



Executive and Audit Committee Meeting

Friday, December 18, 2015

1:30 - 2:30 pm (or until business concludes)

DeBoer Room, Hannon Library

MINUTES

Call to Order and Preliminary Business

Chair Bill Thorndike called the meeting to order at 1:36 p.m.

Roll Call

The following committee members were present: Bill Thorndike, Lyn Hennion, Paul Nicholson, April Sevcik and Judy Shih. No other board members were present.

Others in attendance included: Jason Catz, General Counsel; Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Sabrina Prud'homme, Board Secretary; Ryan Brown, Head of Community and Media Relations; John Stevenson, IT User Support Manager; Don Hill, Classroom and Media Services Manager; Mark Denney, Associate Vice President for Budget and Planning; Steve Larvick, Director of Business Services; Torii Uyehara, ASSOU President; and Kathy Park, Executive Assistant.

Brian Caufield, University Shared Services Enterprise, Director of Labor Relationships, participated in a portion of the meeting by telephone.

Consent Agenda

Trustee Sevcik moved to approve the October 16, 2015 minutes, amended to reflect Dr. Walsh's presence at the meeting. Trustee Hennion seconded the motion and it passed unanimously.

Public Comment

There was no public comment.

Faculty Negotiations Update - Executive Session [Pursuant to ORS 192.660 (2)(d)]

Chair Thorndike announced that, pursuant to ORS 192.660 (2)(d), the committee would go into executive session to conduct deliberations with persons designated by the governing body to carry on labor negotiations. Pursuant to ORS 192.660 (4), representatives of the news media were not allowed to attend this executive session; in any event, no members of the media were present. Pursuant to ORS 192.660 (6), no final action would be taken or final decision made in the executive session. Pursuant to ORS 351.020 (1), Trustees Slattery and Steinman, if present, would be excused from the session as they may not participate in any discussions or action by the board or attend any executive session of the

board involving collective bargaining issues that affect faculty or staff at any public university listed in ORS 351.011 (Oregon University System institutions); neither Trustee Slattery nor Trustee Steinman were present.

Mr. Caufield joined the meeting by telephone to provide the update, in executive session, on faculty negotiations. In addition to the remaining committee members, the following people also were permitted to remain for the executive session: Sabrina Prud'homme, Jason Catz, Kathy Park, Dr. Walsh, Ryan Brown and Mark Denney.

In concluding the executive session, Chair Thorndike re-opened the meeting and invited interested parties back into the room.

HECC Update

Dr. Walsh provided an update on SOU's presentation to the HECC. To start, six of the university presidents gave a presentation to the HECC. When asked what the HECC could do to help the presidents do their jobs better, PSU's president responded with "more cheering and less steering." Brian Fox gave a metrics update and each institution discussed its progress. EOU went first and had a different story to tell than SOU did. EOU's focus was on what they are going to do. That was in contrast to SOU's presentation, where they were able to talk about what already has been done and what SOU plans to do.

Dr. Walsh, President Saigo, Craig Morris, Dr. Karen Stone and Chris Stanek presented SOU's conditions report. They talked about the decision-making framework, mission refinement and accreditation, program rationalization process, core themes, university assessment, 40-40-20, student success initiatives, significant organizational changes and remaining challenges. Since the last report, SOU has a good story to tell.

The general consensus of the participants was the presentation went well and was well received. Chair Thorndike added that he had a brief conversation with Ben Cannon and he seemed very pleased with SOU's progress. Mr. Cannon is always looking into the future to see how the institution would manage a bump.

The HECC asked SOU to return in a year instead of two. Dr. Walsh reminded them that SOU has an evaluation in one year and suggested attaching something to that; HECC seemed to like that idea. Chair Thorndike said SOU has a lot going on with accreditation, the [search for a] new president, and future plans, and that anything SOU can do to expedite getting off of "probation" would be beneficial.

Discussion and Selection of External Auditor for SOU [Executive Session Pursuant to ORS 192.660 (2)(f)]

Chair Thorndike announced that, pursuant to ORS 192.660 (2)(f), the committee would go into executive session to consider information or records that are exempt by law from public inspection, specifically to have discussions about selecting an external auditor. According to Oregon State Standards for Procurement and Contracting 580-061-0110 (2) regarding disclosure, unless otherwise specified in the solicitation document, the name of the entity

submitting a bid or proposal should be the only information made public until notice of the intent to award or an award has been issued. The firms' bids are confidential.

Pursuant to ORS 192.660 (4), representatives of the news media were allowed to attend this executive session; however, no members of the media were present. Pursuant to ORS 192.660 (6), no final action would be taken or final decision made in the executive session.

In addition to the committee members present, the following people were permitted to remain for the executive session: Sabrina Prud'homme, Jason Catz, Kathy Park, Steve Larvick, Dr. Walsh, Ryan Brown and Torii Uyehara.

In concluding the executive session, Chair Thorndike re-opened the meeting and invited interested parties back into the room for the committee's selection of an external auditor.

In public session, Trustee Nicholson moved that the Executive and Audit Committee of the board select and appoint CliftonLarsonAllen as external auditors for the university; and with this action, authorize the Vice President of Finance and Administration, or his designee, to issue a Notice of Intent to Award to the firm; and further authorize SOU's General Counsel to negotiate and prepare for execution a contract between the parties, subject to mutually agreeable terms. In the event that the parties do not reach mutually agreeable terms, he further moved that the committee authorize the same course of action with the second-ranked firm, Moss Adams. It would be a three-year contract. Trustee Shih seconded the motion and it passed unanimously.

Discussion and Selection of Executive Search Firm for SOU Presidential Search [Executive Session Pursuant to ORS 192.660 (2)(f)]

Citing the same statutes and state standards as those applicable to the executive session for the external auditor selection earlier in the meeting, Chair Thorndike announced that the committee would go into executive session pursuant to ORS 192.660 (2)(f).

In addition to the committee members present, the following people were permitted to remain for this executive session: Torii Uyehara, Sabrina Prud'homme, Jason Catz, Kathy Park, Sue Walsh and Ryan Brown.

In concluding the executive session, Chair Thorndike re-opened the meeting and invited interested parties back into the room for the committee's selection of a search firm.

Trustee Hennion moved that the Executive and Audit Committee of the board select and appoint Parker Executive Search as the executive search firm of record for SOU's 2016 presidential search. She further moved that the committee authorize the Vice President of Finance and Administration, or his designee, to issue a Notice of Intent to Award to the selected firm and also authorize SOU's General Counsel to negotiate and prepare for execution a contract between the parties, subject to mutually agreeable terms. In the event that the parties do not reach mutually agreeable terms, she further moved that the committee authorize the same course of action with the second-ranked firm, Witt Kieffer.

Trustee Nicholson seconded the motion and it passed unanimously.

Trustee Hennion requested that the record reflect that it was a very close contest between the two finalists and that the Ad Hoc Search Committee very much appreciated the expertise and excellence of the finalists. Mr. Catz praised the work of the Ad Hoc Search Committee and Trustee Nicholson complimented Trustee Hennion as the committee chair.

Trustee Hennion discussed the next steps in the search. Parker Executive Search is aware of the January date for the board's retreat. She recommended having a reception so the trustees and Parker Executive Search members could meet each other prior to the retreat. Then, the board will seek the firm's expertise on determining the search committee composition, its duties and responsibilities, and the listening sessions with stakeholders.

Ms. Prud'homme added that the survey previously disseminated will be open until the end of December. She will prepare a separate instrument for the trustees to use to submit their input.

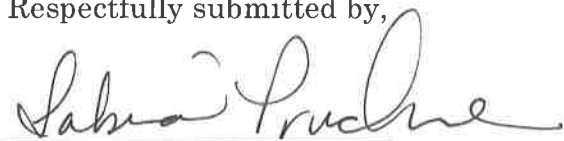
Chair Thorndike reiterated the appointment of a president is one of the most important jobs for the board to accomplish and he wants to have all the tools needed to make the very best choice. Trustee Hennion added that they are eager to receive input from all interested parties but noted it will ultimately be a full board decision. Chair Thorndike said it was important to gain President Saigo's support and the president will be pleased with the board's desire to have a search firm that is dedicated to quality and diversity.

Adjournment

Chair Thorndike adjourned the meeting at 3:20 p.m.

Date: JANUARY 22, 2016

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme", written over a horizontal line.

Sabrina Prud'homme
University Board Secretary