

MINUTES

**UNIVERSITY OF WASHINGTON
BOARD OF REGENTS**

**Finance and Asset Management Committee
July 14, 2016
Bill & Melinda Gates Commons, Room CSE 691
Paul G. Allen Center for Computer Science & Engineering**

Call to Order and Attendance

Committee Chair Regent Jaech called the meeting to order at 8:30 a.m.

Committee Members Present: Jaech (Chair), Benoliel, Blake, and Harrell
Other Regents Present: Rice, Riojas, Shanahan, Simon, and Wright-Pettibone
Others present at the table: President Cauce, Provost Baldasty, and Faculty Senate Chair Beauchamp

Regent Jaech welcomed Regent Austin Wright-Pettibone to the Board. Regent Wright-Pettibone was appointed by Governor Jay Inslee as the student member of the Board for a one-year term beginning on July 1, 2016.

Approval of Minutes and Consent Agenda

Regent Jaech announced that hearing no objection the minutes from the Committee meeting on June 9, 2016 were approved, as presented, and item F-1 would be presented on the consent agenda.

Red Flag Rules – Identity Theft Compliance Program Annual Report (Information) (Agenda no. F-1)

Capital and Debt Update (Information) (Agenda no. F-2)

Chris Malins, Associate Vice President, Treasury, reviewed the materials distributed in advance of the meeting.

Mike McCormick, Associate Vice President, Capital Planning and Development, described how the capital plan is operationalized with minor adjustments to costs and funding to improve the target bottom line.

Regent Shanahan commented that the capital plan is a reconciliation and alignment of all the pieces and constraints to allow the University to understand the gaps in funding.

Deferred Maintenance (Information) (Agenda no. F-3)

Mike McCormick introduced Charles Kennedy, Associate Vice President, Facilities Services, who reviewed the slides distributed to Regents in advance of the meeting. UW hired Sightlines, an asset advisory firm, to perform a comparison of UW Seattle's facilities with its peers. Mr.

Kennedy also said UW led the formation of a consortium of PAC-12 universities to leverage buying power for commodities. Sightlines provided a comparison with other institutions for benchmarking. The peers are a mix of private and public schools located in urban settings. Regent Harrell asked about custodial work load at the UW.

Regent Benoliel questioned the peers Sightlines selected for comparison, pointing out many experience snow, humidity, and temperature variables that don't pose a challenge to facilities at the University of Washington. Mr. Kennedy replied the peers were clients of Sightlines, so the information was less costly to include.

Mr. Kennedy will return to the Board with a long-term strategy to close the facility maintenance gap. President Cauce reminded the Regents classroom refurbishing moved to a seven-year cycle.

Regent Shanahan summarized, saying the UW Seattle is a beautiful campus, and work to maintain it requires conscious and strategic choices. He asked Mr. Kennedy to list his "top three" deferred maintenance projects. Mr. Kennedy identified three systems: 1) central plant, 2) electrical distribution system, and 3) mechanical, electrical, and plumbing systems.

Seattle North Campus Housing Phase IV(b): Stage 1 Approval – Approve Site, Architect Selection, Architect Contract, Preconstruction Budget and GC/CM Contract (Action) (Agenda no. F-4)

Rob Lubin, Associate Director, Facilities & Capital Planning, Housing and Food Services, and Mike McCormick requested approval of the last phase of a ten-year master plan to improve and increase the number of "beds" on campus. This phase would demolish Haggett Hall and create two new residence halls. These Halls will be designed to offer lower rents. The first phase of this project will be funded by HFS reserves. Mr. Lubin said these buildings would continue to meet the high demand, currently 118%, for on-campus housing on the Seattle campus.

Regent Rice inquired about disability accommodations in the new residence halls and learned they are built to code plus fifty percent, including all common areas, to allow for students to participate in programming.

Regent Blake moved, Regent Harrell, seconded, and the Committee voted to approve item F-4 as presented.

Approval of a Resolution to Issue General Revenue Obligations for University Projects and for Refunding (Action) (Agenda no. F-5)

Bill Starkey, Senior Associate Treasurer, Asset Liability Management, Treasury, and Annette Sommer, Associate Treasurer, Asset Liability Management, Treasury, presented the item, seeking Board approval to issue bonds for UW projects which have already been approved. In reply to questions, they assured the Regents the item includes the flexibility to issue for a shorter term.

Regent Benoliel moved, Regent Blake, seconded, and the Committee voted to approve item F-5 as presented.

UWINCO Board Update and Investment Performance Quarterly Report – Quarter Ended March 31, 2016 (Information) (Agenda no. F-6)

Scott Davies, Chief Operating Officer, UWINCO, provide an update on investment performance with a focus on “Brexit.” Regent Shanahan commented on the need to plan trade-offs in the event of lower investment returns.

Adjourn

Regent Jaech adjourned the Finance and Asset Management Committee meeting at 9:50 a.m.

Approved at the meeting of the Committee on September 8, 2016.