

UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

**MINUTES OF THE MEETING OF THE
COMMITTEE ON ADMINISTRATION AND FINANCE**

Wednesday, August 16, 2006; 8:00 a.m.
Amherst Room
225 Franklin Street – 33rd Floor
Boston, Massachusetts

Committee Members Present: Chair O’Shea; Chair Karam; Trustees Kulenovic, Leiblum, Sheridan and White

Committee Members Absent: Trustees Albano, Dubilo, King-Shaw and Mahoney

University Administration: President Wilson; Interim General Counsel Bench; Vice Presidents Chmura, Gray, Julian, Lenhardt and Motley; Chancellors Lombardi, Collins, MacCormack, MacKenzie and Lazare; Ms. Wilda, University Controller; Vice Chancellors for Administration and Finance Hatch, O’Connor, Zekan and Griffin; Deputy Chancellor Stanton; Mr. Harrison, Director of Auditing; Associate Vice President Harrington; Mr. Naughton, Budget Analyst; Mr. Martin and Mr. Carino, Procurement Department; Provost Fonteyn

Faculty Representatives: Professors O’Connor, UMASS Amherst; Professor Ashrafi, UMASS Boston; Professor Gibbs, UMASS Dartmouth; Professor Carter, UMASS Lowell

Chair O’Shea convened the meeting at 8:05 a.m. and welcomed Trustees Kulenovic and Leiblum to their first meeting. He also outlined the important issues before the Committee and thanked Trustee Ned Dubilo for his service as Chair of this Committee.

The next item was the **President’s Report**. President Wilson reported on the status of the Parking Garage at UMASS Boston and the appointment of Catherine Smith to lead the UMASS Foundation.

President Wilson noted the progress that has been made in the areas of maintenance and repairs to upgrade our buildings and grounds but stressed that more work has to be done. The substantial increases in both state dollars and funds from external fundraising are necessary and we must continue to monitor the condition of our facilities.

The next item was **Consideration the Minutes of the Prior Meeting of the Committee**. It was moved, seconded and

VOTED: To approve the minutes of the May 17, 2006 meeting of the Committee.

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The next item was the **Vice President's Report**. Vice President Lenhardt limited his remarks due to the length of the agenda, noting the documents distributed at today's meeting: Executive Summary: FY07-FY011 Capital Plan and a State Appropriation Update.

The next item for discussion was the **University Procurement Program**. Mr. John Martin and Mr. Peter Carino provided an overview of the University's procurement program including initiatives and strategic goals of the University's Purchasing Council.

The Purchasing Strategic Goals include cost reduction and stabilization, control of commodity prices, reduction of maverick spending, increased contract spending from 25% to 45% and increased spending on women, minority and at-risk vendors.

Chair Karam inquired about the methods used to measure performance as far as achieving the purchasing strategic goals. Mr. Martin indicated that benchmarks are used when determining these activities. Trustee White congratulated the campuses for working together toward these goals.

The next item was **Proposed Deferred Maintenance Ratio, UMASS Amherst**. Vice President Lenhardt and Vice Chancellor Hatch provided information related to deferred maintenance costs and how the University finances the extensive capital activity. The Amherst campus has been reviewing various measures of performance and methodologies for tracking progress when addressing campus capital needs.

The next item was **Financing Capital Activity**. Vice President Lenhardt reported that the University uses a combination of revenue sources to fund its investment in capital improvements that include state general obligation bonds funds, the UMASS Building Authority/Massachusetts Health and Educational Facilities Authority, operating funds and external funding (private giving).

The first item for action was **Approval of FY2007-2011 University Capital Plan**. Vice President Lenhardt provided an overview of the history of the University's borrowing, priority projects and the return on physical assets.

Over the next five years the University will need to invest a significant amount of its own operating funds in capital projects. Progress has been made but there is much to be done to maintain, repair and upgrade our buildings. The Board is being asked to approve the University's Capital Plan for the five year period of FY2007 to FY2011.

Chancellor Collins then briefed the Committee on recent developments with the Boston campus garage which was closed on July 19th. Recently pipe sections fell which meant a plan was put in place that rerouted electrical and plumbing access.

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An engineering report from Simpson, Gumpertz and Heger outlined a capital plan that included the planning for a new academic building. Some of the planning initiatives include \$1 million in funding from DCAM, a steering committee being organized, a communications program being developed and the need to study the campus' need to accommodate its strategic and academic goals.

Chancellor Collins indicated that there is a plan in place to accommodate the parking challenge once classes start. Chair Karam stressed the need to have confirmation from the engineers about the reasons for the ceiling failure. Chancellor Collins indicated that it would take a year's time to put a strategic plan together and he thanked Vice Chancellor O'Connor for her work on this project.

Trustee McCarthy commended the Chancellor for his diligence on this matter.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

Pursuant to Trustee policy T93-122, to approve the following new capital projects:

<u>Project Name</u>	<u>Total Project Cost Est.</u> <u>Jun-06</u>
<u>Amherst Campus</u>	
ISB Backfill Renovations	\$18,000,000
Bartlett Façade Phase II	\$15,000,000
Police Facility	\$10,000,000
Modular Swing Space	\$9,480,000
East-West Electrical Tie	\$7,000,000
ISB Research Floor Fit-Out	\$7,000,000
Fine Arts Center Piping Replacement	\$6,000,000
FAC fire protection (sprinkler system)	\$5,500,000
Nanotechnology Grant Match	\$5,000,000
West Experiment Station roof replacement	\$5,000,000
Deferred Maintenance Repairs Pool	\$4,000,000
Morrill HVAC Repairs	\$4,000,000
Gladchuck practice field artificial turf	\$3,000,000
ATG North Pleasant St. Property Purchase	\$2,500,000
University Apartment Demolition	\$2,200,000
Science Facility DM	\$2,000,000
Chenoweth Vent/Exhaust	\$2,000,000
Boyden elevator	\$1,900,000
University Club structural repairs	\$1,820,000

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Facilities and Campus Planning Offices	\$1,800,000
Morrill Roof and Façade Repair	\$1,600,000
Campus-wide security system	\$1,600,000
Animal Care Facility	\$1,500,000
Art Modular Space	\$1,500,000
FAC fire alarm	\$1,500,000
Furculo elevator	\$1,500,000
Replace Tennis Courts	\$1,400,000
E-Lab Roof and Masonry Repairs	\$1,400,000
New Faculty Renovations	\$1,200,000
McGuirk Stadium Artificial Turf	\$1,200,000
Hasbrouck Fire Alarm	\$1,200,000
Tobin Structural Repair	\$1,000,000
Machmer roof and window replacement	\$1,000,000
UMA Total (projects more than \$1M)	\$130,800,000

Boston Campus

Entry/Egress doors	\$2,300,000
Clark Sloped Glazing	\$1,500,000
UMB Total (projects more than \$1M)	\$3,800,000

Dartmouth Campus

Biomanufacturing Building	\$10,000,000
Fitness Center Expansion	\$4,800,000
Locker and Training Room Renovations	\$3,000,000
Purchase Street Building	\$9,500,000
UMD Total (projects more than \$1M)	\$27,300,000

Lowell Campus

Lab Upgrades	\$20,000,000
Wannalancit Mills	\$15,500,000
Mahoney Renovations	\$12,900,000
Eames Hall Renovations	\$7,500,000
Smith Hall Renovations	\$7,500,000
Fox Hall Renovations	\$7,000,000
Olney Hall Renovations	\$6,800,000
UML South Tennis	\$6,000,000
Steam Plants	\$5,725,000
UML East Residence Halls	\$5,000,000
Pinanski Renovations	\$4,200,000

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Weed Hall Renovation	\$3,500,000
Ball Hall renovation	\$3,225,000
North Storm Water Management	\$3,000,000
UML East Maintenance Facility	\$3,000,000
Durgin Hall Expansion	\$2,875,000
Concordia Renovations	\$2,500,000
Engineering hall renovation	\$2,500,000
Durgin Hall Upgrades	\$2,165,000
Dugan Hall Renovations	\$2,060,000
WUML Construction	\$1,750,000
Cumnock Hall Renovations	\$1,600,000
IPI	\$1,250,000
Olsen Hall Upgrades	\$1,250,000
McGauvran Renovations	\$1,000,000
UML Total (projects more than \$1M)	\$129,800,000

Medical School

Worcester Campus	
Deferred Maintenance List - Priority 3	\$28,000,000
Replace Substations	\$9,000,000
Complete CHW and Steam Loop on Campus	\$3,000,000
Deferred Maintenance List - Priority 2	\$3,000,000
Renovate Amphitheaters 2 and 3	\$3,000,000
Construct new Electrical Room at the Power Plant	\$2,300,000
Balance of Plant Controls	\$2,150,000
Replace Domestic Water Lines	\$1,500,000
Pressurize Egress Stairs	\$1,000,000
Jamaica Plain Campus	
Electrical service upgrade	\$3,100,000
Architectural, Roofing and Site Upgrades	\$2,000,000
Biolab roof replacement	\$1,500,000
Shriver Campus	
Piping, Plumbing & Restroom Upgrades	\$2,203,680
Electrical System Upgrades	\$1,145,760
WCCC Properties	
MBL - Mattapan R & D and Office Building	\$50,000,000
MBL - Mattapan New Vaccine Production & Warehouse	\$35,000,000

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UMW Total (projects more than \$1M)	\$147,899,440
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Total University New Projects more than \$1M	\$439,599,440
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And further,

To approve the following revised project cost estimates for previously approved capital projects:

Campus	Initial Total Proj. Cost Est.	Revised Total Proj. Cost Est. as of June 2006
Amherst		
Housing Steamline	\$1,500,000	\$1,908,000
Central Campus Steamline Replacement	\$4,700,000	\$6,700,000
Dubois Library Interior Repairs	\$10,800,000	\$13,000,000
New Auditorium	\$8,000,000	\$11,000,000
Art Building	\$17,500,000	\$21,000,000
Polymer Chiller Replacement	\$675,000	\$1,210,000
Bartlett Façade Replacement	\$4,800,000	\$15,600,000
Boston		
Fire Alarm Panels	\$2,000,000	\$6,900,000
Seawall & Promenade repairs	\$1,000,000	\$2,000,000
Building envelopes	\$8,000,000	\$88,300,000
Utility Plant Roof repairs	\$2,000,000	\$2,700,000
Critical academic renovations	\$6,500,000	\$12,697,615
Catwalk repairs	\$810,000	\$1,400,000
Marine Operations vessel	\$1,100,000	\$1,700,000
New Science & Technology Building	\$26,250,000	\$42,000,000
Dartmouth		
Research Building Extension	\$12,000,000	\$17,000,000
Lowell		
Allen House Renovation	\$1,833,000	\$3,108,000
Coburn Hall Renovation	\$3,500,000	\$8,200,000
UML North Quad Modernization	\$10,250,000	\$21,900,000
North Electrical Infrastructure	\$2,500,000	\$5,000,000

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Elevator Upgrades	\$1,850,000	\$3,500,000
Landscape Improvements	\$5,000,000	\$8,200,000
Lydon Library Modernization	\$2,500,000	\$3,500,000
Worcester		
Advanced Education and Clinical Practice Center	\$35,000,000	\$90,000,000
Campus Landscape	\$500,000	\$1,500,000

And further,

To approve the FY2007 to FY2011 University Capital Plan as described in Doc. T06-040.

And further,

With respect to any or all of the projects identified in the said University Capital Plan as described in Doc. T06-040, to authorize the President of the University and such other officers of the University as he may designate (the President and each such other officer referred to herein as an "Authorized Officer"), each acting singly, in the name and on behalf of the trustees, the University or the Commonwealth, as appropriate, (a) to effectuate the financing of one or more or all of such projects by such means as such Authorized Officer shall deem advisable, including without limitation by requesting in writing the University of Massachusetts Building Authority, the Massachusetts Health and Educational Facilities Authority, the Massachusetts Development Finance Agency or any other statutorily qualified issuer in the Commonwealth to issue debt therefore, or to request the Worcester City Campus Corporation to effectuate the financing thereof through any such issuer of debt, so long as the estimated total project cost does not exceed the estimated total project cost listed in Doc. T06-040 by more than 20% (exclusive of capitalized interest, debt service reserve funds, cost of issuance of the obligations, costs of bond insurance or other credit enhancement and other cost of the financing), and, (b) in connection with any such financing, to take such actions (including without limitation the execution of the guaranty of the Commonwealth on any obligation guaranteed by the Commonwealth), secure such governmental approvals, execute such agreements (including without limitation contracts for financial assistance, management and services, contracts for management and services or leases or subleases) containing such provisions and provide for such terms and sources of repayment, all as such Authorized Officer shall deem advisable and as may be required or permitted by law, including without limitation St.

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1960, c. 773, §19A, as amended, and St. 1992, c. 138, §15A, as inserted by St. 2000, c. 159, §303. (Doc. T06-040)

The next item was **Resolution Authorizing Requests for Initiation by University of Massachusetts Building Authority of University Projects.**

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

WHEREAS, the University of Massachusetts Building Authority (the “Building Authority”) was created by Chapter 773 of the Acts of 1960 of The Commonwealth of Massachusetts (the “Commonwealth”) (said Chapter 773, as amended, being hereinafter called the “Enabling Act”) as a body politic and corporate and a public instrumentality of the Commonwealth;

WHEREAS, the Building Authority was created by the Enabling Act for the general purposes of aiding and contributing to the performance of the education and other purposes of the University of Massachusetts (the “University”) by providing dormitories, dining commons and other buildings and structures for the use of the University, its students, staff and their dependents and for lease to or use by an organization or association, in any form, of students or others the activities of which are a part of the activities at the University and subject to regulation by the Board of Trustees of the University (the “Trustees”), a research, foundation or other research organization the operation of which in conjunction with the University is approved by the Trustees or any other entity the activities of which are approved by the Trustees as furthering the purposes of the University;

WHEREAS, in the judgment of the Trustees it is in the best interests of the University, its students, staff and their dependents and said organizations that the Building Authority initiate the projects described below;

NOW, THEREFORE,

1. Each of the President and the Vice President for Management and Fiscal Affairs and Treasurer of the University, acting alone, be and each, acting alone, hereby is authorized in the name and on

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behalf of the Trustees to make a written request of the Building Authority that the Building Authority initiate:

(a) Any or all of the projects set forth in the University of Massachusetts FY2007 to 2011 University Capital Plan (Trustee Document T06-040); and

(b) Any other construction of or respecting or renovation, repair, remodeling or other work in or upon or respecting any building or structure owned or used by the University or the Building Authority, or the provision, installation, renovation, repair or remodeling of or other work upon or respecting any furnishings, furniture, machinery, equipment or facilities with respect to any such building or structure, all as may be requested of the Building Authority in writing from time to time by either, acting alone, of the President or the Vice President for Management and Fiscal Affairs and Treasurer of the University, the making of any such request being hereby authorized.

2. The projects to be initiated by the Building Authority in accordance with any request authorized to be made in Section 1 of this resolution may in the discretion of the Building Authority be undertaken separately or together for financing purposes.

3. The President of the University, the Vice President for Management and Fiscal Affairs and Treasurer of the University and all other officers of the University, each of the foregoing acting alone, be and each, acting alone, hereby is authorized to request the Commissioner of Administration to approve in writing the undertaking by the Building Authority of the projects a request for which is hereby authorized and to do such other things and to take such other action as the officer or officers so doing or acting shall, as conclusively evidenced by their doing the things or taking the action hereby authorized, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

4. This vote is intended as the expression of the University's "official intent" under Section 1.150-2(d)(1) and (e) of the regulations promulgated by the United States Treasury Department under the Internal Revenue Code of 1986, as amended, toward the issuance of revenue bonds under the Enabling Act or other applicable legislation for financing and refinancing the cost of any or all of the projects described in paragraph 1(a) or paragraph 1(b) above. (Doc. T06-043)

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The next item was **Authorization to Purchase Property Adjacent to the Amherst Campus**. Chancellor Lombardi reported that the purchase of this property would allow the Amherst campus to expand its boundary to the north. It is a major gateway to the campus and the acquisition will allow the campus to control and enhance the gateway.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

To authorize the Amherst campus to purchase property located at 750 North Pleasant Street in Amherst adjacent to the campus at a cost to be negotiated by the Commonwealth of Massachusetts Division of Capital Asset Management and approved by the President of the University or his designee. (Doc. T06-046)

The next item was **Declaration of Official Intent for Financing Project, UMASS Amherst**. Vice President Lenhardt reported that these potential improvements will make possible the distribution of electrical power generated by the new Central Heat Plant to the building on the east side of the Amherst campus.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

That the University reasonably expects to incur debt to reimburse expenditures, including expenditures made within the last 60 days, temporarily advanced from internal funds or internal loans for the design, construction and acquisition of electrical system improvements at the Amherst campus, the maximum principal amount of debt expected to be issued for such project, including for reimbursement purposes, being \$7,000,000.

These improvements, popularly known as the East-West Tie, will make possible the distribution of electrical power generated by the new Central Heat Plant to buildings on the east side of the campus. (Doc. T06-051)

The next item was **Authorizations to Meet Requirements of Chapter 122 and Chapter 123 of the Acts of 2006**. Vice President Lenhardt reported that the signing into law of two bills provided more than \$80 million in new direct funding for capital improvements and operations and an additional \$44 million in new capital authorizations for critical University facilities. The President would be authorized to take all actions necessary to make all transfers and allocations of these funds.

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It was moved, seconded and

VOTED: To recommend that the Board take the following action:

To authorize the President to take any and all actions necessary or required to effectuate the transfer and allocation of funds to the University and the University of Massachusetts Building Authority and to take any other actions necessary to meet the requirements of Chapter 122 and Chapter 123 of the Acts of 2006 that pertain to the University of Massachusetts. (Doc. T06-047)

The next item was **Establishment of the John Joseph Moakley Chair, UMASS Boston.** Chancellor Collins reported that several parties, including the Moakley Foundation, have contributed \$1.1 million for the establishment of this Chair in International Peace and Reconciliation. The Endowed Professorship will be located in the McCormack Graduate School of Policy Studies and will focus on international peace through the promotion of research, teaching and service.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws, to establish an endowed chair in international peace and reconciliation at the University of Massachusetts Boston to be known as the John Joseph Moakley Chair in International Peace and Reconciliation. (Doc. T06-048)

The next item was **Establishment of the Leo P. and Teresa M. LaChance Chair, UMASS Medical School.** Chancellor Lazare reported on the LaChance's and their long time collaboration with the Massachusetts Department of Mental Retardation in support of activities that promote understanding and treatment of mental retardation. The faculty member that will hold this Chair will address the challenges of individuals with the dual diagnosis of mental retardation and mental illness/behavioral problems.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

In accordance with Sections 1A(e) and 11 of Chapter 75 of the General Laws, to establish an endowed chair in mental retardation and behavioral health at the University of Massachusetts Medical School to be known as Leo P. and Teresa M. LaChance Chair in Medical Retardation and Behavioral Health. (Doc. T06-049)

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The next item was **Establishment of the Isadore and Fannie Foxman Chair in Cancer Research, UMASS Medical School**. Chancellor Lazare reported that the Foxman Chair is being established in the honor of Norty Foxman's parents. The faculty member appointed to this Chair will work for the advancement and fulfillment of research in cancer.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws, to establish an endowed chair in mental retardation and behavioral health at the University of Massachusetts Medical School to be known as the Isadore and Fannie Foxman Chair in Cancer Research. (Doc. T06-052)

The next item was **Naming of the Library, UMASS Dartmouth**. Chancellor MacCormack reported on the anonymous gift as the lead contribution in the Dartmouth campus' \$10 million Library campaign. The agreement for this gift includes the naming of the Library in honor of Claire T. Carney, an alumna and former Trustee. Ms. Carney is a faithful donor to UMASS Dartmouth and the naming of the Library in her honor would be the first building on campus to be named for a woman.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

To approve the naming of the Library for Claire T. Carney at the University of Massachusetts Dartmouth. (Doc. T06-056)

The next informational item was **Fiscal Year 2007 State Budget Update**. Vice President Lenhardt reported that in recent weeks a number of budget bills have been passed – these actions will provide more than \$152 million in new funding for capital improvements and an additional \$44 million in new capital authorizations for critical University facilities. In addition to the FY07 State appropriation there was information that included the Supplemental Appropriation Act, and the Economic Stimulus Bill.

The meeting adjourned at 10:05 a.m.

Barbara F. DeVico
Secretary to the Board of Trustees