



MINUTES

Committee Members Present: Rani Borkar (*chair*), Patty Bedient, Julia Brim-Edwards, Becky Johnson (*ex officio*), Preston Pulliams, and Kirk Schueler (*vice chair*)

Other Trustees Present: Mike Bailey, Darry Callahan, Michele Longo Eder, Lamar Hurd, Paul Kelly, Julie Manning, Stephanie Smith, and Mike Thorne

University Staff Present: Charlene Alexander, Jennifer Almquist, Shanon Anderson, Debbie Colbert, Becca Gose, Mike Green, Dan Larson, Terry Meehan, Nicole Neuschwander, Paul Odenthal, Lauren Skousen, and Patti Snopkowski

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

Committee Chair Rani Borkar called the meeting to order at 2:47 p.m., asked the board secretary to call the roll, and noted a quorum.

2. Consent Agenda

a. Minutes of the April 1, 2021 Executive & Audit Committee Meeting

A motion was made and seconded to approve the minutes of the April 1, 2021, Executive & Audit Committee meeting. The motion carried.

3. Education/Discussion Items

a. Public Safety Update

Borkar asked Associate Vice President for Public Safety and Chief of Police Shanon Anderson, Vice President and Chief Diversity Officer Charlene Alexander, and Senior Associate Vice President for Administration Paul Odenthal to present this item. Anderson began with an update on current staffing and recruitments underway. She also shared an update on policy development completed and the launch of a new webpage which provides policies and other information. As part of this effort, Anderson noted the creation of a policy work group with internal partners to help with alignment and coordination. She also described the acquisition of a new web-based performance tracking system that can be used to track trends in officer activities such as policy violations as well positive performance events. She closed by sharing safety metrics for the five months of the calendar year. In response to a question from Borkar, Anderson noted the trends statewide and nationally in low applicant numbers for law enforcement recruitments and that our current rate of hiring is what can be reasonably expected. In response to a question from Schueler, she shared that those arrested by OSU police are housed in the Benton County jail. In response to follow up questions, she shared a number of examples of partnerships among

other local law enforcement agencies that had recently occurred and additional information on the arrests and citations noted in her safety metrics. Bedient noted the almost 6,600 calls for service reported in the safety metrics and asked if this number is the level that would be expected. Anderson clarified that a large number of these logs are premise security checks routinely conducted by staff. In a follow up question from Brim-Edwards, Anderson noted how dispatch manages calls by contacting a variety of responders from facilities to law enforcement depending on the nature of the call. She also shared work underway to gather data to identify crime trends.

4. Action Items

a. **Office of Audit, Risk and Compliance Progress Report**

Borkar asked Chief Audit, Risk and Compliance Executive Patti Snopkowski to share highlights from the OARC progress report. Snopkowski began her report with internal audit activities. She described the phasing of the treasury function transition audit and some of the identified improvements being implemented by management. She described the capital construction audit on the Cordley Hall project and the opportunities for better aligning contract language and billing practices. She noted the four audits in summarizing stage and plans to issue recommendations for these engagements over the next few months. She also reported that the federal compliance audit is complete, and there were not compliance findings. She noting progress being made on open audit recommendations on previously issued reports. She noted plans to hire an IT auditor, and in response to a question from Trustee Bailey, her approach to scope and recruit for the position. Trustee Bedient asked about the audit recommendation related to Third-party Service Provider Management in the treasury function audit. Snopkowski noted the opportunity for better ensuring the review and documentation of System and Organizational Control (SOC) reports. She shared a highlight of activities related to enterprise risk management and compliance.

With no further discussion, a motion was made and seconded to approve the progress report. The motion carried.

b. **Board Policy Review and Amendments**

Borkar asked Board Secretary Debbie Colbert to present the policy review and proposed amendments. Colbert reminded trustees of the annual effort of the Board Office to work with university partners to clean up policies transfers from the State Board of Higher Education. Colbert described the packet of policies proposed for repeal, noting that some dating back almost thirty years. In response to a comment from Trustee Paul Kelly about the amendments to the policy on political activities in Exhibit B, Colbert suggested adjusting the language in section 3 so that the proposed language would read: "*Paragraph 2 notwithstanding, no university employee may support or oppose a ballot measure, a referendum or a candidate for office in their university capacity or with university resources.*"

Following this discussion, a motion was made and seconded that the Committee recommend to the Board adoption of the resolution repealing and updating policies as provided in Attachment 1 and with proposed changes to Exhibit B as discussed by the committee. The motion carried.

c. Delegation of Authority Amendments

Borkar asked Colbert, Senior Associate General Counsel Terry Meehan, and Director of Leasing and Real Property Management Nicole Neuschwander to present the proposed amendments to the delegation of authority.

Colbert began by noting that one way to ensure an effective working relationship between the Board and the president is to have clear lines of responsibilities as reflected in the delegation of authority. Colbert shared that the current delegation gives the President authority for all activities that further the operation of the university but reserves certain activities to the Board such as issuance of bonds, tuition adoption and so on. She shared that, while the current delegation is clear on certain transactions that must go to the Board, it may fail to align with Board expectations in some types of real property transactions. Working with Leasing and Real Property Management and General Counsel's office, staff developed amendments to the delegation to refine the delegations related to those types of real property transactions. Meehan noted the proposed new adding gifts or exchanges of real property over \$5 million and leases with an initial term more than 15 years or \$15 million in base rent. In developing the proposed amendments, the focus was on identifying those transactions that might rise to the reputational, risk or financial level that trustees would want to engage in. With respect to the lease language proposed, Neuschwander noted that the proposed amendments improve the clarity for when these types of transactions would go the Board and shared a number of examples of past and upcoming leases that would go to the Board for approval under the proposed language.

Schueler inquired about the thinking in setting the threshold at a 15-year lease term. Meehan responded that the length of the term was intended to reflect a long-term commitment of the university. In response to a comment from Schueler, staff recommended changes to Section 3d to clarify that the Board would review leases that involve consideration over \$15 million in base rent "*under the initial term of the lease.*" Schueler noted his concern in the proposed amendments that the president would have broad authority to amend leases, even if they exceeded the thresholds identified for initial leases. After some discussion, the committee asked staff to develop additional language for the Board's consideration to clarify that president's authority to amend leases.

Brim-Edwards inquired whether there were any learnings from spring related to President Alexander that might be considered in terms of the delegation of authority. In response, Colbert shared that, in the case of the Les Miles action at Louisiana State University, it is difficult to assess the Board's versus the president's roles given the facts available. Brim-Edwards also raised concerns about the Board's accountability in high profile legal cases and whether this is a need to clarify when certain legal settlements would come to the Board. General Counsel Gose reminded the committee about the administration's "no surprises" communications standards. Brim-Edwards affirmed the value of this approach to communication but expressed a desire to have less discretionary approach to legal settlements of a certain level of risk. Colbert suggested that staff review

approaches for legal settlements used at other similarly situated institutions and bring that information back for further discussion with the committee.

With no further discussion, a motion was made and seconded that the Committee recommend to the Board adoption of the resolution amending the Delegation of Authority as provided in Attachment 1 and with the changes to Section 3d as discussed by the committee. The motion carried.

5. Adjournment

With no further business proposed, Chair Borkar adjourned the meeting at 4:26 p.m.

Respectfully submitted,



Debbie Colbert
Board Secretary