68,913)	$ -	$ -	$ -	**$ (17,894,182)**		
Indirect Costs	$ 473,595	$ 2,234,456	$ 5,904,990	$ 20,541,823	$ 4	$ 271,341	$ -	$ -	**$ 29,426,209**		
Depreciation/Amortization Expense	$ -	$ 4,374,360	$ 23,292,735	$ -	$ -	$ -	$ 26,815,394	$ -	**$ 54,482,489**		
Student Aid	$ 4,527,042	$ 363,710	$ 7,813,201	$ 36,277,777	$ 17,435,672	$ 159,177	$ -	$ -	**$ 66,576,579**		
Total General Expense	**$ 81,361,357**	**$ 43,190,322**	**$ 119,957,801**	**$ 82,864,394**	**$ 34,553,727**	**$ 1,064,009**	**$ 28,767,891**	**$ 28,306,764**	**$ 420,066,265**		
Net Transfers Out/(In)	**$ 7,290,091**	**$ (3,139,405)**	**$ 1,865,515**	**$ 1,440,188**	**$ 4,822,572**	**$ 4,472**	**$ (59,283,433)**	**$ 47,000,000**	**$ -**		
Total Expense	**$ 461,878,922**	**$ 75,027,117**	**$ 199,839,258**	**$ 138,984,594**	**$ 58,219,571**	**$ 1,068,481**	**$ (30,515,542)**	**$ 75,502,703**	**$ 980,005,104**		
Net before CapEx	**$ (3,453,713)**	**$ 5,381,898**	**$ (11,285,182)**	**$ 1,568,064**	**$ 2,256,205**	**$ (1,680,290)**	**$ 68,092,185**	**$ (43,235,175)**	**$ 17,643,993**		
Beginning Fund Balance	$ 77,280,262	$ 52,768,061	$ 247,107,718	$ 2,655,199	$ 14,427,227	$ 58,942,402	$ 344,037,133	$ 19,512,241	**$ 816,730,244**		
Capital Expenditures	$ (5,806,747)	$ (68,273)	$ (2,208,910)	$ (1,617,697)	$ (451,246)	$ -	$ (91,694,444)	$ (2,755)	**$ (101,850,070)**		
Net (from above)	$ (3,453,713)	$ 5,381,898	$ (11,285,182)	$ 1,568,064	$ 2,256,205	$ (1,680,290)	$ 68,092,185	$ (43,235,175)	**$ 17,643,993**		
Fund Additions/Deductions*	$ (1,383,496)	$ 1,955,928	$ 53,929,613	$ -	$ 2,590,046	$ (31,474,997)	$ 189,906,609	$ 16,945,068	**$ 232,468,771**	$ (58,276,671)	
Ending BANNER Fund Balance	**$ 66,636,308**	**$ 60,037,615**	**$ 287,543,239**	**$ 2,605,566**	**$ 18,822,233**	**$ 25,787,115**	**$ 510,341,484**	**$ (6,780,621)**	**$ 964,992,938**	**$ (58,276,671)**	**$ 906,716,267**
Year-End Accounting Entries										$ (18,054,008)	**$ (18,054,008)**
										$ (76,330,678)	**$ 888,662,259**
Net Capital Assets		$ 25,895,326	$ 234,347,912				$ 449,800,673		**$ 710,043,911**		**$ 710,043,911**
Other Restricted Net Assets				$ 2,605,566	$ 18,822,233	$ 25,787,115	$ 51,828,755	$ 8,472,085	**$ 107,515,754**	$ (7,038,694)	**$ 100,477,060**
Unrestricted Net Assets	$ 66,636,308	$ 34,142,289	$ 53,195,327				$ 8,712,056	$ (15,252,706)	**$ 147,433,273**	$ (69,291,985)	**$ 78,141,288**
Total Net Assets	**$ 66,636,308**	**$ 60,037,615**	**$ 287,543,239**	**$ 2,605,566**	**$ 18,822,233**	**$ 25,787,115**	**$ 510,341,484**	**$ (6,780,621)**	**$ 964,992,938**	**$ (76,330,678)**	**$ 888,662,259**

* - Due to Capital Improvements and Debt Accounting entries

Column: Year-End Reporting Adjustments includes items such as Pension Liability (GASB68), OPEB (GASB45), Pollution Remediation Liability (GASB49), and SLGRP Pool Liability

FY16 Actual's Quarter 4 Report - NOT FINAL All Funds except Agency and Clearing

	Education and General	Designated Ops and Service Center	Auxiliaries	Grant Funds	Restricted Gift Funds	Other Funds	Plant Funds	Internal Bank	Total from Operations
State Appropriation	$ 64,831,043	$ 1,216,024	$ 453,200	$ 61,800	$ -	$ -	$ -	$ -	**$ 66,562,067**
Tuition and Fees	$ 394,747,172	$ 6,710,825	$ 40,232,769	$ -	$ (1,800)	$ -	$ -	$ 3,270,375	**$ 444,959,341**
Gifts Grants & Contracts	$ 464,372	$ 4,149,964	$ 1,025,372	$ 105,194,586	$ 61,357,226	$ -	$ 20,338,225	$ -	**$ 192,529,745**
ICC Revenue	$ 20,470,538	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 20,470,538**
Federal Student Aid	$ -	$ -	$ -	$ 23,727,696	$ -	$ -	$ -	$ -	**$ 23,727,696**
Interest and Investment	$ 4,948,026	$ 13,141,723	$ 477,675	$ 18,246	$ 285,023	$ 502,985	$ 15,177,954	$ 1,302,609	**$ 35,854,241**
Internal Sales	$ 141,581	$ 34,826,766	$ 14,271,347	$ -	$ 5,997	$ -	$ -	$ 28,285,383	**$ 77,531,075**
Sales & Services	$ 2,406,329	$ 10,883,738	$ 124,986,447	$ 1,322,532	$ 1,850,501	$ -	$ 38,000	$ -	**$ 141,487,547**
Other Revenues	$ 1,101,711	$ 2,579,529	$ 17,374,992	$ -	$ 368,645	$ -	$ 61,205	$ -	**$ 21,486,082**
Transfers From Ore State Agencies	$ -	$ -	$ -	$ 8,202,824	$ -	$ -	$ -	$ -	**$ 8,202,824**
Total Revenue	**$ 489,110,772**	**$ 73,508,569**	**$ 198,821,802**	**$ 138,527,683**	**$ 63,865,593**	**$ 502,985**	**$ 35,615,384**	**$ 32,858,367**	**$ 1,032,811,156**
Salaries and Wages	$ 252,262,893	$ 21,637,187	$ 52,598,483	$ 37,765,470	$ 15,843,624	$ -	$ -	$ 217,251	**$ 380,324,908**
OPE Health Benefits	$ 52,619,354	$ 4,753,903	$ 12,139,949	$ 7,592,552	$ 1,461,149	$ -	$ -	$ 30,024	**$ 78,596,931**
OPE Retirement	$ 43,072,436	$ 3,856,779	$ 7,738,572	$ 5,766,307	$ 2,201,841	$ -	$ -	$ 27,340	**$ 62,663,275**
OPE Other	$ 21,115,368	$ 1,864,587	$ 3,828,494	$ 1,874,379	$ 2,492,515	$ -	$ -	$ 31,879	**$ 31,207,221**
OPE GTF Remissions	$ 21,968,391	$ 275,254	$ 181,339	$ 1,553,143	$ 221,901	$ -	$ -	$ -	**$ 24,200,028**
Total Personnel Services	**$ 391,038,443**	**$ 32,387,710**	**$ 76,486,837**	**$ 54,551,850**	**$ 22,221,029**	**$ -**	**$ -**	**$ 306,495**	**$ 576,992,364**
Service & Supplies	$ 96,276,961	$ 20,926,058	$ 72,952,641	$ 23,523,029	$ 18,079,822	$ (373,578)	$ 2,215,810	$ 32,342,373	**$ 265,943,117**
Merchandise-Resale/Redistribution	$ 1,556	$ 14,284,786	$ 11,805,508	$ -	$ -	$ -	$ -	$ -	**$ 26,091,850**
Internal Sales Reimbursements	$ (20,392,637)	$ (614,646)	$ (1,232,803)	$ (24,800)	$ (115,383)	$ -	$ -	$ -	**$ (22,380,269)**
Indirect Costs	$ 500,149	$ 2,782,818	$ 5,944,129	$ 20,470,538	$ -	$ 272,335	$ -	$ -	**$ 29,969,969**
Depreciation/Amortization Expense	$ -	$ 4,282,302	$ 24,814,509	$ -	$ -	$ -	$ 28,273,068	$ -	**$ 57,369,879**
Student Aid	$ 3,657,165	$ 730,626	$ 6,827,715	$ 35,888,220	$ 21,218,942	$ 284,207	$ -	$ -	**$ 68,606,875**
Total General Expense	**$ 80,043,195**	**$ 42,391,944**	**$ 121,111,699**	**$ 79,856,987**	**$ 39,183,381**	**$ 182,964**	**$ 30,488,878**	**$ 32,342,373**	**$ 425,601,422**
Net Transfers Out/(In)	**$ 10,910,450**	**$ (2,834,841)**	**$ (2,615,990)**	**$ 1,793,431**	**$ 4,541,890**	**$ 3,179**	**$ (12,707,071)**	**$ 908,952**	**$ -**
Total Expense	**$ 481,992,087**	**$ 71,944,813**	**$ 194,982,546**	**$ 136,202,268**	**$ 65,946,300**	**$ 186,144**	**$ 17,781,807**	**$ 33,557,820**	**$ 1,002,593,785**
Net before CapEx	**$ 7,118,684**	**$ 1,563,756**	**$ 3,839,256**	**$ 2,325,415**	**$ (2,080,708)**	**$ 316,842**	**$ 17,833,577**	**$ (699,453)**	**$ 30,217,370**
Beginning Fund Balance	$ 66,636,308	$ 60,037,615	$ 287,543,239	$ 2,605,566	$ 18,822,233	$ 25,787,115	$ 510,341,484	$ (6,780,621)	**$ 964,992,938**
Capital Expenditures	$ (6,324,405)	$ (401,043)	$ (3,010,664)	$ (2,376,646)	$ (807,957)	$ -	$ (119,622,008)	$ (2,857)	**$ (132,545,580)**
Net (from above)	$ 7,118,684	$ 1,563,756	$ 3,839,256	$ 2,325,415	$ (2,080,708)	$ 316,842	$ 17,833,577	$ (699,453)	**$ 30,217,370**
Fund Additions/Deductions*	$ (46)	$ 1,053,909	$ 30,047,641	$ -	$ -	$ -	$ 99,813,906	$ (14,347,808)	**$ 116,567,602**
Ending Fund Balance	**$ 67,430,541**	**$ 62,254,237**	**$ 318,419,472**	**$ 2,554,335**	**$ 15,933,568**	**$ 26,103,956**	**$ 508,366,958**	**$ (21,830,738)**	**$ 979,232,330**

* - Due to Capital Improvements and Debt Accounting entries

Column: Year-End Reporting Adjustments includes items such as Pension Liability (GASB68), OPEB (GASB45), Pollution Remediation Liability (GASB49), and SLGRP Pool Liability

FY17 Budget Projection - All Funds except Agency and Clearing

	Education and General	Designated Ops and Service Center	Auxiliaries	Grant Funds	Restricted Gift Funds	Other Funds	Plant Funds	Internal Bank	Total
State Appropriation	$ 67,000,000	$ 1,216,000	$ 440,000	$ 60,000	$ -	$ -	$ -	$ -	**$ 68,716,000**
Tuition and Fees	$ 410,563,428	$ 5,285,681	$ 40,143,253	$ -	$ -	$ -	$ -	$ 3,161,536	**$ 459,153,898**
Gifts Grants & Contracts	$ 350,000	$ 3,400,000	$ 56,000	$ 105,400,000	$ 62,100,000	$ 2,000	$ 18,700,000	$ -	**$ 190,008,000**
ICC Revenue	$ 20,000,000	$ -			$ -		$ -	$ -	**$ 20,000,000**
Federal Student Aid	$ -	$ -	$ -	$ 24,500,000	$ -	$ -	$ -	$ -	**$ 24,500,000**
Interest and Investment	$ 5,110,000	$ 14,650,000	$ 447,000	$ 14,000	$ 300,000	$ 503,000	$ -	$ (200,000)	**$ 20,824,000**
Internal Sales	$ 150,000	$ 33,800,000	$ 14,500,000	$ 12,482	$ 6,000	$ -	$ -	$ 31,000,000	**$ 79,468,482**
Sales & Services	$ 2,450,000	$ 9,500,000	$ 127,500,000	$ 1,350,000	$ 1,975,000	$ -	$ -	$ -	**$ 142,775,000**
Other Revenues	$ 1,120,000	$ 2,600,000	$ 18,000,000	$ -	$ 387,000	$ -	$ -	$ -	**$ 22,107,000**
Transfers From Ore State Agencies	$ -	$ -	$ -	$ 7,000,000	$ -	$ -	$ 20,000,000	$ -	**$ 27,000,000**
Total Revenue	**$ 506,743,428**	**$ 70,451,681**	**$ 201,086,253**	**$ 138,336,482**	**$ 64,768,000**	**$ 505,000**	**$ 38,700,000**	**$ 33,961,536**	**$ 1,054,552,380**
Salaries and Wages	$ 264,595,650	$ 20,350,000	$ 54,362,260	$ 38,302,369	$ 16,499,510	$ -	$ -	$ 223,507	**$ 394,333,296**
OPE Health Benefits	$ 55,182,575	$ 4,650,000	$ 12,622,412	$ 7,896,000	$ 1,520,000	$ -	$ -	$ 30,000	**$ 81,900,987**
OPE Retirement	$ 44,364,609	$ 3,900,000	$ 8,000,000	$ 5,922,000	$ 2,270,000	$ -	$ -	$ 38,000	**$ 64,494,609**
OPE Other	$ 21,941,627	$ 1,820,000	$ 3,918,410	$ 1,900,000	$ 2,510,000	$ -	$ -	$ 18,000	**$ 32,108,037**
OPE GTF Remissions	$ 22,739,020	$ 280,000	$ 194,336	$ 1,300,000	$ 232,000	$ -	$ -	$ -	**$ 24,745,356**
Total Personnel Services	**$ 408,823,481**	**$ 31,000,000**	**$ 79,097,418**	**$ 55,320,369**	**$ 23,031,510**	**$ -**	**$ -**	**$ 309,507**	**$ 597,582,285**
Service & Supplies	$ 98,200,000	$ 21,554,000	$ 74,411,694	$ 24,229,000	$ 17,400,000	$ 500,000	$ 2,500,000	$ 33,913,000	**$ 272,707,694**
Merchandise-Resale/Redistribution	$ 2,000	$ 13,100,000	$ 12,100,000	$ 150,379	$ 522	$ -	$ -	$ -	**$ 25,352,901**
Internal Sales Reimbursements	$ (21,000,000)	$ (645,000)	$ (1,230,000)	$ (25,000)	$ (115,000)	$ -	$ -	$ -	**$ (23,015,000)**
Indirect Costs	$ 500,000	$ 2,100,000	$ 6,000,000	$ 20,000,000	$ -	$ 275,000	$ -	$ -	**$ 28,875,000**
Depreciation/Amortization Expense		$ 4,402,000	$ 27,987,048	$ -	$ -	$ -	$ 30,439,570	$ -	**$ 62,828,618**
Student Aid	$ 3,800,000	$ 1,000,000	$ 6,900,000	$ 36,055,000	$ 22,100,000	$ 275,000	$ -	$ -	**$ 70,130,000**
Total General Expense	**$ 81,502,000**	**$ 41,511,000**	**$ 126,168,742**	**$ 80,409,379**	**$ 39,385,522**	**$ 1,050,000**	**$ 32,939,570**	**$ 33,913,000**	**$ 436,879,213**
Net Transfers Out(In)	$ 8,500,000	$ (500,000)	$ 800,000	$ 800,000	$ 5,000,000	$ -	**$ (12,500,000)**	**$ (2,100,000)**	**$ -**
Total Expense	**$ 498,825,481**	**$ 72,011,000**	**$ 206,066,160**	**$ 136,529,748**	**$ 67,417,032**	**$ 1,050,000**	**$ 20,439,570**	**$ 32,122,507**	**$ 1,034,461,498**
Net before CapEx	**$ 7,917,947**	**$ (1,559,319)**	**$ (4,979,907)**	**$ 1,806,734**	**$ (2,649,032)**	**$ (545,000)**	**$ 18,260,430**	**$ 1,839,029**	**$ 20,090,882**
Beginning Fund Balance	$ 67,430,541	$ 62,254,237	$ 318,419,472	$ 2,554,335	$ 15,933,568	$ 26,103,956	$ 508,366,958	$ (21,830,738)	**$ 979,232,330**
Capital Expenditures	$ (7,200,000)	$ (2,316,595)	$ (200,000)	$ (2,000,000)	$ (1,715,000)	$ -	$ (89,700,000)	$ -	**$ (103,131,595)**
Net (from above)	$ 7,917,947	$ (1,559,319)	$ (4,979,907)	$ 1,806,734	$ (2,649,032)	$ (545,000)	$ 18,260,430	$ 1,839,029	**$ 20,090,882**
Fund Additions/Deductions*	$ -	$ -	$ 2,500,000	$ -	$ -	**$** -	$ 91,931,595	$ -	**$ 94,431,595**
Ending Fund Balance	**$ 68,148,488**	**$ 58,378,323**	**$ 315,739,565**	**$ 2,361,069**	**$ 11,569,536**	**$ 25,558,956**	**$ 528,858,983**	**$ (19,991,709)**	**$ 990,623,212**
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Total Net Assets	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

FY17 Actual's Quarter 1 Report **All Funds except Agency and Clearing**

	Education and General	Designated Ops and Service Center	Auxiliaries	Grant Funds	Restricted Gift Funds	Other Funds	Plant Funds	Internal Bank	Total from Operations
State Appropriation	$ 24,136,204	$ 304,006	$ 113,300	$ 15,450	$ -	$ -	$ -	$ -	**$ 24,568,960**
Tuition and Fees	$ 161,809,166	$ 3,538,426	$ 15,405,606	$ -	$ -	$ -	$ -	$ 1,238,494	**$ 181,991,692**
Gifts Grants & Contracts	$ 854	$ 845,124	$ 5,445	$ 28,593,763	$ 18,630,814	$ -	$ 3,069,813	$ -	**$ 51,145,813**
ICC Revenue	$ 6,080,768	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 6,080,768**
Federal Student Aid	$ -	$ -	$ -	$ 6,135,219	$ -	$ -	$ -	$ -	**$ 6,135,219**
Interest and Investment	$ 951,861	$ 2,643,833	$ 133,585	$ 3,154	$ 62,583	$ 122,737	$ 102,622	$ 290,624	**$ 4,310,999**
Internal Sales	$ 51,032	$ 7,565,142	$ 3,102,817	$ -	$ (500)	$ -	$ -	$ 5,355,205	**$ 16,073,696**
Sales & Services	$ 522,212	$ 2,289,579	$ 45,297,594	$ 43,770	$ 422,049	$ -	$ -	$ -	**$ 48,575,203**
Other Revenues	$ 129,528	$ 504,029	$ 940,518	$ -	$ 355,288	$ -	$ 13,394	$ -	**$ 1,942,757**
Transfers From Ore State Agencies	$ -	$ -	$ -	$ 2,968,645	$ -	$ -	$ -	$ -	**$ 2,968,645**
Total Revenue	**$ 193,681,625**	**$ 17,690,139**	**$ 64,998,866**	**$ 37,760,001**	**$ 19,470,234**	**$ 122,737**	**$ 3,185,829**	**$ 6,884,323**	**$ 343,793,753**
Salaries and Wages	$ 44,654,821	$ 4,812,659	$ 12,430,686	$ 11,429,293	$ 4,453,088	$ -	$ 470	$ 54,781	**$ 77,835,798**
OPE Health Benefits	$ 10,000,326	$ 991,574	$ 2,776,499	$ 1,729,852	$ 325,501	$ -	$ 112	$ 7,656	**$ 15,831,520**
OPE Retirement	$ 7,685,078	$ 849,793	$ 1,793,767	$ 1,844,168	$ 530,526	$ -	$ -	$ 8,607	**$ 12,711,939**
OPE Other	$ 3,664,337	$ 419,233	$ 952,500	$ 851,677	$ 267,867	$ -	$ 42	$ 4,893	**$ 6,160,549**
OPE GTF Remissions	$ 3,306,315	$ 27,348	$ 14,805	$ 215,562	$ 21,125	$ -	$ -	$ -	**$ 3,585,155**
Total Personnel Services	**$ 69,310,876**	**$ 7,100,607**	**$ 17,968,258**	**$ 16,070,552**	**$ 5,598,107**	**$ -**	**$ 624**	**$ 75,937**	**$ 116,124,961**
Service & Supplies	$ 25,221,029	$ 5,021,258	$ 17,477,733	$ 5,059,405	$ 6,801,490	$ 8,643	$ 1,471,401	$ (150,743)	**$ 60,910,216**
Merchandise-Resale/Redistribution	$ 16	$ 2,714,811	$ 1,330,553	$ -	$ -	$ -	$ -	$ -	**$ 4,045,381**
Internal Sales Reimbursements	$ (4,613,963)	$ (20,113)	$ (374,293)	$ -	$ (17,211)	$ -	$ -	$ -	**$ (5,025,580)**
Indirect Costs	$ 107,526	$ 490,087	$ 1,445,291	$ 6,080,768	$ -	$ -	$ -	$ -	**$ 8,123,672**
Depreciation/Amortization Expense	$ -	$ 1,087,431	$ 6,446,515	$ -	$ -	$ -	$ 7,260,909	$ -	**$ 14,794,855**
Student Aid	$ 4,067,127	$ 182,517	$ 326,480	$ 11,133,593	$ 9,001,414	$ 56,159	$ -	$ -	**$ 24,767,291**
Total General Expense	**$ 24,781,736**	**$ 9,475,991**	**$ 26,652,280**	**$ 22,273,765**	**$ 15,785,693**	**$ 64,802**	**$ 8,732,310**	**$ (150,743)**	**$ 107,615,834**
Net Transfers Out/(In)	**$ 1,795,454**	**$ 399,830**	**$ (1,534,552)**	**$ (156,719)**	**$ 4,754,083**	**$ -**	**$ (5,258,096)**	**$ -**	**$ 0**
Total Expense	**$ 95,888,066**	**$ 16,976,428**	**$ 43,085,986**	**$ 38,187,598**	**$ 26,137,883**	**$ 64,802**	**$ 3,474,839**	**$ (74,806)**	**$ 223,740,795**
Net before CapEx	**$ 97,793,559**	**$ 713,711**	**$ 21,912,880**	**$ (427,597)**	**$ (6,667,649)**	**$ 57,934**	**$ (289,010)**	**$ 6,959,129**	**$ 120,052,958**
Beginning Fund Balance	$ 67,430,541	$ 62,254,237	$ 318,419,472	$ 2,554,335	$ 15,933,568	$ 26,103,956	$ 508,366,958	$ (21,830,738)	**$ 979,232,330**
Capital Expenditures	$ (613,167)	$ (15,113)	$ -	$ (415,620)	$ (840,866)	$ -	$ (9,108,812)	$ -	**$ (10,993,577)**
Net (from above)	$ 97,793,559	$ 713,711	$ 21,912,880	$ (427,597)	$ (6,667,649)	$ 57,934	$ (289,010)	$ 6,959,129	**$ 120,052,958**
Fund Additions/Deductions*	$ -	$ 307,542	$ 104,173	$ -	$ -	$ -	$ 1,535,302	$ -	**$ 1,947,017**
Ending Fund Balance	**$ 164,610,934**	**$ 63,260,378**	**$ 340,436,525**	**$ 1,711,118**	**$ 8,425,053**	**$ 26,161,891**	**$ 500,504,439**	**$ (14,871,609)**	**$ 1,090,238,728**
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**TBD**
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**TBD**
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**TBD**
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	**TBD**
Total Net Assets	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**

* - Due to Capital Improvements and Debt Accounting entries, Includes Elimination of State Paid Debt from UO Books

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

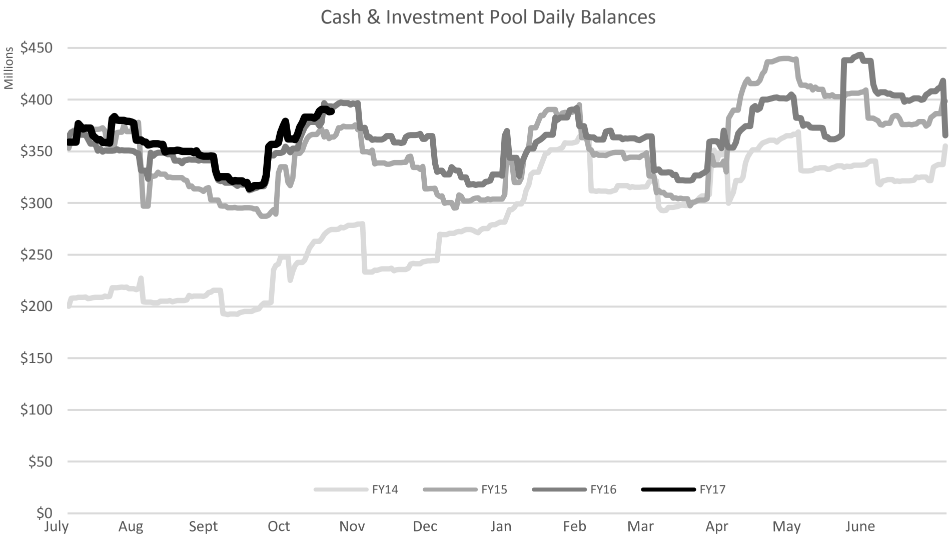
FY17 Actual's Quarter 1 Report **Education and General**

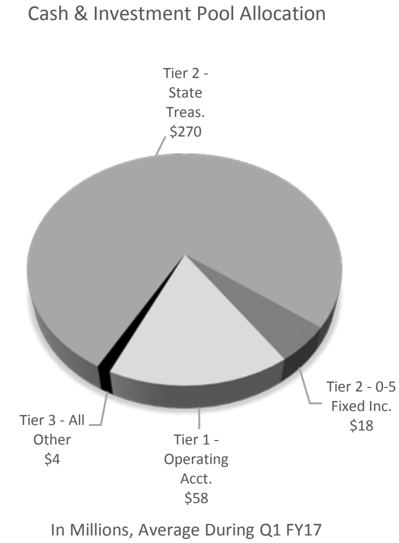
	FY17 Updated Projection Q1	FY17 Actual Q1	FY17 Q1 Actual as percent of projection	FY16 Actual Q1	FY17 Q1 inc/(dec) from FY16 Q1	FY16 Total Actual	FY17 Q1 Projection compared to FY16 Total as percent	FY17 Updated Projection Q1	Updated Projection compared to FY16
State Appropriation	$ 67,000,000	$ 24,136,204	36.0%	$ 23,447,652	2.9%	$ 64,831,043	3.3%	$ 67,000,000	3.3%
Tuition and Fees	$ 410,563,428	$ 161,809,166	39.4%	$ 153,604,246	5.3%	$ 394,747,172	4.0%	$ 410,563,428	4.0%
Gifts Grants & Contracts	$ 350,000	$ 854	0.2%	$ 41,144	-97.9%	$ 464,372	-24.6%	$ 350,000	-24.6%
ICC Revenue	$ 20,000,000	$ 6,080,768	30.4%	$ 5,826,389	4.4%	$ 20,470,538	-2.3%	$ 20,000,000	-2.3%
Federal Student Aid	$ -	$ -	-	$ -	-	$ -	-	$ -	-
Interest and Investment	$ 5,110,000	$ 951,861	18.6%	$ 1,052,310	-9.5%	$ 4,948,026	3.3%	$ 5,110,000	3.3%
Internal Sales	$ 150,000	$ 51,032	34.0%	$ 19,851	157.1%	$ 141,581	5.9%	$ 150,000	5.9%
Sales & Services	$ 2,450,000	$ 522,212	21.3%	$ 710,964	-26.5%	$ 2,406,329	1.8%	$ 2,450,000	1.8%
Other Revenues	$ 1,120,000	$ 129,528	11.6%	$ (159,409)	-181.3%	$ 1,101,711	1.7%	$ 1,120,000	1.7%
Transfers From Ore State Agencies	$ -	$ -	-	$ -	-	$ -	-	$ -	-
Total Revenue	**$ 506,743,428**	**$ 193,681,625**	**38.2%**	**$ 184,543,147**	**5.0%**	**$ 489,110,772**	**3.6%**	**$ 506,743,428**	**3.6%**
Salaries and Wages	$ 264,595,650	$ 44,654,821	16.9%	$ 42,893,865	4.1%	$ 252,262,893	4.9%	$ 264,595,650	4.9%
OPE Health Benefits	$ 55,182,575	$ 10,000,326	18.1%	$ 8,612,199	16.1%	$ 52,619,354	4.9%	$ 55,182,575	4.9%
OPE Retirement	$ 44,364,609	$ 7,685,078	17.3%	$ 7,487,905	2.6%	$ 43,072,436	3.0%	$ 44,364,609	3.0%
OPE Other	$ 21,941,627	$ 3,664,337	16.7%	$ 3,542,448	3.4%	$ 21,115,368	3.9%	$ 21,941,627	3.9%
OPE GTF Remissions	$ 22,739,020	$ 3,306,315	14.5%	$ 3,008,803	9.9%	$ 21,968,391	3.5%	$ 22,739,020	3.5%
Total Personnel Services	**$ 408,823,481**	**$ 69,310,876**	**17.0%**	**$ 65,545,220**	**5.7%**	**$ 391,038,443**	**4.5%**	**$ 408,823,481**	**4.5%**
Service & Supplies	$ 98,200,000	$ 25,221,029	25.7%	$ 25,044,788	0.7%	$ 96,276,961	2.0%	$ 98,200,000	2.0%
Merchandise-Resale/Redistribution	$ 2,000	$ 16	0.8%	$ -	-	$ 1,556	28.5%	$ 2,000	28.5%
Internal Sales Reimbursements	$ (21,000,000)	$ (4,613,963)	22.0%	$ (4,253,661)	8.5%	$ (20,392,637)	3.0%	$ (21,000,000)	3.0%
Indirect Costs	$ 500,000	$ 107,526	21.5%	$ 141,562	-24.0%	$ 500,149	0.0%	$ 500,000	0.0%
Depreciation/Amortization Expense		$ -	-	$ -	-	$ -	-	$ -	-
Student Aid	$ 3,800,000	$ 4,067,127	107.0%	$ 729,632	457.4%	$ 3,657,165	3.9%	$ 3,800,000	3.9%
Total General Expense	**$ 81,502,000**	**$ 24,781,736**	**30.4%**	**$ 21,662,321**	**14.4%**	**$80,043,195**	**1.8%**	**$ 81,502,000**	**1.8%**
Net Transfers Out(In)	**$ 8,500,000**	**$ 1,795,454**	**21.1%**	**$ 3,337,978**	**-46.2%**	**$ 10,910,450**	**-22.1%**	**$ 8,500,000**	**-22.1%**
								$ -	
Total Expense	**$ 498,825,481**	**$ 95,888,066**	**19.2%**	**$ 90,545,520**	**5.9%**	**$ 481,992,087**	**3.5%**	**$ 498,825,481**	**3.5%**
Net before CapEx	**$ 7,917,947**	**$ 97,793,559**	**1235.1%**	**$ 93,997,627**	**4.0%**	**$ 7,118,684**	**11.2%**	**$ 7,917,947**	**11.2%**
Beginning Fund Balance	$ 67,430,541	$ 67,430,541	100.0%	$ 66,636,354	1.2%	$ 66,636,308	1.2%	$ 67,430,541	1.2%
Capital Expenditures	$ (7,200,000)	$ (613,167)	8.5%	$ (1,220,286)	-49.8%	$ (6,324,405)	13.8%	$ (7,200,000)	13.8%
Net (from above)	$ 7,917,947	$ 97,793,559	1235.1%	$ 93,997,627	4.0%	$ 7,118,684	11.2%	$ 7,917,947	11.2%
Fund Additions/Deductions*	$ -	$ -	-	$ -	-	$ (46)	-100.0%	$ -	-100.0%
Ending Fund Balance	**$ 68,148,488**	**$ 164,610,934**	**241.5%**	**$ 159,413,695**	**3.3%**	**$ 67,430,541**	**1.1%**	**$ 68,148,488**	**1.1%**
Year-End Accounting Entries **	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Net Capital Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Other Restricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Unrestricted Net Assets	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	
Total Net Assets	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	**TBD**	

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

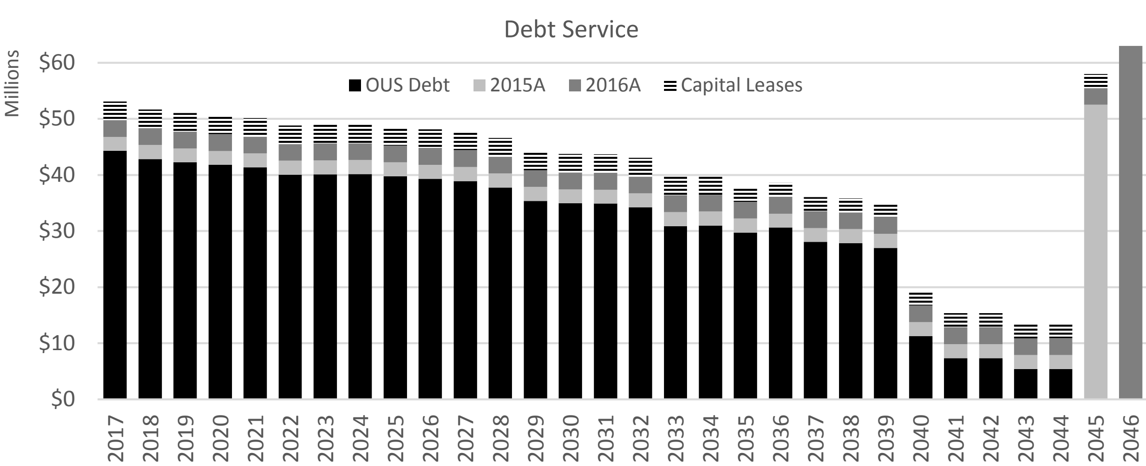
Cash & Investment Pool





- Cash and investment pool balances continued to follow seasonal trends, with a low point just before the start of fall term and a high point during spring term.
- During the quarter, several investments were sold from the fixed income portfolio, which allowed us to realize investment gains of $309,000.
- On September 30, 2016, the cash and investment pool balance was $361 million, compared to $351 million on September 30, 2015.
- Estimated average accounting yield for Q1 FY17 was 1.15%.

Debt Activities



*OUS Debt includes SELP but is net of SELP appropriations and BAB subsidies.

- No new debt was incurred during the quarter.
- The current principal balance of outstanding debt is approximately $657 million.
- 2015A/2016A funds are loaned internally for capital projects but all associated loans repay their borrowings prior to the bullet payments to ensure the internal bank will have sufficient cash to make the balloon payments due in 2045 and 2046.

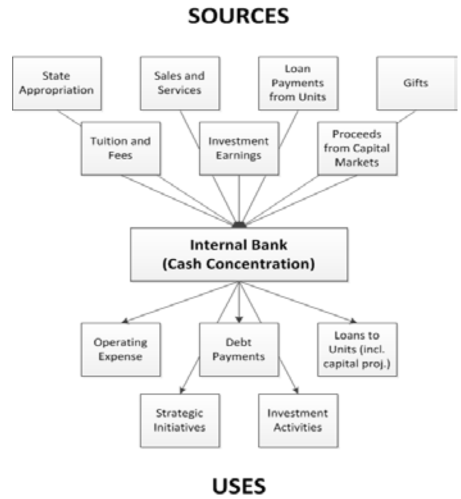
Internal Bank Functional Responsibilities

There have been no changes made to the functional responsibilities of Treasury Operations or the Internal Bank during the past year. The Internal Bank continues to:

1. Manage the short-term cash position so the university can meet its obligations.
2. Manage long-term investments and long-term debt of the university.
3. Provide funding to capital projects that need to borrow funds and raise capital.
4. Manage banking relationships.
5. Guide payment system processes.

In addition, the Internal Bank can attest to the following policy-required items:

- There are no policy exceptions.
- The Board authorized all financing transactions in excess of $5 million.
- A copy of the Treasury Management Procedures has been included for your information. There have been no significant changes but new sections and some clarifications have been added.



Update on Activities

Cash and Investment Pool

- Finalizing agreement with tier 2 funds investment managers for 1-5 year duration portfolios.
- Reviewing longer-term 'quasi-endowment' options for tier 3 funds with foundation.

Debt Activities

- Issued $60 million in revenue bonds in Spring 2016 to fund near term capital construction needs.
- Engaging with campus leadership to strengthen our post-issuance compliance procedures.
- Working with the state to update debt management agreement.

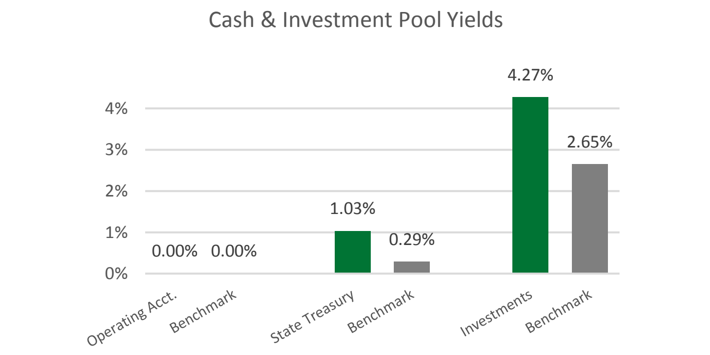
Treasury Procedures

Annually Treasury Operations provides a copy of the treasury management procedures to the board in accordance with policy. The procedures are available online at the link below and contain the following updates:

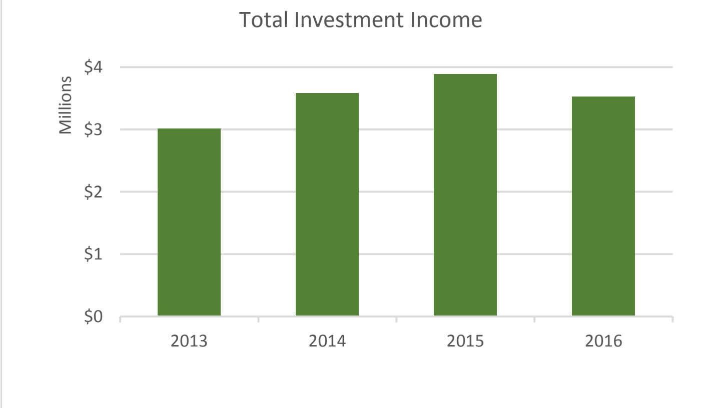
- Clarified who can sign for a loan and borrower reporting requirements (pp. 2-3)
- Added comments to reflect board authorizations for UOF and OST as investment management and/or depository and removed the reference to monthly reports as we have decided that quarterly reports are adequate (p. 5)
- Added roles/responsibilities related to investment management to clarify role of advisor (p. 6)
- Relocated some information regarding credit quality to improve flow and make more sense (p. 8)
- Removed reference to permitting use of UOF or OSU investment policies as this information is now out of date (p. 10)
- Added citation that Board has approved use of forward foreign currency contracts under a "special note about derivative activity" (pp. 10-11)
- Added the current investment tier allocations (p. 11)
- Clarified that we can declare certain funds to be invested in a specific tier and declared bond proceeds will always be placed in the state's short term fund and they will earn that rate of interest rather than the 1.35% that other funds earn (p. 11)
- Clarified that we use Banner balances when computing average cash balances and made it clear that negative cash balances will be assessed interest at 1.35% (p. 11)
- Removed section on gifts because we no longer have any endowments on UO's books (p. 11)
- Clarified which funds are not being included in the cash and investment pool (p. 12)
- Added section on bond offering disclosure documents per request from bond counsel (pp. 13-14)
- Added section about continuing disclosure per request from bond counsel (pp. 14-15)

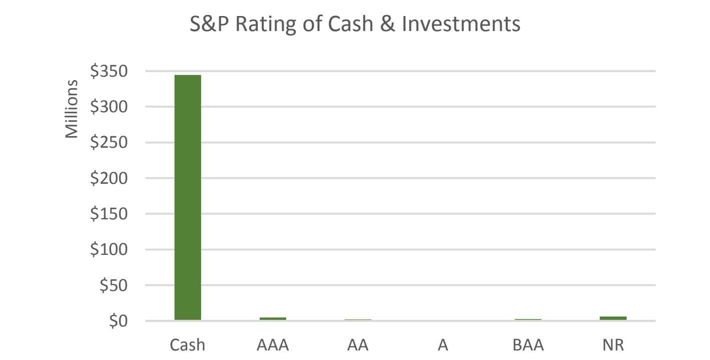
Full document:
http://pages.uoregon.edu/baoforms/bao_drupal_6/sites/ba.uoregon.edu/files/pdf/tmp-procedures_11-2016.pdf

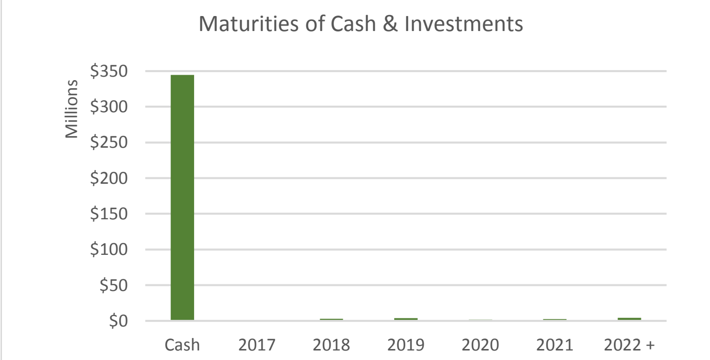
Cash and Investment Pool Characteristics



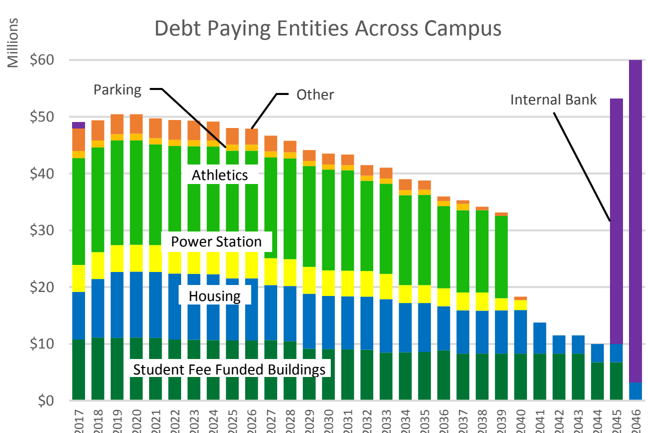
Benchmark for State Treasury is 3 month US Treasury.
Benchmark for investments is BofA Merrill Lynch US Corporate 5-7 Year.

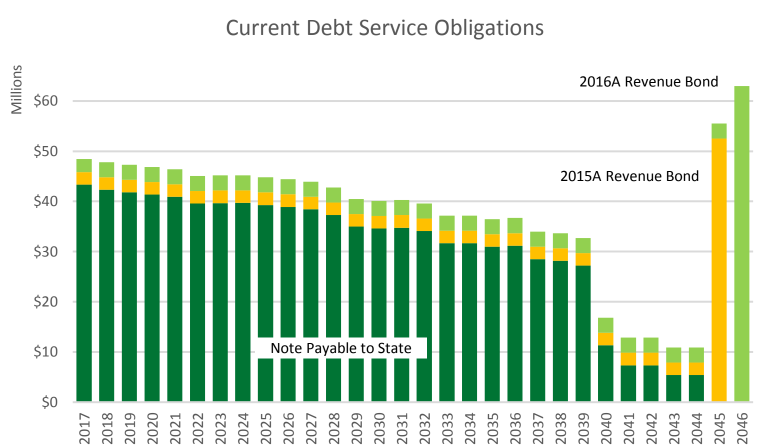






Debt Characteristics

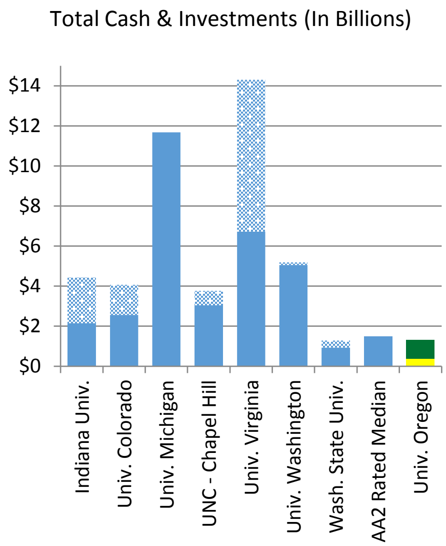


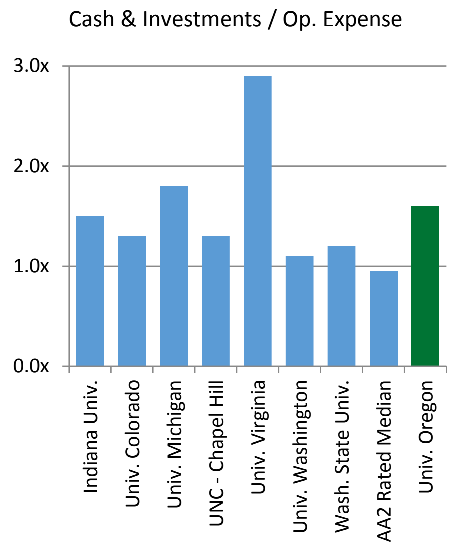


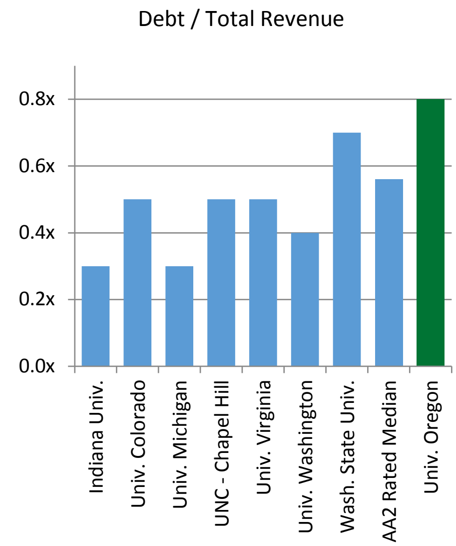
Excludes obligations without a revenue pledge, such as State Energy Loan Program and capital leases.

- All debt issued at a fixed rate; no floating rate
- Future debt could be bullet or amortizing or a custom structure
- Ratings affirmed in April 2016, continue to be highly rated (Moody's: Aa2, S&P: AA-)
- UO revenue bonds have a 10-year par call
- Most of the debt is tax-exempt

Peer Comparisons



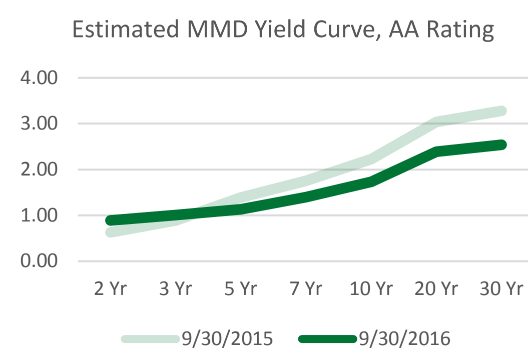




Source: Moody's FY 2015 data provided by Bank of America Merrill Lynch

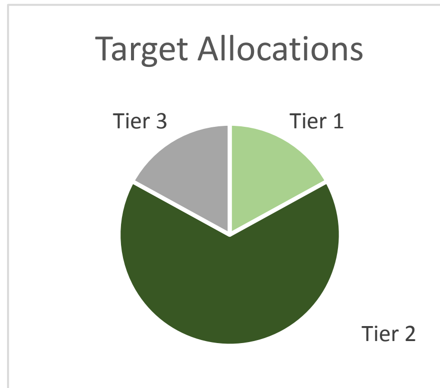
External Factors

- Both Moody's and S&P completed the revisions to their rating methodologies.
- The IRS updated compliance guidance regarding safe harbor provisions for management contracts in the context of private business use.
- October deadlines for money market reform resulted in massive outflows from prime institutional funds into government funds. Like others, UO moved its funds from a prime fund to a government fund.



Background

The University of Oregon Treasury Management Policy (TMP) divides the university's cash and investment pool into three tiers with different risk/return profiles for each tier. The Tier 3 portfolio, which is invested for the longer term, is balanced by the Tier 1 and Tier 2 portfolios, whose liquidity requirements necessitate investing in shorter term assets with less volatility. UO is working with the UO Foundation to manage the Tier 3 portion as "funds functioning as a quasi-endowment" for the benefit of the university and the goal is to have these investments provide stable funding to UO which can be used to carry out its mission.



The Tier 3 investment pool is intended to be maintained in perpetuity and have little, if any, liquidity. Given that risks change over time fund managers need the ability to use sophisticated techniques that can include derivative contracts to modify risk exposures or mitigate emerging issues.

These contracts are commonly called derivative contracts or synthetic exposure and they can be used to:

1. Hedge, mitigate, or offset undesirable exposures for a defined period of time;
2. Create desirable exposures for a defined period of time;
3. Accomplish some other purpose in a cost-effective manner.

Achieving these objectives through a contract is a very useful tool to fund managers and is particularly attractive when risk exposures can be modified cost-effectively. The following examples are provided to help describe when a derivative contract might be used:

Example A

An investor acquires a tree farm that was planted 60 years ago and decides after five years that the value proposition for one of the types of trees is riskier than originally thought. For our example, assume legislation is introduced that seeks to limit the harvest of "Tree A." The investor does not know when (or if) the legislation will be enacted, but to reduce exposure to "Tree A" the investor would like to sell a portion of these trees that are on the property. Unfortunately, some of the tree plantings are commingled and it is not practical to legally divide and sell each piece of land that is planted with "Tree A." So the investor enters into a contract with a third party that promises to pay a set price for "Tree A" in 15 years. This is an example of a *forward contract*.

Example B
Another type of derivative contract used in investments is related to foreign currency exchange risk. These are commonly used when an ownership interest is taken in a foreign business. For example, an investor has purchased shares of a seafood cannery operating in Newfoundland, Canada. The investor likes the cash flow the cannery produces but all of its sales are in Canadian dollars. To mitigate the risk associated with fluctuations in currency exchange rates, the investor enters into a contract with a third party to provide an 18-month window in which to exchange Canadian dollars at a set price for American dollars. This is an example of a *forward foreign currency contract*.

Example C
An investor buys a municipal bond which pays a fixed interest rate for 30 years. The investor likes the consistent income, however after a few years begins to worry that rates will rise and their purchasing power will suffer due to inflation. So the investor enters into a contract with a third party whereby the investor gives the third party their fixed rate income and the third party gives the investor a variable rate income. This way the investor can reap the benefits of rising rates and the third party benefits from a consistent income stream. This type of derivative is an *interest rate swap*.

There are many types of derivatives that can be used to manage risk in an investment portfolio, ranging from exchange-traded standardized products to completely customized and unique arrangements. Derivatives require a firm understanding of their function, the underlying asset, and potential outcomes. There is almost always an upfront fee to enter into the contract.

Related UO Policy
The TMP requires Board of Trustee authorization for any derivative activity.

Requested Action
Per the TMP, the administration seeks approval of a resolution to authorize investment managers working for the UO Foundation, who manage the Tier 3 portion of the university's cash and investment pool, to use derivative contracts to hedge or mitigate risk exposures.

Additional Considerations:

- Derivative contracts can be very complex and subject to price volatility
- Public opinion can be negative due to lack of understanding and well publicized cases of misuse

Mitigating Factors:

- Managers selected by UOF will be experienced with these complex investment vehicles
- Chief Investment Officer at UOF is experienced with these complex investment vehicles
- Authority is limited to hedging purposes and will not include speculation

Finance and Facilities Committee
Board of Trustees of the University of Oregon

Resolution: Authorization for Certain Use of Derivative Contracts

Whereas, the University of Oregon (University) is authorized to engage the University of Oregon Foundation (Foundation) for purposes of managing and investing certain University assets, including its "Tier 3" portfolio of cash and investments;

Whereas, the Board wishes to allow the University and its fund managers flexibility to use instruments aimed at maximizing returns while mitigating risk exposure for assets held under management for and in the name of the University;

Whereas, the University's current Treasury Management Policy (IV.03.01) stipulates that Board of Trustees (Board) approval is required for "the University's use of investment hedging instruments and other derivatives;"

Whereas, derivative contracts and other hedge positions are sophisticated techniques used to modify risk exposure or mitigate emerging market issues and requiring Board approval for each individual transaction is inefficient and may cause timing issues that negate possible benefits of the techniques; and,

Whereas, the Policy on Committees authorizes the Finance and Facilities Committee to submit matters to the Board as a seconded motion.

Now, THEREFORE, the Finance and Facilities Committee hereby submits the following to the Board of Trustees as a seconded motion, recommending passage:

> The Board of Trustees hereby authorizes the Foundation, and by extension fund managers hired by the Foundation, to enter into derivative contracts on behalf of the University provided such contracts are used to hedge or mitigate existing risk exposure for the assets held under management by the Foundation for and in the name of the University. Notwithstanding the above, speculation is prohibited.

Vote recorded on the following page

Moved: ____________________

Seconded: __________________

Trustee	**Yes**	**No**
Bragdon		
Colas		
Gary		
Gonyea		
Kari		
Schill		

Dated: ____________________

Recorded: __________________

Agenda Item #2

UO Buildings – Energy Policies and Programs

Michael Harwood is the University of Oregon's new Associate Vice President (AVP) for Campus Planning and Facilities Management. As AVP for Campus Planning and Facilities Management, Harwood is responsible for a newly created portfolio of departments including Campus Operations, Campus Planning, Design and Construction, and the Office of Sustainability. The portfolio includes about 330 employees and a $45 million annual operating budget.

Michael joins the University of Oregon with over 20 years of leadership in higher education planning, architectural design, real estate development, capital construction and campus operations. Most recently, he served as Associate Vice Chancellor for Centennial Campus Development at North Carolina State University, a research-intensive, 2,090-acre land grant institution with a population of 34,000 students. He holds bachelor's and master's degrees in architecture from Washington University in St. Louis.

UNIVERSITY OF OREGON

University of Oregon's Energy Policy and Programs

Michael Harwood
Associate Vice President for
Campus Planning and Facilities Management

First, A Quick look at UO's Comprehensive Environmental Policy

I. **Planning and Design:**

II. **Operations and Maintenance:**

III. **Greenhouse Gas Emissions:**

IV. Transportation:

V. Purchasing:

VI. Materials Management:

VII. Hazardous Materials Management:

I. The university will endeavor to minimize environmental impacts associated with the construction and operation of campus buildings and grounds through careful attention to environmental performance standards in design and construction.

II. The university will implement conservation and efficiency strategies that reduce consumption of energy, water, and other resources without compromising high quality learning environments.

III. The university will monitor, report, and strive to reduce its greenhouse gas emissions.

University of Oregon's Recent Energy Policy and Practice Timeline

- **1997** — Original UO Comprehensive Environmental Policy
- **2000** — UO Sustainable Development Plan and State of Oregon energy efficiency requirements established
- **2011** — University of Oregon establishes Oregon Model for Sustainable Development (OMSD)
- **2013** — University of Oregon establishes Green Revolving Loan Fund
- **2016**

UNIVERSITY OF OREGON

UO Sustainable Development Plan & State of Oregon Energy Efficiency Program

2000

GOAL:

All Public Buildings designed to meet:

1. **LEED Silver equivalency criteria**
2. **State of Oregon Energy Efficiency Program required buildings to be** 20% **more energy efficient than state energy code.**

UNIVERSITY OF OREGON

Oregon Model for Sustainable Development

2011 GOAL:

Cap campus energy use from new projects by:

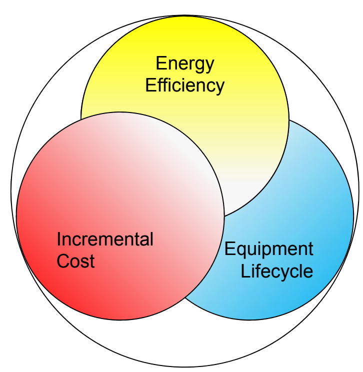
1. New buildings to certify a minimum of LEED GOLD
2. New buildings must be 35% more energy efficient than state energy code
3. All new energy use must be offset through energy reductions from existing campus buildings

UNIVERSITY OF OREGON

Balancing Fiscal Responsibility with Sustainability

A Core Element in Decision Making

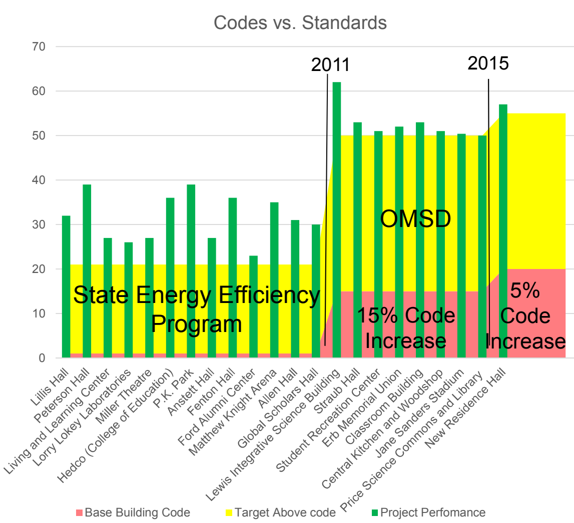
- Return on Investment / Cost Benefit Analysis
- Balancing
  - Energy Efficiency
  - Incremental Cost
  - Equipment Lifecycle
- Institutional Lifecycle Approach
  - Longer acceptable payback cycle based upon extended ownership
- Responsible Stewardship
  - Finances
  - Facilities
  - Environment



Sustainable Design

UNIVERSITY OF OREGON

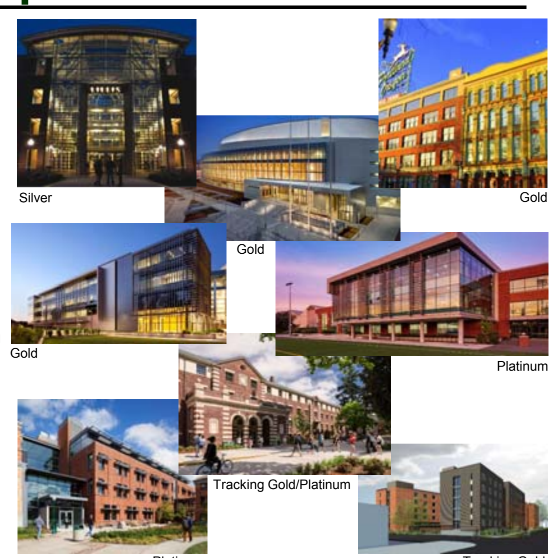
Energy Efficiency
Exceeding the Code



- 2000 – State Energy Efficiency Design Program
- 2011 – Adopted OMSD at 35% better than code
- 2011 - Near simultaneous 15% increase in code
- Resulted in buildings exceeding the 2000 energy code by 50%
- 2015 – Another 5% increase in the code
- Sustainability Policy Challenges
  - Not grounded to code from a specific date
  - OMSD criteria are getting harder to reach and still satisfy fiscal criteria defined by life cycle analysis and ROI calculations

LEED Certification
An Upward Trend

- 2000-2005
  - 4 – OUS Silver Equivalent
  - 1 – LEED Silver
- 2006-2010
  - 9 – OUS Silver Equivalent
  - 1 – LEED Gold
- 2011-2015
  - 3 – OUS Silver Equivalent
  - 3 – LEED Gold
  - 1 – Tracking Gold/Platinum
  - 2 – LEED Platinum
- 2016…
  - 4 – Tracking Gold
  - 2 – Targeting Gold
  - 1 – Tracking Platinum
  - 1 – Targeting Platinum



UNIVERSITY OF OREGON

Benefits to Campus:
Energy Efficient Design Since 2000

2000-2011
OUS/DAS Program

2011 & Beyond
Oregon Model of Sustainable Development

Benefits
- **2.6 Million SF Constructed**
- **Over 30% of total Campus SF**
- **Over $1 Billion Expended on Capital Projects**

UNIVERSITY OF OREGON

Renovations and Maintenance
How to Green Up Existing Buildings

Capital Improvement Projects/Renovations
- Interior Remodels
- Roofing Replacement
- HVAC Systems
- Building Exteriors
- 2012-2013 Lighting Retrofit Project

Maintenance Improvements
- HVAC Upgrades
- Building Control Systems
- Lighting Upgrades
- Building Re-Commissioning

- LEED EBOM
  - Knight Law School
    - Gold Certified

UNIVERSITY OF OREGON

Actions In Progress

1. Market based approach to utility acquisition
2. Strategic Energy Management Plan
   a. Improved decision making
   b. Improved data management and reporting
3. Campus Planning and Facilities Management (CPFM) Partnerships
   a. Registrar – Building Scheduling
   b. A&AA – Assessment and Prioritization
4. Conservation Projects
   a. Internal Energy Conservation Opportunities Report
   b. Concentrated High Efficiency -80 Freezers

UNIVERSITY OF OREGON

Agenda Item #3

Authorization of Possible Eminent Domain Proceedings

REQUESTED ACTION

The University seeks approval from the Board of Trustees to enter into condemnation proceedings with respect to numerous parcels on Franklin Boulevard at the proposed site of the Phil and Penny Knight Campus for Accelerating Scientific Impact. The parcels impacted belong to several owners, including the University of Oregon Foundation. The property sought to be acquired abuts land currently owned by UO and currently is the site of an office building, a classroom building, and several food service businesses. By passing the proposed resolution, the Board will be authorizing UO to enter into negotiations with each impacted property owner, as well as with each affected tenant, each of which will be entitled to relocation benefits in accordance with state and federal law. UO is obligated to pay no less than fair market value to each property owner unless an owner agrees to a lesser price.

If the Board adopts this resolution of necessity, UO staff will commence negotiations with each impacted owner and tenant. Only in the event that negotiations fail to result in an agreement on the purchase of a parcel will UO initiate court action to acquire possession of the property and to establish the price to be paid. This resolution includes property that belongs to the UO Foundation in order to ensure that we are following the parameters of the law with regard to public entity acquisition of property and to clearly establish the rights of Foundation tenants (other than UO) to the protections of state and federal relocation law.

BACKGROUND

The Phil and Penny Knight Campus for Accelerating Scientific Impact is a $1 billion initiative to transform research at the UO and to spur economic development in the region and state. It is proposed to be built on a roughly 2.8-acre parcel on the north side of Franklin Boulevard across from the UO's existing science complex. The UO owns much of the land needed for the project, but must take title to land belonging to the UO Foundation as well as acquire two parcels from private parties to move forward with the project. UO cannot enter into negotiations with any of the affected property owner unless and until the Board passes the resolution proposed here and has completed an appraisal of each parcel. Appraisals are currently under way for each property, and UO is obligated to offer each owner no less than fair market value for each of the parcels, as established by the professional opinion of the licensed appraiser. UO has already engaged the services of a relocation specialist to work with each non-UO owner or tenant proposed to be relocated because of the construction of the Knight Campus. The goal of the project team is to be in possession of the property in question in order to commence site preparation by the third quarter of 2017.

CONDEMNATION TIMELINE

The University alerted impacted property owners and key tenants of UO's plans to create the Knight Campus just prior to the public announcement of this initiative. Immediately thereafter, UO contracted with a licensed professional appraiser, a relocation specialist and a professional real estate broker to assist the UO in this effort. UO has given the impacted owners/tenants notice of our intention to acquire the property for a public project, and the broker and the relocation professional have been in regular contact with the impacted owners/tenants and UO has been providing each with appropriate notices about their rights to benefits. Each property owner has been informed that UO cannot enter into formal negotiations unless the Board passes the resolution now before it and obtains an appraisal establishing the fair market value of the property in question.

An outline of the basic steps is set forth below:

- University notifies owners of its right to pursue condemnation. [Completed]
- University obtains a title report and provides it to an appraiser; an appraisal of the property is conducted. [Underway]
- University notifies owners and tenants of relocation services to be provided for removal/relocation of personal property. [Completed]
- Board of Trustees must authorize the university to exercise its power of eminent domain. [Relevant meetings scheduled for December 1-2, 2016]
- University serves a formal offer with appraisal to each owner. Each owner has at least 40 days to accept or reject offer.
- University to also serve 90-day relocation assistance eligibility notice.
- File condemnation proceedings if offer not accepted (no earlier than 40 days after the formal offer is made).
- Deposit estimated just compensation and serve 10-day immediate possession notice.
- Each owner has a 10-day statutory period to file an objection to our condemnation action, including the University's authority to condemn and adherence to statutory procedures. If objected to, then court will hold an emergency hearing.
- Upon receiving possession, University serves 30-day notice to vacate personal property. Once personal property is removed, the University can proceed with clearing the site.
- Condemnation action continues to litigate the value of the takings.
- There is an additional administrative process if any owner or tenant disputes relocation amount.

Finance and Facilities Committee
Board of Trustees of the University of Oregon

Resolution: Authorizing Acquisition of Property Rights

Whereas, the University of Oregon ("University") desires to construct the Phil and Penny Knight Campus for Accelerating Scientific Impact (the "Project") to train new generations of scientists, engage in new interdisciplinary research, forge ties with industry and entrepreneurs, and create new educational opportunities for graduate and undergraduate students;

Whereas, the Project is designed to facilitate the University's goals and mission of carrying out public missions and services as authorized under ORS 352.039;

Whereas, in order to successfully complete the Project, it is necessary that the University take immediate possession of the real property adjacent to Franklin Boulevard that is currently owned or leased by other parties as described in this resolution;

Whereas, prior to commencing condemnation proceedings, the University will attempt to reach an agreement for the acquisition of the necessary real property interests;

Whereas, ORS 352.107(1)(L) authorizes and empowers the University to acquire, by condemnation or otherwise, private property that is necessary or convenient; and

Whereas, ORS 35.235 requires the Board of Trustees of the University of Oregon ("Board") to first declare by resolution the necessity to acquire real property and the purpose for which it is required, and to attempt to agree with the owner of the real property regarding compensation for the property, and the damages, if any, for the taking thereof.

NOW, THEREFORE, the Finance and Facilities Committee hereby refers the following to the Board of Trustees as a seconded motion, recommending passage

The Board hereby:

1. RESOLVES that acquiring the real property described in the attached Exhibit A ("Property") is necessary and required to complete the Project, which is incorporated herein by reference as if fully set forth herein;

2. FURTHER RESOLVES that the Project is necessary for the public interest, and has been planned, designed, located and will be constructed in a manner that will be the most compatible with the greatest public good and the least injury to private parties;

3. FURTHER RESOLVES that the immediate possession of the Property is necessary;

4. FURTHER RESOLVES that University staff and legal counsel are authorized and directed to continue their attempts to agree with the owners, and any other parties of interest, as necessary, to compensate them for the acquisition of the Property and for damages. The President of the University or his designee are authorized to make binding offers of compensation. In addition, University staff and legal counsel are authorized and directed to continue their attempts to agree with any other parties of interest with respect to any other benefits such persons may be entitled to under law, including relocation assistance benefits. This authorization includes the University's engagement and payment of fees and costs of a qualified MAI appraiser to meet the requirements of ORS 35.346, and of a qualified relocation specialist to meet the requirements of ORS 35.510;

5. RATIFIES AND APPROVES all actions to date by University staff and legal counsel taken in connection with acquiring the Property for the Project;

6. FURTHER RESOLVES that, in the event no satisfactory agreement can be reached with the owners, and any other parties of interest, University staff, through its legal counsel, are authorized to commence and complete any legal proceedings that may be necessary to obtain immediate possession of the Property, including exercising the University's power of eminent domain. University staff, through its legal counsel, are authorized to make any stipulations, agreements, or admissions in the course of such legal proceedings as may be in the best interests of the University;

7. FURTHER RESOLVES that a fund will be created in the amount estimated to be just compensation for the Property. This amount will be used to obtain possession of the Property and will be deposited with the clerk of the court in which legal proceedings are commenced for the use of the parties in the proceedings;

8. FURTHER RESOLVES that the Office of the General Counsel is to draft and implement a fair and equitable process through the crafting of a procedure for affected property owners and tenants to prosecute appeals related to disputes over relocation benefits.

9. FURTHER RESOLVES that the President of the University, or his designee(s), is authorized to execute any other documents necessary for the acquisition of the Property.

Moved: ____________

Seconded: __________

Trustee	Yes	No
Bragdon		
Colas		
Gary		
Gonyea		
Kari		
Schill		

Dated: _____________

Recorded: _____________

EXHIBIT A

PROPERTY

Site Address: 1399 Franklin Boulevard, Eugene, Oregon 97403
(Map & Taxlot No.: 17-03-32-14-01900)

Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56, Township 17 South, Range 3 West of the Willamette Meridian; thence North 00°50’30” East 2409.61 feet along the East line of said Claim No. 56 to the intersection with the Northerly right of way line of Franklin Boulevard; thence South 74°08’15” East 663.61 feet to an iron pin and the TRUE POINT OF BEGINNING; thence North 00°05’ East 184.47 feet; thence North 88°30’ East 72.19 feet; thence South 00°05’ West 91.38 feet; thence South 74°22’ East 5.52 feet; thence South 03°08’ West 76.87 feet; thence North 74°06’ West 1.28 feet; thence South 00°05’ West 35.5 feet to the Northerly right of way line of Franklin Boulevard; thence along said Northerly right of way line North 74°08’15” West 75.0 feet to the true point of beginning, in Lane County, Oregon.

ALSO: Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56, Township 17 South, Range 3 West of the Willamette Meridian; thence North 00°50’30” East 2409.61 feet along the East line of said Claim #56 to a point on the Northerly right of way line of Franklin Boulevard; thence South 74°08’15” East 738.61 feet along the North margin of Franklin Boulevard to an iron pin marking the TRUE POINT OF BEGINNING and being North 74°08’15” West 635.00 feet from an iron pipe marking the intersection of the East line of the Fielding McMurray Donation Land Claim No. 66 and the Northerly line of Franklin Boulevard; thence North 00°05’ East 35.58 feet to a point marked by an iron pin; thence South 74°06’ East 1.28 feet to a point marked by an iron pin; thence North 03°08’ East 76.87 feet to a point marked by an iron pin; thence North 74°22’ West 5.52 feet to a point marked by an iron pin; thence North 00°05’ East 91.38 feet to a point; thence North 88°30’ East 9.81 feet to a point; thence South 02°49’13” West 205.36 feet to the true point of beginning, in Lane County, Oregon.

Containing more or less 0.34 acres.

Site Address: 1485 Franklin Boulevard, Eugene, Oregon 97403
(Map & Taxlot No.: 17-03-32-14-01701)

Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56, Township 17 South, Range 3 West of the Willamette Meridian; thence North 0°50’30” East 2409.61 feet along the East line of said claim to the intersection of the Northerly line of the North margin of Franklin Boulevard; then South 74°08’15” East 888.62 feet along the north margin of Franklin Boulevard to a point, said point bearing North 74°08’15” West 484.79 feet from an iron pipe marking the intersection of the East line of the Fielding McMurray Donation Land Claim No.

66 and the Northerly line of Franklin Boulevard said point also being the TRUE POINT OF BEGINNING; running thence North 0°05’ East 93.52 feet; thence South 074°08’15 East 174.94 feet; thence South 8°47’55” West 90.69 feet to the North margin of Franklin Boulevard; thence North 74°08’15” West 157.67 feet along the North margin of Franklin Boulevard to the true point of beginning, all in the City of Eugene, Lane County, Oregon.

Containing more or less 0.34 acres.

Site Address: 1475 Franklin Boulevard, Eugene, Oregon 97403-1980
(Map & Tax Lot No.: 17-03-32-14-01700)

Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56 in Township 17 South, Range 3 West of the Willamette Meridian; and run thence North 0°50’30” East 2409.61 feet along the East line of said claim to a point on the Northerly right of way line of Franklin Boulevard; thence South 74°08’15” East 888.62 feet along said right of way line to a point, said point bearing North 74°08’15” West 484.79 feet from an iron pipe marking the intersection of the East line of the Fielding McMurray Donation Land Claim No. 66 and said Northerly right-of-way line of Franklin Boulevard; thence North 0°05’ East 93.52 feet to the TRUE POINT OF BEGINNING; and run thence South 74°08’15” East 171.94 feet to a point; thence North 08°47’55” East 115.00 feet more or less to the center of the Mill Race; thence North 00°05’00” East following the center of the Mill Race downstream to a point of the True Point of Beginning, thence South 00°05’00” West 96.50 feet more or less, to the True Point of Beginning, in Lane County, Oregon.

Containing more or less 0.29 acres.

Site Address: 1525 Franklin Boulevard, Eugene, Oregon 97403-1981
(Map & Tax Lot No.: 17-03-32-14-01300)

Beginning at the intersection of the North line of Franklin Boulevard with the East line of the Fielding McMurray Donation Land Claim No. 66, Township 17 South, Range 3 West of the Willamette Meridian, in the City of Eugene, Lane County, Oregon and running thence Westerly 255 feet along said North line to the POINT OF THE BEGINNING of this tract, and running thence North to the center of the Mill Race; thence Westerly 54.0 feet down the center of said Mill Race; thence Southerly on a direct line to a point on the North line of Franklin Boulevard Westerly from the point of beginning; thence Easterly 86 feet along said North line to the point of beginning, in Lane County, Oregon. Except right of way for Mill Race.

Site Address: N/A (located north of 1535 Franklin Boulevard, Eugene, Oregon 97403-1981)
(Map & Tax Lot No.: 17-03-32-14-01200)

Beginning at the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56, Township 17 South, Range 3 West of the Willamette Meridian; thence North 00°50’30” East

2409.61 feet along the East line of said Claim No. 56, to the North line of Franklin Boulevard; thence South 74°08'15" East 1373.38 feet to a point on the East line of the Fielding McMurray Donation Land Claim No. 66, Township 17 South, Range 3 West of the Willamette Meridian said point being South 00°14' West 910.94 feet from the stone marked C.S. marking the Northwest corner of County Survey No. 380, said point also being the Southwest corner of Lot 1, Block 1, AMENDED PLAT OF FAIRMONT as platted and recorded in Book 2, page 12, Lane County Oregon Plat Records, in Lane County, Oregon; thence North 00°14' East 311.0 feet along the East line of said Claim No. 66 and the West line of said Lot 1, Block 1, AMENDED PLAT OF FAIRMOUNT, Lane County, Oregon, to an iron pin; thence North 89°46' West 50.00 feet to a point, said point being the TRUE POINT OF BEGINNING of this description; thence North 78°30'20" West 169.89 feet to a point; thence South 00°14' West to a point on the north line of Franklin Boulevard; thence South 74°08'15" East along said North line 175 feet more of less to the Southwest corner of that parcel of land described in Warranty Deed from John G. Foster, et al., to the State of Oregon, acting by and through the State Board of Higher Education, recorded December 19, 1966, Reception No. 69750, Lane County Oregon Records; thence North 00°14' East 212.04 feet to the true point of beginning, all in Lane County, Oregon.

EXCEPT: Any portion in parcel 1201.

EXCEPT: That portion into Riverfront Parkway by Circuit Court No. 16-90-06756 and R1758/9223556 for 1992.

Site Address: 1535 Franklin Boulevard, Eugene, OR 97403-1981
(Map & Tax Lot No.: 17-03-14-01201)

Beginning at a point which is 2409.61 feet North 0°50'30" East and South 74°08'15" East along the north line of Franklin Boulevard 1148.38 feet from the Southeast corner of the Hilyard Shaw Donation Land Claim No. 56 in Township 17 South, Range 3 West, Willamette Meridian, in Lane County, Oregon; said point being North 74°08'15" West 225 feet from the Southwest corner of Lot 1 Block 1 AMENDED PLAT OF FAIRMONT; thence South 74°08'15" East 175 feet along said north line of Franklin Boulevard to a point 50 feet North 74°08'15" West from the Southwest corner of said lot; thence North 0°14' East 150 feet, parallel with the west line of said lot; thence North 74°08'15" West 175 feet, parallel with the north line of Franklin Boulevard; thence South 0°14' West 150 feet to the place of beginning.

EXCEPT: 0.11 acre into Riverfront Parkway by Circuit Court No. 16-90-06756 and R1758/9223556 for 1992.

EXCEPT: Less than 0.01 acre (27 square feet) to Franklin Boulevard by 2004-075868 for 2005 (LTD).