



**Board of Trustees  
Special Meeting**

**Thursday, February 18, 2016  
3:15 - 3:45 p.m. (or until business concludes)  
DeBoer Room, Hannon Library**

**MINUTES**

**Call to Order and Preliminary Business**

Chair Thorndike called the meeting to order at 3:15 p.m.

Chair Thorndike began the meeting by talking about his trip to Salem with President Saigo. All seven institution presidents and their board chairs were there. They had good meetings with legislators and the HECC and there was great value in everyone from the seven institutions being together. They were in Salem again for Student Lobby Day. They had good meetings with the representatives and Senator Bates and they appreciated having SOU students participate.

Chair Thorndike also thanked the trustees for their flexibility in scheduling this special meeting on short notice and thanked Trustee Sayre for allowing the board to use some of her committee's meeting time to conduct this meeting.

The following trustees were present: Chair Bill Thorndike, April Sevcik, Sheri Bodager, Lyn Hennion, Paul Nicholson, Teresa Sayre, Judy Shih, Dennis Slattery, Joanna Steinman and Steve Vincent. Trustees Les AuCoin and Filiberto Bencomo participated by video/teleconference. Trustees Jeremy Nootenboom and Shea Washington were absent. President Roy Saigo (ex officio) attended for a portion of the meeting.

Other meeting guests included: Dr. Susan Walsh, Provost and Vice President for Academic and Student Affairs; Jason Catz, General Counsel; Craig Morris, Vice President for Finance and Administration; Ryan Brown, Head of Community and Media Relations; Don Hill, Classroom and Media Services Manager; Gordon Carrier, Computing Coordinator; Sabrina Prud'homme, Board Secretary; Kathy Park, Executive Assistant; Treasa Sprague, Administrative Services Coordinator; Leo McCaffrey, SOU; Torii Uyehara, ASSOU; David Coburn, OSA; and Olena Black, League of Women Voters.

Trustee Vincent moved to approve the January 8, 2016 meeting minutes. Trustee Sevcik seconded the motion and it passed unanimously.

**Public Comment**

There was no public comment.

**Bond Funding to Replace SELP Loan for SOU Science Building: \$1.65M**

Introducing the item, Craig Morris referred to the letter he sent Representative Buckley

on February 1 and said that, when the Science building project was started two years ago, SOU wanted to add additional energy efficiency. SOU applied for a SELP (State Energy Loan Program) loan and was approved for \$1.65 million. However, SOU would not draw down the loan until completion of the project. In the meantime, the State Department of Energy (DOE) made some imprudent loans and is at a deficit of \$20 million. As a result, the Treasury Department recommended to the Governor's office that SELP no longer issue loans. At that time, the Treasury Department knew SOU had the loan but did not know the work had been completed. Everyone has been working hard to rectify the situation.

There are currently two solutions proposed but things are changing constantly. First, the Treasury Department is working on a solution involving XI-J bonds (which are SELP loan bonds) that may be sold this spring and used to fund SOU's loan. As a backup, the Legislative Fiscal Office (LFO) has included in the capital construction request that will go to the legislature in the next week or so, a proposal for \$1.65 million in XI-F bonds that would be sold in a year.

Mr. Morris requested from the board the authorization to ask the legislature to convert the SELP loan to XI-F or XI-J bonds or other solution the legislature may propose.

Responding to Trustee Vincent's question on whether the cost of debt between SELP and XI-F bonds is the same, Mr. Morris said they are trying to figure that out. The interest rate on SELP may be slightly higher than XI-F bonds. The benefit to the XI-J bonds is that they would be sold this spring, making funds available earlier than if XI-F bonds were used.

Trustee Vincent then asked if SOU will incur costs associated with the change and if the DOE's action was a breach of contract. He mentioned his prior experience with a similar issue in a different program. Mr. Morris said the executed loan document is a legal document but was not comfortable saying the State is in breach of contract with SOU, as key legislators and those involved from the Treasury Department and LFO are appalled that SOU is in this situation and are working together to rectify it.

Responding to Trustee AuCoin's follow-up question about whether SOU would absorb increased costs because of DOE's actions, Mr. Morris said he could not think of anything that would generate additional costs. However, a year from now, XI-F bonds might cost more than currently anticipated. If there were increased costs for SOU, Mr. Morris doubted the State would cover them. Mr. Morris hopes to get XI-J bonds. Responding to Trustee Sevcik's inquiry, Mr. Morris said SOU is the only entity this has affected.

Trustee Nicholson moved that the Board of Trustees authorize the Vice President of Finance and Administration, in consultation with the University President and the Chair of the Finance Committee, to pursue bond funding in the 2016 legislative session to replace SELP loan funds for the SOU Science Building. This authorization is for \$1.65 million in the form of XI-F(1) bonds, or other bonds as designated by the Treasury and Legislative Finance Office. This motion does not signify the board's or the committee's request or authorization to sell or issue the bonds. He further moved that, upon approval by the legislature of such bonds, the Vice President for Finance and

Administration shall submit to the board such additional resolutions and other considerations necessary for issuance of such legislatively authorized bonds.

Trustee AuCoin seconded the motion and it passed unanimously, with Trustee Hennion abstaining, citing a conflict of interest.

Trustee Sevcik asked if there was anything in writing that these bonds will be converted and SOU will not endure another curve. Mr. Morris said the LFO has already added the XI-F bonds to the capital construction request. Chair Thorndike noted that Liz Shelby has been very active in creating avenues with key legislators to resolve this problem.

### **Presidential Search Position Profile**

Trustee Hennion discussed the search committee's recent actions: working actively with Parker Executive Search, holding listening sessions, meeting to discuss feedback received and preparing the draft position profile. She asked for the trustees' comments on the draft position profile, but discouraged wordsmithing.

The trustees' discussion about the profile included 1) specific points of clarification about SOU's designation as the first Bee Campus in the United States, and that non-traditional candidates would not be ruled out; and 2) the request for appropriate modifications to best capture the nature and importance of SOU's relationships with OSF, JPR, and the Osher Lifelong Learning Institute. Following the discussion and recording of changes to the profile, Trustee Hennion moved that the Board of Trustees approve the position profile for the SOU President, as presented by the Presidential Search Committee and amended by the board. Trustee Sevcik seconded the motion and it was approved unanimously.

### **Presidential Search Committee Guidelines**

Trustee Hennion highlighted provisions in the guidelines that were distributed to the trustees for review. The search committee is developing the position description, prescreening applicants, interviewing selected applicants, and providing Chair Thorndike recommendations after completing those tasks.

Trustee Hennion moved that the Board of Trustees approve the search committee guidelines for SOU's 2016 presidential search, as presented by the Presidential Search Committee. Trustee Sayre seconded the motion and it passed unanimously.

Answering Trustee Steinman's question on the board's reengagement in the search process after the recommendations are provided to the board chair, Chair Thorndike said the board would be involved in the final selection.

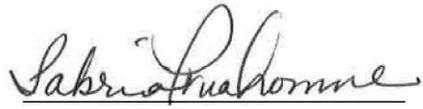
Trustee AuCoin asked how many candidates would be vetted and how many options the board would review. Trustee Hennion said Parker Executive Search recommended the board consider four finalists.

### **Adjournment**

Chair Thorndike adjourned the meeting at 3:46 p.m.

Date: April 15, 2016

Respectfully submitted by,

A handwritten signature in cursive script, reading "Sabrina Prud'homme", written in black ink. The signature is fluid and elegant, with a prominent initial 'S'.

Sabrina Prud'homme

University Board Secretary