



The Board of Trustees of Oregon State University

Meeting of the Finance & Administration Committee

December 8, 2015

Conference Room B102, Kerr Administration Building, OSU
Corvallis, Oregon

MINUTES

Committee Members Present: Mark Baldwin, Darry Callahan, Glenn Ford (*ex officio*), Patty Bedient, Brett Morgan, Laura Naumes, Kirk Schueler (*chair*), and Mike Thorne (*vice chair*)

Other Trustees Present: Rani Borkar, Michele Longo Eder, Brenda McComb, and Ed Ray

University Staff Present: Ron Adams, Sherm Bloomer, Steve Clark, Debbie Colbert, Becca Gose, Mike Green, Mark Huey, Jan Lewis, Patti Snopkowski, and Marcia Stuart

Guests: Steve Schauble (Vice President and Chief Financial Officer, OSU Foundation) and Monique Spyke (Director, Asset Management, Public Financial Management)

1. Call to Order/Roll /Declaration of a Quorum

Committee Chair Kirk Schueler called the meeting to order at 10:32 a.m., asked the Board Secretary to call the roll, and noted a quorum.

2. Consent Item

a. Minutes of the October 15, 2015 meeting

A motion was made and seconded to approve the October 15, 2015 Committee meeting minutes as presented; the motion carried.

3. Action Items

a. FY2016 Q1 Operating Management Report

Vice President and Chief Financial Officer Glenn Ford asked Associate Vice President for Finance & Administration Mike Green to report on the first quarter of FY2016 for the three operating fund groups: Education & General, Self-support, and Restricted. Green reported that, for the Education & General funds, the State General Fund realization rate was below the expected realization rate for the period due to final State funding being higher than projected in March. For Self-support funds, the projection for Sales & Services decreased \$3M mainly due to University Housing and Dining Services projecting a decrease of \$2.9M, offset by a \$700K increase in ancillary dining revenues; Athletics projecting a \$1.7M decrease in ticket sales; and multiple designated operations and service centers projecting increased revenue totaling \$1M. For Restricted Funds, the realization rate for State revenue was below the 7-year average due to the timing of receipt of need-based grant aid from the State's Office of Student Access and Completion. The Supplies & Services and Capital Outlay projection increased a total of \$10.4M mainly due to a \$6.3M increase in expenses and to a change in accounting for \$4.1M in debt principal payments for transfers out to Services & Supplies.

Following discussion of the report, a motion was made and seconded to accept the FY2016 Q1 Operating Management Report. The motion carried.

b. FY2016 Q1 Investment Reports

Green provided a detailed report on the 2016 first quarter investments, covering the first quarter market background, the performance report for the Public University Fund (P.U.F.), and the performance report for the University's investments. After summarizing the FY2016 first quarter market background, Green reported that the Public University Fund earned a total return of 0.5% for the fiscal quarter that ended September 30, 2015. In addition, Green assured the Committee that all allocations were within the policy allocation parameters. Regarding the FY2016 first quarter performance of the OSU Endowment Assets, Green reported a decrease of 5.6% for the quarter.

c. FY2016 Q1 OSU Foundation-Managed Endowment Report

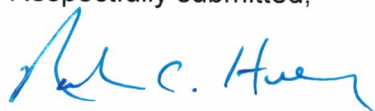
Following Green's reports, Chair Schueler called upon OSU Foundation Vice President and Chief Financial Officer Steve Schauble to present the foundation-managed endowment report to the Committee. Schauble reported that the first quarter showed a loss of 6.4% but noted that every endowment has been negatively impacted during the quarter. Trustee Baldwin asked whether the total liquid assets loss was related to losses in the energy/petroleum sector and whether the Foundation had considered divesting itself of fossil fuel-related assets. Schauble said the foundation has had conversations regarding fossil fuel divestment, noting that, due to the past and expected future performance of the sector, the portfolio has reduced its investments in fossil fuel.

Following the two reports, a motion was made and seconded that the Committee accept the FY2016 Q1 Investment Reports, which included the FY2016 Q1 OSU Foundation-Managed Endowment Report. The motion carried.

4. Adjournment

With no additional business proposed, Schueler adjourned the meeting at 11:20 a.m.

Respectfully submitted,



Mark C. Huey
Assistant Board Secretary