Minutes

Board Members Present: Swati Adarkar, Erica Bestpitch, Gale Castillo, Sho Dozono, Maude Hines, Margaret Kirkpatrick, Thomas Imeson, Irving Levin, Rick Miller, Steff Shao, Lindsay Stewart, Peter Stott, Christine Vernier, Chair Nickerson, and President Wiewel (ex-officio)

Board Members Not Present: None

PSU Staff Present: Don Forsythe, David Reese, Kevin Reynolds, Dan Zalkow

1. Call to Order/Roll/ Declaration of Quorum

Chair Nickerson called the telephonic meeting to order at 9:01 am. Roll was taken, a quorum was present, and the meeting proceeded. The Secretary informed the Board that members of the public and media have access to the telephonic meeting by a conference call line linked to the trustee conference line. The Secretary noted that an amended meeting notice was published with the public call-in number.


The Board is asked to approve the issuance of State of Oregon General Obligation Bonds under Article XI-Q of the Oregon Constitution to address deferred maintenance needs on campus. The University carries a significant deferred maintenance backlog.

These bonds were authorized by the 2015 Legislative Assembly and the State Treasurer intends to sell these bonds in February 2017. The HECC recently informed PSU’s that its share of the $65 million in XI-Q bonds will be $10,841,080. This allocation is based on square footage of space.

These bonds are entirely State-paid debt towards deferred maintenance. The University will have no responsibility for debt service, this debt will not appear as a liability on our books, and it will not impact our debt or other financial ratios.

The Board’s Debt Management Policy requires all debt issuances for the benefit of the University greater than $5 million (whether it is University-paid debt or State-paid debt) to be approved by the Board. This debt for deferred maintenance purposes has not yet been approved by the Board. In order to comply with the policy and to honor the February bond sale timeline, approval from the Board is needed.

Trustee Stott asked how the deferred maintenance funds would be used; Zalkow explained the process for establishing and prioritizing deferred maintenance projects. Trustee Stewart asked
whether this amount is an increase over previous biennial State allocations; Zalkow indicated that it is an increase and President Wiewel explained that the universities had collectively focused on deferred maintenance during the previous legislative session. Trustee Dozono asked about our expectations for the upcoming legislative session; President Wiewel indicated that the Governor’s Recommended Budget includes the same total amount for deferred maintenance ($65 million). Zalkow was asked whether this allocation allows the University to make headway on its deferred maintenance backlog; he indicated that it certainly helps, but does not overcome a backlog that grows by approximately $10 million per year. Stott asked whether it is the University or the State that is responsible for maintenance of University buildings; Reese stated that, although title to real property used by the University is held in the name of the state, it is the University that is responsible for the use and maintenance of the property.

Chair Nickerson asked for a Motion to Approve the Resolution.

ACTION: Stott made a Motion to Approve the Resolution Approving the Issuance of State of Oregon General Obligation Bonds for Capital Repair, Renewal, and Accessibility Project (Deferred Maintenance). Dozono seconded. A roll call vote was taken. The Motion was adopted unanimously.

3. Adjourn

Chair Nickerson adjourned the meeting at 9:21 am.