



**Finance & Facility Committee Members:**

Connie Ballmer	Present
Peter Bragdon	Absent
Andrew Colas	Present
Susan Gary	Absent
Joseph Gonyea III	Present
Michael Gottfredson	Absent
Ross Kari, Chair	Present

The University of Oregon Board of Trustees, Finance and Facilities Committee met in the Ford Alumni Center on the UO campus on May 6, 2014. Below is a summary of committee discussions, and actions.

Chair of the committee, Ross Kari called the meeting to order and took roll. He suggested that the meeting summaries include a list of trustee committee members that were present; and that the meeting summary from March 26th reflect that all members were present. The motion to accept these changes and approve the minutes was made by Trustee Connie Ballmer, seconded by Trustee Joseph Gonyea, and all present voted in favor. There was no public comment.

Kari outlined the two main topics for the meeting: treasury operations and related policy and procedures, and the Higher Education Coordinating Commission (HECC) capital project proposal.

**Treasury Operations and Policy**

Jamie Moffitt, Vice President for Finance and Facilities and CFO introduced Karen Levear, recently hired Director of Treasury Operations who presented an outline of treasury functions. Moffitt stressed four goals for this meeting: provide background on treasury operations, share specific information on the institution’s assets and liabilities, walk through the policy to be proposed at full board meeting in June, and request feedback from committee members.

The first part of Levear’s presentation touched on the functional responsibilities and challenges of treasury operations and how a central bank provides solutions to those challenges. She reviewed the university’s cash management and investment practices and shared information about current cash and investment balances, as well as comparative data with other institutions. Levear explained that the UO central bank would assume all internal loans that previously the OUS bank granted to UO operating units. She described the existing types of debt that the university can expect to take on after July 1 and reviewed bond types and bond sales. Levear then described debt service for the UO, comparing it to similar institutions.

Moffitt prefaced the second portion of Levear’s presentation emphasizing the need for the new Treasury Management policy to be in place before July 1 due to operational changes relative to governance.

Previously, central bank services were provided by the chancellor's office for all OUS universities. Moving forward, this significant responsibility will shift, with the UO managing these functions in-house. Levear outlined the guiding principles, the board's expectation of the university, and the board's responsibilities for the three main components of the treasury management policy: the central bank, cash and investment management and liability management. Central bank procedures were then discussed.

### **HECC Capital Project Proposal**

Moffitt provided a brief background of the HECC capital project proposal process. In the past, each campus put together a list of projects that was submitted and prioritized by OUS for the legislature. The OUS and state board will no longer play this role; instead these functions now fall to the HECC. The UO has until May 15<sup>th</sup> to submit our final capital project proposals list to the HECC. However, as the HECC had a budget meeting last Thursday, they did request that the UO submit a preliminary proposed project list. It was made clear to the HECC budget committee that this list had not yet been reviewed with the UO Board Finance & Facilities Committee and that the final version may include changes.

The prioritized capital project proposal list was developed with the help of the Space Advisory Group, and has been reviewed by ELT, ALT and the President and Provost. Over the last year, the Space Advisory Group put together a needs assessment based on input gathered through campus interviews with Deans and administrative leaders, as well as input from the Academic Infrastructure Committee. That report highlighted the need for an additional 1,300 classroom seats, lab space and space for added tenure track and associated faculty offices. Last January the Provost put out a request for capital project proposals to Deans, Vice-Presidents, and Vice-Provosts. He asked that departments consider both the institution's overall space needs assessment, as well as our strategic focus on access, excellence, and financial sustainability when proposing capital projects. Below is the current draft prioritized list of capital projects. This list was discussed and committee members were asked to provide any feedback on this list directly to the President and Provost as the final request needs to be submitted to the HECC by May 15<sup>th</sup>.

### **Prioritized List of Projects:**

- Minor Capital Projects (Deferred Maintenance) - \$20,000,000
- College and Careers Building - \$31,000,000
- Learning and Innovation Hub – School of Architecture and Allied Arts/Research Innovation Center - \$53,250,000
- Chapman Hall Renovation, Seismic Upgrade and Deferred Maintenance - \$10,500,000
- Health and Safety Renovation of Klamath Hall for 21<sup>st</sup> Century Chemistry - \$18,500,000
- Regional Library Collections Center and Knight Library Academic Commons - \$33,750,000
- Research Lab Building - \$90,750,000