



MINUTES

Committee Members Present: Patty Bedient (*chair*), Rani Borkar (*ex officio*), Mike Green (*ex officio*), Khawater Hussein, Kirk Schueler, Stephanie Smith, and Mike Thorne (*vice chair*)

Other Trustees Present: Darry Callahan, Paul Kelly, and Ed Ray (*ex officio*)

University Staff Present: Jennifer Almquist, Bob Cowen, Debbie Colbert, Ed Feser, Becca Gose, Paul Odenthal, Larry Rodgers, Lauren Skousen, and Irem Tumer

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

Committee Chair Patty Bedient called the meeting to order at 8:41 a.m., asked the board secretary to call the roll, and noted a quorum. Bedient then made a land acknowledgement statement.

2. Vice President for Finance and Administration's Report

Vice President for Finance and Administration and Chief Financial Officer Mike Green began by noting that the quarterly reports on the consent agenda reflected conditions as of December 31, 2019, and the third quarter projections would begin to show the impacts of the COVID-19 pandemic. Green described operational changes and process improvements underway, including the implementation of a talent management system, redesign of travel processes, and updating of the university's banking relationships and cash management processes. He reported that the university was evaluating all capital project expenditures in light of the pandemic, noting that while the committee would consider advancing two projects to the design development phase, staff would continue to monitor the projects in light of the pandemic and make adjustments to timing and expenditures as needed. Green noted that the university's biennial capital funding request to the Higher Education Coordinating Commission (HECC) included the Reser Stadium West Grandstand project, although it has not yet been presented for consideration to the Board. He said this was necessary to reserve the right to pursue state-issued bonds during the 2021 legislative session, adding that staff would complete the due diligence process and present the project for stage gate consideration by the Board at a future date.

3. Consent Agenda

- a. **Minutes of the April 3, 2020 Finance & Administration Committee Meeting**
- b. **FY2020 Q2 OSU Operating Management Report**
- c. **FY2020 Q2 Investment Reports**

A motion was made and seconded to approve the items on the consent agenda. The motion carried.

4. Action Items

- a. **Capital Project Stage Gate I: Newport Student Housing**

Vice Chair Mike Thorne asked Senior Associate Vice President for Administration Paul Odenthal and Hatfield Marine Science Center Director Bob Cowen to introduce this item. Odenthal reminded trustees that the Newport Student Housing project was included as part of the FY2018 Capital Budget adopted by the Board in June 2017, which occurred prior to the Board's adoption of the Approval of Capital Projects policy. The project has evolved since 2017 as the university has worked to better understand student housing needs at the Hatfield Marine Science Center (HMSC), and Odenthal said it was now being provided for consideration by the committee to advance to the design development phase. Cowen said that the site being considered for housing is located on university-owned property close to the nearly completed Marine Studies Building located at the HMSC. He said the new Marine Studies Building would expand the university's capacity to conduct research and offer experiential learning opportunities at the Oregon coast, and the Newport Student Housing project would support those activities. Odenthal described the project, and he summarized the risks that have been identified for the project and the proposed mitigation strategies. He noted that development of housing would be dependent on local land use and building permit approvals.

Following the presentation, Trustee Kirk Schueler asked about the footprint of the proposed first phase of housing, and Odenthal said approximately two of the five acres available on the OSU-owned property would be developed, allowing for the possibility of further development in the future. In response to a question by Trustee Stephanie Smith about discussions with the City of Newport, Odenthal summarized conversations to date and said more detailed plans would be submitted to the city for approval. Smith also asked about the wetland on the site, and Odenthal said that OSU would mitigate it through the development of a public access trail that would be deeded to the city. Thorne noted the uncertainties presented by the COVID-19 pandemic and asked whether approval by the committee to advance the project to the next phase of design development would constrain the university in the future. Odenthal noted that costs associated with the next phase are minimal and a decision now would not commit the university to the full cost of construction.

A motion was made and seconded to approve advancing the Newport Student Housing project to the next phase of design development. The motion carried.

b. Capital Project Stage Gate I: Arts and Education Complex

Thorne asked Odenthal and Larry Rodgers, dean of the College of Liberal Arts, to introduce this item. Odenthal reminded trustees that the Arts and Education Complex (AEC) was included on the HECC's approved capital project list for the 2019-21 biennium where it was placed as the sixth priority. Although capital funding was not issued during the 2020 legislative session, the ranking of the project makes it a likely candidate for consideration in a future legislative session. Rodgers said the AEC project would construct a new academic facility that will serve primarily as educational space while also providing synergies around the arts in ways that enhance the educational and cultural experiences of the university and broader community. Odenthal said that state-paid bonds would fund half of the \$70M project budget with the remainder supported by donor contributions. He then described the risks that have been identified for the project and the proposed mitigation strategies.

Following the presentation, Schueler asked about the portion of the project budget that would be allocated to the completion of design development. Odenthal said that the next

phase would likely spend less than 10% of the total project budget. In response to a question from Smith, Odenthal confirmed that state-paid bonds and gifts were the only sources of funds for the project. Green added that access to bond funding was pending legislative approval. President Ed Ray observed that continued work to advance capital projects could position the university to benefit from any potential future economic stimulus funds to support capital development.

A motion was made and seconded to approve advancing the Arts and Education Complex project to the next phase of design development. The motion carried.

5. Adjournment

With no further business proposed, Vice Chair Thorne adjourned the meeting at 9:29 a.m.

Respectfully submitted,



Jennifer M. Almquist
Assistant Board Secretary