

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER

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

Wednesday, September 12, 2012; 8:00 a.m.

Amherst Room

225 Franklin Street – 33rd Floor

Boston, Massachusetts

Committee Members Present: Chair Woolridge; Trustees Campbell, Furman, Gomez, Healy, Karam, King-Shaw, Marvel, Mullan and Peters; Ms. Lee (representing Trustee Reville); Chairman Thomas

Committee Members Absent: Vice Chair Collins; Trustees Johnston, Lee, and Reville

University Administration: President Caret; Senior Vice President Wilda; General Counsel Heatwole; Chancellors Collins, Grossman, Meehan, Motley and Subbaswamy; Budget Director Naughton; Ms. Craven, Executive Director UMass Building Authority

Faculty Representatives: Professor Adrion, UMass Amherst; Professor Tirrell, UMass Boston; Professor Carter, UMass Lowell

Chair Woolridge convened the meeting at 8:21 a.m. and welcomed Trustee Thomas to his first meeting as Chairman of the Board.

Chair Thomas stated that the work of the Committee on Administration and Finance is critically important to the present and the future of the University. He also acknowledged and thanked former Chair, James Karam, for his friendship and mentorship, and indicated that Trustee Woolridge would remain Chair of this Committee.

Reports:

Chair's Report:

Chair Woolridge welcomed the Committee and provided an overview of activities currently underway relating to the finances of the University, including the completion of Fiscal Year 2012 financial statements, the year end audit, and the engagement with the Executive Office for Administration and Finance relating to the Patrick Administration's five-year Capital Plan. Chair Woolridge then updated the Committee on the latest tax revenue collections reported by the State's Department of Revenue. He reviewed the action items before the Committee as well as discussion items on the agenda.

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President's Report:

President Caret briefed the Committee on a recent report titled "The Financially Sustainable University," prepared by Bain & Company and Sterling Partners in which all four of the University's undergraduate campuses were ranked in the top-tier for financial soundness. The report identifies a series of indicators that universities should carefully monitor including having a limited endowment, a growing debt burden, a risk to government funding, and an increased reliance on tuition revenue.

President Caret reported that while the University's endowment has grown immensely in the last 15 years, it still is far from the \$1 billion mark. Additionally, the University's average annual interest expense is growing more than twice the rate of the increase in instruction expense. The University has also witnessed stagnant state support despite explosive enrollment growth and tuition represents an increasingly greater percentage of the University's revenue, growing from 25 percent in FY09 to 32 percent in FY13.

The President concluded by stating that Governor Patrick has pledged to direct at least 10 percent of the state's capital spending to higher education with approximately \$1 billion dedicated to University projects from FY09-18. The current capital plan anticipates that the state will support approximately 28 percent of the projected capital activity at the campuses and the University is engaged with the Administration to ensure that this level of funding remains committed.

Consideration of Minutes of the Prior Meeting of the Committee:

Chair Woolridge stated that the Committee had been provided with draft minutes for the June 5, 2012 meeting and asked for any corrections. There were no corrections so the minutes were deemed approved.

Senior Vice President's Report:

Senior Vice President Wilda informed the Committee that the University's external audit was moving along well and the resulting financial statements would be presented to the Board in December. She also updated the Committee on the President's Office continued engagement with the Executive Office for Administration and Finance as it relates to the development of the Patrick Administration's five-year Capital Plan.

Efficiency & Effectiveness Task Force Update:

Trustee Furman briefed the Committee on the Efficiency & Effectiveness Task Force which met in July. The goal of the Task Force is to promote efficiency within the University by deploying a more centralized approach in a variety of areas and quantify these efforts. A series of working groups have been scheduled to focus on a number of areas including an e-procurement initiative, library services, travel services, energy, information technology as well as academic efficiencies.

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Action Items:

Budget Director Naughton presented the University's **Capital Plan**. Chair Woolridge asked for questions or discussions.

Budget Director Naughton reported that the FY13-17 capital program includes major campus initiatives underway across the system. Within the \$3.1 billion planned spending over the next five years, \$1.8 billion is new construction, \$1 billion is maintenance and renovation and the rest is earmarked for information technology upgrades, new equipment and other improvements. The University has rising debt levels from \$100 million in FY08 to \$200 million in debt service in FY17.

Chair Woolridge asked about the assumed rate of the \$200 million and about the latest yield. Budget Director Naughton replied that the rate was assumed at 4.5 percent and the latest yield was 3.6 percent. He also stated that \$882 million in state funding had been requested, and critical negotiations were still underway. There were concerns that the state would not come through with the promised funding. Chancellor Meehan provided an example, that the Lowell campus had received \$10 million in private funding for a \$40 million project, contingent on state funding. Chair Woolridge stated that it would be helpful to the Committee to know if other projects could be affected by this type of scenario. Budget Director Naughton replied that a few projects in this position were scattered throughout the system. Trustee Karam added that just because the bond bill authorized the funding does not mean that the money is there and that it is up to Chancellors on each campus to prioritize.

Budget Director Naughton also reported that the five-year plan covered 249 projects, including 10 projects totaling \$43.3 million new projects to this year's Capital Plan. He then presented high-level summaries of the five-year projects on each campus: the Amherst campus projects include new Life Sciences laboratories and new residences at Commonwealth Honors College (\$1 billion); the Boston campus is completing its Integrated Sciences Complex and a utility, corridor and roadway relocation project (\$890 million); the Dartmouth campus projects include a new academic building and repairs to four of the oldest residence halls (\$286 million); the Lowell campus projects include the development of University Crossing and the completion of the 3rd and 4th floors of the new Emerging Technologies and Innovation Center (\$513 million); and the Worcester campus projects include the completion of the Sherman Center (\$258 million).

Chair Woolridge stated that the Board of Trustees would be voting on the Capital Plan which included projects that would be completed in the next 24 months, projects whose total project cost increased by more than 20 percent from the existing Board-approved amount and on a resolution authorizing the UMass Building Authority to execute projects and related financing activities.

Chair Thomas asked if the University was aggressive enough with regard to deferred maintenance challenges on the campuses. President Caret commented that each Chancellor had a charge that 1 percent of the budget must be spent on deferred maintenance and going forward, each new building has 3.5 percent set aside for deferred maintenance.

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Trustee Furman asked if there were any public/private partnerships underway. Executive Director Craven responded that the UMass Building Authority Board has recently created a Public/Private Partnerships Committee, which Trustee Mullan will be asked to Chair, to look at this topic. She added that there is a trend in higher education that universities no longer want to run golf courses, garages, etc.

Chair Woolridge stated that the Committee needed to vote on approval of the Capital Plan. It was moved and seconded:

To recommend that the Board take the following action:

Pursuant to Trustee policy T93-122, to approve the following capital projects identified in Appendix A of the University Capital Plan as described in Doc. T12-062:

Projects for Board of Trustee Approval

A. Projects New to the Capital Plan with activity to commence by FY14:

Campus	Priority	Project Name	Cost Estimate August 2012	FY13-17 Spending
Amherst	36	Water tank repairs	\$1,000,000	\$1,000,000
Amherst	41	Whitmore deferred maintenance	\$14,000,000	\$14,000,000
Boston	Bl.03	Healey Building: Replace Plaza Level Waterproofing	\$4,000,000	\$4,000,000
Boston	Bl.07	Clark Athletic Center Ice Rink: Replace Chiller Unit	\$1,000,000	\$1,000,000
Boston	Bl.08	Clark Athletic Center: Repair South-facing Façade on Ice Rink facility	\$1,000,000	\$1,000,000
Boston	Bl.14.02	Service and Supply Building: Install Fire Suppression System and Upgrade Fire Alarm System	\$2,300,000	\$2,300,000
Dartmouth	7	Security Installation Project	\$7,000,000	\$7,000,000
Lowell	18	Alumni Hall Renovations	\$5,000,000	\$5,000,000
Lowell	20	Transportation & Parking Improvements	\$4,000,000	\$4,000,000
Med School	9	Steam Chiller Replacement 3	\$4,000,000	\$4,000,000
Total of New Projects that will be Active in FY13 and FY14			\$43,300,000	\$43,300,000

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B. Projects authorized by the Board of Trustees through previous Capital Plan Updates with activity to commence by FY14:

Amherst Campus Projects

Priority	Project Name	Cost Estimate	FY13-17
		August 2012	Spending
1	Housing Expansion	\$188,000,000	\$129,000,000
2	Life Science Laboratories	\$160,000,000	\$44,444,000
3	Academic Classroom Building	\$91,000,000	\$75,700,000
4	Life Science Laboratories, OIT data center fitout	\$7,000,000	\$7,000,000
5	Physical Sciences Building	\$85,000,000	\$80,800,000
6	Integrated Sciences Building fitout	\$2,000,000	\$1,944,000
7	Hills replacement Building	\$25,800,000	\$25,800,000
8	Bartlett Replacement Building	\$50,000,000	\$50,000,000
10	McGuirk Stadium Improvements	\$34,500,000	\$34,000,000
11	Champions Center	\$25,000,000	\$25,000,000
12	Life Sciences Facility	\$95,000,000	\$73,500,000
13	New Substation and Electrical Upgrades	\$40,000,000	\$40,000,000
14	Isenberg School of Management renovations and addition	\$40,000,000	\$40,000,000
15	School of Public Health facilities study	\$500,000	\$500,000
16	Life Science Laboratories Fit out	\$50,000,000	\$50,000,000
17	Relocate Chemical Storage Facility Study	\$500,000	\$500,000
19	Lederle Graduate Research basic systems upgrades	\$10,305,000	\$1,800,000
20	Morrill complex repairs and renovations	\$9,081,000	\$1,800,000
21	McNamara & Brown roof, parapet and masonry	\$3,300,000	\$1,600,000
22	Kennedy & Washington laundry venting	\$1,700,000	\$900,000
23	Dickinson House, Field & Webster elevator	\$1,500,000	\$1,200,000
24	DuBois Library Elevator Replacement	\$5,000,000	\$1,500,000
25	DuBois Library Electrical, Plumbing, Fire Suppression, Deferred Maintenance	\$25,000,000	\$22,450,000
27	Totman Physical Education Building MEP	\$1,000,000	\$6,000,000
28	Fine Arts Center fire protection and emergency generator	\$3,250,000	\$3,000,000
29	ISOM architectural and MEP	\$2,000,000	\$1,850,000
30	Bartlett Deferred Maintenance & Façade	\$2,000,000	\$1,300,000
31	Webster, Grayson, Field window/masonry	\$13,500,000	\$8,700,000
32	Lincoln Apartments Utilities	\$1,500,000	\$80,000
33	Morrill IV Bridge replacement	\$500,000	\$475,000
34	Research Admin, MEP & fire alarm	\$1,500,000	\$1,490,000
35	Physical Plant deferred maintenance & renovations	\$7,500,000	\$7,200,000
37	Lederle Graduate Research Center Window encapsulation/replacement	\$4,500,000	\$4,500,000
38	Lederle Research Center Repairs and Renovations	\$41,250,000	\$39,500,000
39	Morrill Science Center Renovations	\$51,300,000	\$47,300,000
40	Farm and outlying stations renovations	\$4,500,000	\$4,500,000
43	Marston Repairs and Renovations	\$6,000,000	\$6,000,000
44	Roadway/Sidewalks/Parking lot Repairs and Improvements	\$5,000,000	\$5,000,000
45	Landscape Improvements	\$1,500,000	\$1,500,000
46	Deferred Maintenance & Modernization Projects	\$15,000,000	\$15,000,000
47	Replace Oil Filled Transformers	\$2,000,000	\$2,000,000
48	Intermediate Processing Facility DM/Sitework	\$500,000	\$500,000
49	Housing Sprinkler Systems	\$23,000,000	\$4,600,000
50	Fine Arts Center fire protection	\$2,500,000	\$2,500,000

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Amherst Campus Projects

Priority	Project Name	Cost Estimate August 2012	FY13-17 Spending
51	Facility Demolitions	\$12,800,000	\$12,100,000
52	Central Campus Infrastructure	\$25,000,000	\$24,700,000
53	Chilled Water Loop	\$3,000,000	\$2,000,000
54	University Drive Infrastructure	\$8,000,000	\$8,000,000
55	Solar Panels	\$2,350,000	\$2,350,000
56	Lot 12 environmental	\$1,500,000	\$1,500,000
57	Coal Yard Decommission	\$1,000,000	\$1,000,000
58	Life Safety/Code Compliance	\$5,000,000	\$5,000,000
59	Campus Security Improvements	\$5,000,000	\$5,000,000
60	Campus Infrastructure	\$13,000,000	\$13,000,000
61	North Pleasant Street Road Improvements	\$9,000,000	\$9,000,000
62	Wayfinding and Signage	\$1,000,000	\$1,000,000
63	Property Acquisitions	\$1,500,000	\$1,500,000
64	Marks Meadow/Furcolo Renovations	\$21,400,000	\$21,400,000
65	ADA Accessibility	\$6,000,000	\$6,000,000
66	Lederle Research Center Faculty Renovations (NIH)	\$12,700,000	\$5,950,000
67	Paige Lab Renovations	\$9,900,000	\$9,600,000
68	Hampshire DC renovations	\$15,000,000	\$14,950,000
69	Lincoln Campus Center Concourse Improvements	\$12,000,000	\$11,900,000
70	Academic Renovations Pool	\$2,500,000	\$2,500,000
71	Campus Space Reallocation	\$5,000,000	\$5,000,000
72	Housing Repair & Renovation	\$25,000,000	\$25,000,000
73	Classroom Renovations	\$2,000,000	\$2,000,000
74	Goessmann Renovations	\$15,000,000	\$6,800,000
75	Hampden Dining/Student Union Study	\$400,000	\$400,000
76	New Faculty Hire Renovations	\$14,000,000	\$13,000,000
77	Electrical/other infrastructure	\$5,000,000	\$5,000,000
78	Hills relocations	\$4,000,000	\$4,000,000
79	Goodell deferred maintenance & renovations	\$3,500,000	\$3,490,000
80	Machmer renovations	\$1,200,000	\$1,200,000
81	Tobin Renovations	\$1,000,000	\$1,000,000
82	Fine Arts Center renovations	\$9,000,000	\$9,000,000
83	New Africa House renovations	\$1,700,000	\$1,700,000
84	Office Renovations	\$10,000,000	\$9,000,000
85	Life Science Laboratories backfill renovations	\$18,000,000	\$18,000,000
86	Dining Commons Renovations/study	\$1,000,000	\$1,000,000
87	Old Chapel Renovation/study	\$1,000,000	\$1,000,000
	Amherst Campus Subtotal	\$1,424,436,000	\$1,137,473,000

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Boston Campus Projects

Priority	Project Name	Cost Estimate August 2012	FY13-17 Spending
Bl.01	Replace and Construct new Structure for Primary Campus Electrical Switchgear	\$5,500,000	\$5,500,000
Bl.02.01	Wheatley Hall Roof Replacements and Building Envelope Repairs	\$3,600,000	\$100,000
Bl.02.02	Clark Athletic Center: Replace/Repair East Curtain Wall	\$2,000,000	\$2,000,000
Bl.02.03	Healey Building: Roof Replacement and Building Envelope Repairs	\$1,800,000	\$1,800,000
Bl.02.04	Service and Supply Building: Roof Replacement and Building Envelope Repairs	\$1,750,000	\$1,750,000
Bl.04	Campus Center: Install Interior Glazing on 2nd & 3rd Floors of Interior Atrium	\$600,000	\$550,000
Bl.05	Grounds: Sea Wall and Harborwalk Construction on North-Facing Shore	\$3,800,000	\$3,725,000
Bl.06	Nantucket Field Station: Repairs to Field Station Buildings and Septic System and Gouin Village Apartment Repairs	\$2,000,000	\$1,500,000
Bl.09	Healey Building: Fire Protection Improvements (Install Fire Sprinklers, Replace Fire Alarm System and Fire Pumps)	\$8,200,000	\$8,200,000
Bl.10	Clark Athletic Center/McCormack Hall/Quinn Administration/Wheatley Hall: Elevator Renovations	\$3,300,000	\$3,200,000
Bl.11.01	Saltwater Pump House: Mechanical System Upgrades	\$1,500,000	\$1,500,000
Bl.12	Campus-wide: Central IT Upgrades/Replacements	\$5,000,000	\$5,000,000
Bl.13	Campus-wide: Telephone System Upgrades	\$1,300,000	\$1,300,000
Bl.15	Calf Pasture Pumping Station: Security and Button-up Envelope at ownership transition	\$500,000	\$440,000
Bl.16	Campus Wide: One Card System	\$2,000,000	\$2,000,000
Bl.17	Campus-wide: ADA Compliance	\$1,000,000	\$1,000,000
Bl.18	Fox Point Docks: Upgrades and ADA Accessibility	\$1,500,000	\$1,500,000
Bl.19	Campus-wide: Replace Exterior Doors to Ensure Climate Control (including vestibules) and Code Compliance	\$3,200,000	\$3,150,000
Bl.20	Campus-wide: Off-site Data Center Backup	\$600,000	\$600,000
Bl.22	Projects Less Than \$500,000 (Aggregate)	\$4,700,000	\$4,350,000
MP.01.01	Master Plan Phase I: Construct New Integrated Sciences Complex	\$182,000,000	\$161,000,000
MP.01.02	Master Plan Phase I: Utility Plant System Expansion and Upgrades to Accommodate ISC and GAB	\$3,000,000	\$3,000,000
MP.01.03	Life Sciences: Center for Personalized Cancer Therapy (To be located within Integrated Sciences Complex)	\$10,000,000	\$10,000,000
MP.02.01	Master Plan Phase I: Utility Corridor and Roadway Relocation Project	\$143,000,000	\$140,900,000
MP.02.02	Master Plan Phase I: Utility Plant Upgrades related to pumps, controls, heat exchangers and Utility Corridor	\$11,000,000	\$11,000,000
MP.02.03	Master Plan Phase I: Construct new Trigeneration Facility to accommodate increased campus water and electrical	\$27,500,000	\$27,500,000
MP.03	Master Plan Phase I: Construct New Academic Building 1	\$113,000,000	\$110,800,000
MP.04	Master Plan Phase I: Construct 1,000 Bed Residence Hall 1	\$100,000,000	\$100,000,000
MP.05.01	Master Plan Phase I: Renovations to Existing Campus Buildings	\$75,000,000	\$75,000,000
MP.06.01	Master Plan Phase I: Study Substructure and Science Center Demolition	\$1,150,000	\$1,150,000
MP.06.02	Master Plan Phase I: Construct new campus Greenhouse for research, teaching and community service	\$5,000,000	\$5,000,000
MP.06.03	Master Plan Phase I: Relocate College of Science and Mathematics Machine Shop	\$1,000,000	\$1,000,000
MP.06.04	Master Plan Phase I: Study Replacement of Catwalk/Enclosed Campus Walkway System and Connections	\$1,000,000	\$1,000,000
MP.06.05	Master Plan Phase I: Study new LL/UL Facades and Access to Buildings from Grade	\$1,000,000	\$1,000,000
MP.06.06	Master Plan Phase I: Substructure and Science Center Demolition	\$15,000,000	\$15,000,000
MP.06.08	Master Plan Phase I: Relocate Track/Athletic Field	\$2,800,000	\$2,800,000
MP.07	Master Plan Phase I: Construct New Academic Building 2	\$100,000,000	\$74,500,000
MP.08	Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space	\$45,000,000	\$45,000,000
MP.09	Master Plan Phase I: Build Out Campus Center UL Parking Garage Space as Assignable Space	\$5,000,000	\$5,000,000
MP.10	Master Plan Phase I: Secure or Demolish Bayside Expo Center building and initial property improvements	\$6,000,000	\$6,000,000
SU.01	Substructure: Interim Structural Stabilization, Access/Egress and Acid Neutralization Tanks	\$28,505,000	\$500,000
SU.02	Substructure: Utility Plant Roof Replacement	\$4,570,000	\$1,050,000
TR.01	McCormack Hall: Conversion of Vacant Cafeteria, Servery and Kitchen Space for College of Nursing	\$2,275,000	\$2,275,000
TR.02	Campus -wide: Renovations to Support Teaching and Research	\$850,000	\$850,000
TR.03	Healey Building/Quinn Administration Building: Construct new classrooms	\$1,000,000	\$1,000,000
TR.04	Clark Athletic Center: Replacement of Gymnasium Floor and Bleacher Repairs	\$2,450,000	\$1,850,000
	Boston Campus Subtotal	\$940,950,000	\$853,340,000

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Dartmouth Campus Projects

Priority	Project Name	Cost Estimate	FY13-17
		August 2012	Spending
1	Claire T. Carney Library - Expansion & Renovation	\$46,000,000	\$14,000,000
2	Energy / Water Savings Project	\$40,000,000	\$28,000,000
3	Massachusetts Accelerator for Biomanufacturing (MAB) (Fall River)	\$25,600,000	\$23,846,624
4	SMAST / DMF Expansion	\$48,000,000	\$47,359,830
8	Feasibility/Planning New Academic Bldg	\$500,000	\$500,000
9	New Academic Building	\$75,000,000	\$46,500,000
10	Repair Four Oldest Residence Halls	\$75,000,000	\$22,750,000
11	Fitness Center Expansion	\$5,100,000	\$5,100,000
13	Tripp Athletic Center - Locker & Training Room Renovations	\$1,900,000	\$1,305,564
14	Research Laboratory Improvements	\$11,865,800	\$10,781,875
16	Charlton College of Business, Phase II	\$15,000,000	\$15,000,000
17	Replace Failed HVAC Systems	\$3,500,000	\$3,500,000
20	ADA Renovations Immediate Needs	\$2,184,000	\$750,000
24	Landscape/Lighting Improvements	\$1,832,000	\$832,000
25	Ring Road Replacement Study	\$500,000	\$500,000
Dartmouth Campus Subtotal		\$351,981,800	\$220,725,893

Lowell Campus Projects

Priority	Project Name	Cost Estimate	FY13-17
		August 2012	Spending
1	ETIC Bldg. (incl. 3rd & 4th floors)	\$81,500,000	\$25,750,000
2	Health & Social Sciences Bldg (HSSB) (South Campus Academic Bldg.)	\$41,000,000	\$21,000,000
3	University Suites (Aiken St.)Residence Hall	\$56,000,000	\$56,000,000
4	University Crossing - Student Life, Student Services & Admin Serv.	\$91,500,000	\$91,500,000
5	Fox Hall Dining Renovations	\$10,500,000	\$6,000,000
6	North Campus Garage	\$20,000,000	\$10,000,000
7	South Campus Garage	\$20,000,000	\$20,000,000
8	Pulichino/Tong School of Business Building	\$35,000,000	\$35,000,000
9	On-Going Academic Modernization incl. Relocations (Phase 1: FY13-22)	\$30,000,000	\$15,000,000
10	Energy & Power Plant Improvements (incl. Performance Contract)	\$30,000,000	\$24,000,000
11	Science & Engineering Master Plan-Perry Hall (Engineering Bld.) Renewal	\$25,000,000	\$25,000,000
12	Science & Engineering Master Plan-Olsen Renovations	\$45,000,000	\$26,100,000
13	Leitch & Bourgeois Res Hall Renovations	\$25,000,000	\$25,000,000
14	South Campus Master Plan & Initial Space Revisions	\$20,000,000	\$20,000,000
15	Capital Renewal/Deferred Maintenance/Compliance (Phase 1: FY13-22)	\$80,000,000	\$40,000,000
16	Property Acquisitions	\$10,000,000	\$10,000,000
17	Technology Infrastructure	\$15,000,000	\$7,500,000
19	Science & Engineering Master Plan-North Campus Quad Renew	\$31,500,000	\$8,230,000
21	Residential Hall Comprehensive Renewal Program (Phase 1: FY13-22)	\$30,000,000	\$15,000,000
22	Wannalancit	\$7,100,000	\$5,700,000
23	Civic & Athletic Facilities	\$3,300,000	\$2,500,000
Lowell Campus Subtotal		\$707,400,000	\$489,280,000

Medical School Projects

Priority	Project Name	Cost Estimate	FY13-17
		August 2012	Spending
1	Power Plant Expansion	\$51,000,000	\$5,000,000
2	Albert Sherman Center	\$350,000,000	\$100,000,000
3	New NW Parking Garage	\$40,000,000	\$20,000,000
4	School 4th fl Lab to Office Renovations - Backfill Phase 1 Basic Science wing	\$2,000,000	\$2,000,000
5	School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2	\$8,000,000	\$8,000,000
6	Enhance chilled water loop pump/controls	\$3,000,000	\$3,000,000
7	School HVAC Upgrades/Replacements	\$38,500,000	\$38,500,000
8	Renovate and Expand BL3 Suite - 7th Fl	\$6,400,000	\$6,400,000
16	Parking Lot Maintenance - Main Campus	\$10,840,000	\$10,840,000
24	Network Infrastructure	\$10,000,000	\$10,000,000
25	Departmental equipment purchases	\$10,000,000	\$10,000,000
Medical School Subtotal		\$529,740,000	\$213,740,000

University Total	\$3,954,507,800	\$2,914,558,893
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And further,

To approve the following revised project cost estimates for previously approved capital projects identified in Appendix B of the University Capital Plan as described in Doc. T12-062:

Campus	Project Name	Approved Total Project Cost	Revised Total Project Cost
Amherst	New Substation and Electrical Upgrades	\$16,000,000	\$40,000,000
Amherst	Paige Lab Renovations	\$6,000,000	\$9,900,000
Boston	Nantucket Field Station: Repairs Buildings and Septic System and Gouin Village Apartments	\$1,400,000	\$2,000,000
Boston	Master Plan Phase I: Utility Plant Upgrades	\$7,000,000	\$11,000,000
Boston	Master Plan Phase I: Construct +/- 1,200 Vehicle Parking Garage West including Public Safety Space	\$35,000,000	\$45,000,000
Dartmouth	New Academic Building	\$55,000,000	\$75,000,000
Dartmouth	Athletic Field Replacement & Track Renovation	\$819,000	\$1,400,000
Lowell	Leitch & Bourgeois Residence Hall Renovations	\$20,000,000	\$25,000,000
Medical	School Building renovate Labs to Offices - Floor 2, 3 Backfill Project Phase 2	\$4,200,000	\$8,000,000
Medical	School HVAC Upgrades/Replacements	\$30,000,000	\$38,500,000
Medical	Renovate and Expand BL3 Suite - 7th Fl	\$5,500,000	\$6,400,000
Medical	North Road Pavement, Sidewalks and Lighting	\$600,000	\$1,500,000
Medical	Steam Chiller 2 Retrofits	\$500,000	\$1,000,000
	University Total	\$182,019,000	\$264,700,000

And further,

With respect to any or all of the projects identified in the University Capital Plan as described in Doc. T12-062, 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 Development Finance Agency or any other statutorily qualified issuer in the Commonwealth to issue debt therefor, 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. T12-062 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

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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. 1960, c. 773, §_19A, as amended, and St. 1992, c. 138, §_15A, as inserted by St. 2000, c. 159, §_303. (Doc. T12-062)

The Chair called for a vote and the motion passed unanimously.

Executive Director Craven requested the **Resolution Authorizing Requests for Initiation by University of Massachusetts Building Authority of University Projects and Related Matters**. Chair Woolridge asked for questions or discussions.

Executive Director Craven highlighted recent initiatives and the status of projects. The project phases of existing projects, the pipeline of projects expected to be initiated in the near term, and the financing options being considered by the Building Authority. She also highlighted managerial improvements being implemented by the Building Authority, which are intended to ensure the most efficient use of University resources and to establish a more comprehensive project tracking and reporting process.

Chair Woolridge asked Executive Director Craven to speak to the Commonwealth Guarantee. Executive Director Craven replied that given today's low interest rates, there is very little need to use the Guarantee, but perhaps new advisors would provide opportunities to leverage it.

Chair Thomas asked to be kept up-to-date on UMass Building Authority's incorporation of minority and female-owned businesses.

It was moved and seconded:

To recommend that the Board take the following action:

WHEREAS, pursuant to Chapter 773 of the Acts of 1960, as amended ("Building Authority Enabling Act"), the University of Massachusetts Building Authority is a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts (the "Commonwealth") created to aid and contribute 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");

WHEREAS, pursuant to the Building Authority Enabling Act, the Building Authority may issue bonds to finance projects undertaken by the Building Authority at the request of the Trustees, or, with the approval of the Trustees,

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issue refunding bonds, all of which bonds are secured, in part, by revenues from the Building Authority, the University and the Commonwealth, as authorized by the Trustees on behalf of the University and the Commonwealth;

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 undertake projects and finance such projects as described below;

WHEREAS, in the judgment of the Trustees it is in the best interest of the University for the Building Authority to refund bonds when market conditions are favorable; and

WHEREAS, the Building Authority's enabling act authorizes the Trustees, on behalf of the Commonwealth, to provide a Commonwealth guaranty of not to exceed \$200,000,000 outstanding principal amount of Building Authority Bonds;

NOW, THEREFORE,

1. Each of the President and the Senior Vice President for Administration & Finance and Treasurer of the University, acting alone, be and each, acting alone, (each, an "Authorized Officer") hereby is authorized in the name and on behalf of the Trustees to make a written request of the Building Authority that the Building Authority initiate and undertake:

(a) Any or all of the projects set forth in Appendix A of the University of Massachusetts FY2013 to 2017 University Capital Plan (Trustee Document T12-062); 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 an Authorized Officer, 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 issuance of refunding bonds by the Building Authority is hereby approved, in such amount and on such terms as shall be approved in writing by an Authorized Officer.

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4. Each Authorized Officer hereby is authorized to execute and deliver on behalf of the University and the Commonwealth one or more contracts for financial assistance, management and services with respect to the projects financed or refinanced by the Building Authority and the Building Authority bonds issued in connection therewith, including any refunding bonds. Each such contract may include the Commonwealth guaranty of all or a portion of such bonds, as determined by an Authorized Officer and within the limits prescribed by the Building Authority's enabling act.

5. Each Authorized Officer is hereby authorized to take such other action as deemed necessary or desirable to be done or taken to effectuate the matters hereby authorized, as conclusively evidenced by their doing the things or taking the action hereby authorized. (Doc. T12-063)

The Chair called for a vote and the motion passed unanimously.

Vice Chancellor Jenal requested the **Property Transfers to the Massachusetts Department of Transportation for Road Improvements Projects, UMass Worcester**. Chair Woolridge asked for questions or discussion.

Vice Chancellor Jenal provided an overview of the Worcester campus property transfer. The Massachusetts Department of Transportation is undertaking a renovation of Route 9 and will be installing a rotary to improve traffic flow, which will include 23,000 square feet of land currently owned by the Worcester campus. The Chair then asked for a motion, and it was moved and seconded:

To recommend that the Board take the following action:

Subject to the authorities and contingencies specified herein, to deem that portion of University land comprising an approximately 23,919 square foot parcel at the intersection of South Road and Lake Avenue, abutting Lake Avenue North in the City of Worcester, as depicted on the attached aerial map, as surplus property as it is currently and for the foreseeable future not needed for the University's purposes and that it is in the University's interest to transfer this land to the Massachusetts Department of Transportation (DoT) so that it may serve a better purpose for the University. The transfer of this land to the DoT will enable the DoT and the City of Worcester to make roadway improvements to Lake Avenue which will be a direct benefit to the University.

The President is authorized, for and on behalf of the University of Massachusetts, to do and perform any and all acts and things which may be necessary to effect this transfer. This authority includes preparing, making and filing of plans, applications, reports and other documents; the execution, acceptance, delivery and recordation of agreements, deeds and other instruments pertaining to the transfer of said property; as well as cooperating with any legislative action or other administrative process which may be necessary to effect said transfer. The

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President may delegate any or all of this authority to the Chancellor of the Worcester campus. (Doc. T12-064)

The Chair called for a vote and the motion passed unanimously. Trustee Mullan abstained.

Vice Chancellor Sheehan requested the **Land Transfer A, UMass Amherst**. Chair Woolridge asked for questions or discussion.

Vice Chancellor Sheehan summarized the proposal to grant easements to the Town of Amherst for land on Olympia Drive and Authority Way. Trustee Karam asked if the University was held harmless. Vice Chancellor Sheehan replied that it was.

Chair Woolridge asked if this was an easement or a transfer. General Counsel Heatwole replied that it was in fact an easement, though it is called a transfer using DCAM language. The Chair then asked for a motion, and it was moved and seconded:

To recommend that the Board take the following action:

Subject to the authorities and contingencies specified herein, to approve the grant of easements to the Town of Amherst in, on, over and under the parcel of University land shown as Olympia Drive and Authority Way on a preliminary plan of land and attached hereto as Attachment A, for the right of public access for pedestrian and vehicle traffic on Olympia Drive; for the Town to construct, operate, maintain, and repair improvements on Olympia Drive and Authority Way including but not limited to, pavement, sidewalks, curb cuts, poles, utilities, trees and other plantings; and for the Town to construct, operate, maintain, and repair, and other attendant and customary purposes, water and sewer systems on Olympia Drive and Authority Way.

To authorize the President, with authority to further delegate to the Chancellor of the Amherst campus, for and on behalf of the University of Massachusetts, to do and perform any and all acts and things which may be necessary to effectuate this grant of easements. This authority includes but is not limited to, preparing, making and filing of plans, applications, reports and other documents; the execution, acceptance, delivery and recordation of agreements, deeds and other instruments pertaining to the easements on said property, as well as cooperating with any legislative action to effect said transfer if such action is deemed necessary.

The grant of easements specified herein shall not be effective until all other legal authorizations have been completed, including but not limited to, any vote of Amherst Town Meeting and/or any other Town committees or boards as may be required under the Town's bylaws, ordinances or regulations, approving the acceptance of these easements and the Town's obligations thereunder, and upon any necessary legislative action by the General Court authorizing the grant of these easements. (Doc. T12-065)

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The Chair called for a vote and the motion passed unanimously.

Vice Chancellor Sheehan requested the **Land Transfer B, UMass Amherst**. Chair Woolridge asked for questions or discussion.

Associate Vice Chancellor for Facilities Holler reviewed the Amherst Campus' intention to declare 16,931 square feet of land abutting Amity Street as surplus property such that the property can be subsequently acquired by the Town of Amherst. The Chair then asked for a motion, and it was moved and seconded:

To recommend that the Board take the following action:

To deem that portion of University land comprising approximately 16,981 square feet abutting Amity Street in the Town of Amherst, as depicted on the preliminary plan of land dated September 9, 2009, and attached hereto as Attachment A, as surplus property as it is currently and for the foreseeable future not needed for the University's purposes and that it is in the University's interest to transfer this land to the Town of Amherst so that it may serve a better purpose for the University; and to authorize the President, with authority to further delegate to the Chancellor of the Amherst campus, for and on behalf of the University of Massachusetts, to do and perform any and all acts and things which may be necessary to effect this transfer.

This authority includes preparing, making and filing of plans, applications, reports and other documents; the execution, acceptance, delivery and recordation of agreements, deeds and other instruments pertaining to the transfer of said property; as well as cooperating with any legislative action to effect said transfer if such action is deemed necessary.

The transfer of land specified herein shall not be effective until all other legal authorizations have been completed, including but not limited to, any vote of Amherst Town Meeting and/or any other Town committees or boards as may be required under the Town's bylaws, ordinances or regulations, approving the acceptance of this land and the Town's obligations thereunder, and upon a vote of the General Court authorizing the transfer of land. (Doc. T12-066)

Information Item:

Assistant Vice President Gorzkowicz reported on the **Alternative Budget** Framework in preparation for a detailed discussion in October. Efforts are currently underway to develop an alternative budget framework for the University as it enters Fiscal Year 2014. The goal of the exercise is to ensure that the University is positioned to carry out its mission in a potentially economically challenging environment by playing out multiple budget scenarios for Fiscal Year 2014 and beyond.

Chair Woolridge inquired about the assumptions in the scenarios. Assistant Vice President Gorzkowicz stated that the scenarios might range from full support for the 50/50 funding formula

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to no commitment from the state. President Caret added that each campus will approach it differently and that the scenarios should be something that would actually happen and not just a threat.

Trustee Marvel asked about the 50/50 funding proposal and what exact level of funding was needed. Vice President Wilda commented that they were working to articulate that number for FY14 but it was somewhere between \$40-\$50 million for FY13, so FY14 is something greater than that.

Ms. Lee asked about how the uncertainty at the federal level affects these discussions, in particular Pell Grant funding. President Caret indicated that after the election, they would have a better understanding of the direction they needed to take.

There being no other business the meeting adjourned at 10:25 a.m.

Kate Wilkinson
Staff Assistant