Call to Order and Attendance

Committee Chair Regent Jaech called the meeting to order at 10:30 a.m.

Committee Members Present: Jaech (Chair), Ayer, Benoliel, Blake, and Harrell
Other Regents Present: Kritzer, Rice, Riojas, Shanahan, and Simon
Others present at the table: President Cauce, Provost Baldasty, ASUW President Wu, GPSS President Bolton, and Faculty Senate Chair Beauchamp.

Approval of Minutes and Consent Agenda

Regent Jaech announced that hearing no objections the minutes from the Committee meeting on May 12, 2016 were approved by acclimation, as presented.

UW One Capital Plan (Information) (Agenda no. F–1)

Paul Jenny, Senior Vice President of Planning and Management, presented the One Capital Plan. Mr. Jenny is leaving the University to become the Senior Vice Chancellor for Finance and Administration at the University of California, San Francisco. He said he is proud of the team he assembled while at the UW. Regent Shanahan presented Mr. Jenny with a letter of appreciation, thanked him for his service to the University, and wished him well.

Chris Malins, Associate Vice President, Treasury, was present to answer questions about the Monthly Debt Report.

2018 Campus Master Plan Update (Information) (Agenda no. F–2)

Theresa Doherty, Senior Project Director, Planning & Management; Paul Jenny; and Rebecca Barnes, University Architect, Associate Vice Provost, Campus/Capital Planning, presented the update on the Campus Master Plan, saying it offered a long-term vision for sustainable campus development. They described the role of the Architectural Commission and Landscape Advisory Committee in the Plan’s development.

In answer to a question about transportation assumptions, Ms. Doherty said the current parking limit on the Seattle campus is 12,300 cars and the current utilization is about 11,000. The Plan maintains the parking cap, but allows for moving the spaces to where they are needed.

Approve Intercollegiate Athletics Financial Stability Plan Action) (Agenda no. F–3)
Jennifer Cohen, Athletic Director; Chris Malins; and Stephanie Rempe, Senior Associate Athletic Director, presented a Financial Stability Plan for Intercollegiate Athletics for Board approval, as described in the materials distributed in advance of the meeting. Ms. Cohen reported ICA hired a CFO, Kate Cullen, currently a staff member at the UW in the Foster School of Business.

During the presentation, a crowd assembled and chanted loud demands, mainly about TA appointments. Regent Jaech warned them they were disrupting the meeting and asked them to either be quiet or leave the room. He then announced that the orderly conduct of the meeting was infeasible due to the interruption of a group of persons and declared the meeting recessed for five minutes. Following the recess, the Committee meeting reconvened and the report continued.

Regent Jaech commented the multimedia rights “signing bonus” made ICA’s numbers look better, but while it was not improper, it did not represent fiscal reality.

Dr. Beauchamp commented that faculty members believe in the mission of ICA and invited Ms. Cohen to attend Senate meetings and let the faculty know how it can be helpful. He emphasized the goals of partnership and transparency. Ms. Cohen said she plans to increase these partnerships.

Ms. Blake encouraged transparency, saying ICA hid a problem Regents should have dealt with.

Regent Shanahan requested a follow-up report at the October meeting of the Board, and asked that it include costs and explore revenue opportunities. He suggested ICA, “work the top line and the bottom line, and include risks.”

Regent Blake moved, Regent Benoliel seconded, and the Committee voted to approve the Intercollegiate Athletics Financial Stability Plan.

**Audit Advisory Committee Update (Information) (Agenda no. F–4)**

Kristi Blake, Regent and Audit Advisory Committee Chair, provided a report from the meeting on Wednesday, June 8. The Committee discussed financial transformation (the Finance Modernization project). Offering lessons learned from the HR/Payroll Project, they encouraged the team to do as much work as possible internally before engaging consultants. Concerns were expressed about the overall project cost, which is included in the UW’s capital plan, and it was noted this will be a huge undertaking. Work continues to strengthen internal controls and financial statement processing. While the rate of progress is good, there is a need to go deeper into the process.

The contract for external audit services is currently out for bid (required every ten years). There has been interest from firms. Only large firms have the capacity to handle the UW’s work, but smaller firms can participate. The RFP included ways to engage minority and women-owned businesses in the process.

The Committee received a status report on the internal audits and heard they were fine.

Staff from KPMG attended the meeting and introduced a new audit partner, who is filling in on UW’s team during a leave of absence.
Regent Blake thanked Regent Kritzer for her participation on the Audit Advisory Committee during the past year.

Richard Cordova, Executive Director, Internal Audit, contributed to the report.

Adjourn

Regent Jaech adjourned the Finance and Asset Management Committee meeting at 11:20 a.m.

Approved at the meeting of the Committee on July 14, 2016.