



 The Board of Trustees of Oregon State University

Meeting of the Finance & Administration Committee

January 28, 2016

 Horizon Room, Memorial Union, OSU
 Corvallis, Oregon

MINUTES

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

Other Trustees Present: Rani Borkar, Michele Longo Eder, Paul Kelly, Brenda McComb, Preston Pulliams, and Ed Ray

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

Guest: Thomas Toepfer (*Senior Managing Consultant, Public Financial Management*)

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

Committee Chair Kirk Schueler called the meeting to order at 11:15 a.m., asked the assistant board secretary to call the roll, and noted a quorum.

2. Statement of Appreciation for W. Glenn Ford

Schueler offered a statement of appreciation for Vice President for Finance and Administration and Chief Financial Officer W. Glenn Ford, who had announced his departure from Oregon State for a position at Bastyr University in Kenmore, Washington. In his statement, Schueler acknowledged Ford's leadership and accomplishments at OSU. Ford thanked the Board, President Ray, and OSU's Division of Finance and Administration leadership team for their support of his efforts.

3. Report from the Interim Vice Presidents for Finance and for Administration

Schueler asked Interim Vice President for Finance Mike Green and Interim Vice President for Administration Ron Adams to make their report. Green and Adams described for the Committee how, in their interim roles, they will be covering most of the areas formerly overseen by the vice president for finance and administration. Green provided an overview of his new areas of responsibility which include athletics finances, in conjunction with the vice president and director of athletics, capital budgeting and self-support resource planning, human resources, OSU shared services, and university housing and dining services, in conjunction with the vice provost for student affairs. Adams shared that he will be overseeing administrative services, including our operating and capital budget request, budget & fiscal planning, capital planning & development, facilities, risk management, emergency management, environmental health & safety, and public safety. Green and Adams will collaborate to ensure that the functions of finance and administration are integrated. Adams also noted that the vice president for university relations and marketing will be overseeing parking, transportation and conference services.

TAB A

4. Consent Item

a. Minutes of the December 8, 2015 meeting

A motion was made and seconded to approve the December 8, 2015 Committee meeting minutes as presented; the motion carried.

5. Action Items

a. Resolution Establishing the Board-related Roles of the Interim Vice Presidents for Finance and for Administration

Schueler reminded Committee members that the vice president for finance and administration has a number of responsibilities identified in Board policies. He said that the proposed resolution would clarify coverage of these responsibilities until a new vice president for finance and administration is hired. In response to a question from a Committee member, Schueler clarified that the resolution would terminate upon the effective start date of a new vice president for finance and administration, who would resume the responsibilities identified in Board policies.

Following discussion, a motion was made and seconded that the Finance & Administration Committee recommend to the Board that the Board adopt the Resolution establishing the Board-related roles of the interim vice presidents for finance and for administration as provided in Tab L, Attachment 1. The motion carried.

b. Internal Bank Annual Report

Schueler asked Green to provide background to the Committee about the first annual report on the University's Internal Bank. Green summarized the bank's purpose and asked Thomas Toepfer, a senior managing consultant at Public Financial Management, Inc., an independent financial advisory firm, to provide an overview of the Internal Bank and its 2015 annual report.

Following the presentation and discussion, a motion was made and seconded for the Committee to accept the FY2015 Internal Bank Annual Report. The motion carried.

After the Committee vote, Schueler adjourned the meeting for lunch at 12:20 p.m. and resumed the meeting at 12:55 p.m.

6. Education/Discussion Items

a. Committee Charter and Work Plan Alignment

Schueler asked Adams to summarize the docket showing alignment of the Committee's annual work plan to its areas of responsibility. Trustee Thorne suggested that staff could make a presentation at a future Committee meeting to educate the Board about scenario development and how it is being applied to plan for the future of the University.

b. FY2015 Financial Statement Analysis

Schueler asked Green to summarize the analysis of the FY2015 financial statements. Green reminded the Committee that the purpose of the analysis is to provide information on the financial health of the University, including comparison of key financial metrics over time and with peer data. Green made a presentation on the analysis, which covered the period FY2011-2015. Trustees thanked Green and his staff, noting their particular appreciation for charts that compared OSU with individual peers and with peer averages.

For charts showing comparison by year for current ratio of assets to liabilities, debt burden ratio, debt service coverage ratio, income statement leverage ratio, viability ratio, primary reserve ratio, return on net assets ratio, and net operating revenues ratio, Trustees requested that the charts include targets and minimum ratio acceptable.

c. 2017-19 Funding Request Process

Schueler asked Adams and Jan Lewis, director of administrative services, to provide an overview of the 2017-19 funding request process. Adams and Lewis made a presentation on the process and noted that two distinct and parallel processes are underway, one addressing operational requirements and the other, capital requirements. They noted that two major themes will likely affect the operations funding request process: the calculation of the current service level (CSL) and institutional priorities for Oregon's public universities. For the 2017-19 capital funding request, Adams described the categories of major capital projects and capital improvement and renewal projects for which funding will be requested. Schueler thanked staff for their presentation and noted the importance for the March meeting presentation of linking proposed budget requests with Strategic Plan 3.0. In closing, Adams noted the communication efforts, forums, and other student engagement activities underway related to the annual tuition-setting process.

7. Adjournment

With no additional business proposed, Schueler adjourned the meeting at 2:28 p.m.

Respectfully submitted,

Mark C. Huey
Assistant Board Secretary