

**UNIVERSITY OF MASSACHUSETTS**

**AMHERST•BOSTON•DARTMOUTH•LOWELL•WORCESTER**

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF TRUSTEES**

**Thursday, June 28, 2012; 11:00 a.m.  
The University of Massachusetts Club  
225 Franklin Street – 33rd Floor  
Boston, Massachusetts**

**Trustees Present:** Chair Karam; Vice Chair Thomas; Trustees Campbell, Carpman, Collins, Furman, Gomez, Johnston, Kennedy, Lee, Mullan, Peters and Woolridge

**Via Conference Call:** Trustees Reville and Xifaras; Chancellor-Elect: Subbaswamy, UMass Amherst

**Absent:** Vice Chair King-Shaw; Trustees Baldassarre, DiBiaggio, Osterhaus-Houle, Schock, Tarr and Weismann

**University Administration:** President Caret; Interim Vice President Wilda; Chancellors Holub, Motley, MacCormack, Meehan and Collins; Vice Chancellors Sheehan, O'Connor, McLaughlin, Yestranski and Jenal; Ms. Craven, Executive Director, UMass Building Authority

**Faculty Representative:** Ms. Gibbs, UMass Dartmouth

Chair Karam convened the meeting at 11:08 a.m. and announced that Trustees Reville and Xifaras will be participating by telephone pursuant to 940 CMR 29.10, as adopted by the Board of Trustees and permitted under Section 29.10 (5)(e), since they are traveling and geographically distant from Boston making it unreasonably difficult for them to attend the meeting in person. Chancellor-elect Subbaswamy is also participating by telephone.

The Chair announced that Governor Patrick has selected Trustee Thomas as the Board's new Chair and congratulated him. Trustee Thomas stated that he was humbled at the Governor's appointment and that it is important to have the support of the Commonwealth's Chief Executive Officer to move the University in the right direction. He also thanked and acknowledged Chair Karam for his leadership; he is dedicated, passionate and efficient in moving the needs of the University.

Trustee Thomas indicated that this is an opportune time for the University with a new President and two new Chancellors to continue to be innovative in framing educational and research outcomes.

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Chair Karam thanked the Board, University Administration and staff for their support and stated that it has been an honor and a privilege working with everyone. He looks forward to continuing his support of the University.

**Reports:**

**Chair's Report:**

Chair Karam stated that the meeting is to focus on an issue that is prominent to the University's stability and future success, capital investments. One of the greatest challenges is to get facilities to match the quality of the faculty, staff, and students that select to be part of the University community.

The University's capital planning process is essential and progress has been significant, with almost \$2.5 billion invested in the last decade, but the need for continuous investment has not subsided.

The Chair said that the University must look at infrastructure investments, deferred maintenance projects, and major renovations given the confined financing ability; this is the primary challenge facing the University. Campus debt levels are high and operating budgets are strained.

With the level of importance the capital projects play in the future success of the University, the Chair stated that a more systematic management approach that incorporates collaborative planning, project reviews, and regular Board information sessions in addition to the current 5-year capital plan approval process is appropriate.

**President's Report:**

President Caret began his report by saying a few words about Chair Karam. He commented that Chair Karam is an effective leader; UMass has increased its ratings and has a new Law School thanks to him. President Caret looks forward to working with Trustee Thomas who will continue the legacy of past chairs.

President Caret stated that the scale of the University's capital program warrants specific attention and today's meeting is the first in a regular series of Board meetings focused on capital proposals being put forth by the campuses and the University to bolster internal planning, encourage the state to support more of the required activity, spur new ideas, and ensure the most appropriate investments are being made.

The Commonwealth's support is needed, both in terms of financing and flexibility, as the University advances its mission of education, research and public service and work to improve the quality of life in every region of the Commonwealth.

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As the University's scope continues to grow, it is important to emphasize its reach: a \$2.9 billion operating budget for fiscal year 2013; working on a \$3.1 billion 5-year capital plan (FY12-16); intend to educate 73,000 students this fiscal year; more than 250,000 UMass alumni living and working in the Commonwealth and over 14,000 full-time employees; researchers will generate more than \$600 million of R&D activity.

Upgraded facilities will enhance academic achievement and student experience and will bolster the University's ability to continue advancing the Commonwealth's competitiveness by graduating a prepared workforce. Upgraded infrastructure at UMass will also grow the economy by improving the environment for public/private collaborations, innovation, and research & development.

The President stated that over the past decade 85% of the capital program funding comes from the University itself and 15% from the Commonwealth and, this unusual funding distribution places significant financial stress on the University requiring it to take on significant debt and dedicate constrained operating dollars to fund building renovations and new construction. A new partnership is needed that sees the University and the Commonwealth investing in a more equitable fashion.

The Higher Education Bond Bill authorized slightly more than \$1 billion for UMass projects over a ten year period and the Life Sciences Bond Bill includes more than \$200 million designated for University-related projects. The Governor's Office continues to pledge in their spending plans to bring capital spending on higher education from its historic amount of 3% to at least 10% of the Commonwealth's capital budget.

The President described the significant projects on all the campuses.

The campuses have contributed funding to some of the DCAM-managed projects in an effort to realize greater efficiencies from the state investment.

With the Administration's plan to provide at least \$600 million from the Higher Education Bond Bill, the University is entering the second year of an ambitious five-year \$3.1 billion capital investment plan with the understanding that the Commonwealth will be funding approximately 30% of the capital activity of the University.

The University's FY12-16 Capital Plan, to be updated over the summer for the FY13-17 planning period, lays out the long-term vision for the physical development of the University's campuses.

Trustee Lee commented that the UMass system is amazing and she was blown away by her visits of the campuses. She indicated that the University needs to figure out how to plan for its needed and necessary expansion but not at the expense of the students.

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**Secretary of Education's Report:**

Secretary Reville reported that in light of challenges facing the University, the Governor wanted to have a new Chair in place for the new fiscal year and has selected Henry Thomas. Trustee Thomas was the ideal choice and universally applauded. He embodies public service and what is needed for the next steps.

Secretary Reville stated that Governor Patrick extends his appreciation to Chair Karam for his leadership role, setting a collaboration tone, building a camaraderie culture on the Board, hiring a new president, and being the leading voice of cost-savings the Governor talks about. Chair Karam has been one of the most forceful advocates for higher education.

**Vice President's Report:**

Vice President for Administration & Finance Wilda provided an overview of the University's Capital Planning Requirements. She reported that UMass has 296 buildings on over 2,613 acres of land and over 70% of its space inventory is more than 30 years old. This has resulted in a need of \$5.56 billion in identified projects over FY12-21. Planned spending for FY12-FY16 is \$3.1 billion. The University of Massachusetts is funding most of its capital projects with the campuses at varying degrees of spending: Amherst at 33%, Boston at 26%, Dartmouth at 8%, Lowell at 17%, and Worcester at 16%.

The University's five-year plan proposes \$1.8 billion in debt funded spending. Approximately \$900 million of state funding for University projects has been programmed in the Administration's spending plan or has been requested for the next five years. In recognition of increasing levels of debt, the Board set a new policy requiring approval to exceed an 8% debt burden and restricting the campuses from exceeding 10%.

The FY12-16 Capital Plan includes up to 250 projects with spending in the 5-year period and new construction is a key component of deferred maintenance strategy. FY2011-2012 accomplishments included a successful October 2010 Bond Issue, major campus acquisitions and a transition of leadership at the UMass Building Authority.

A more effective management approach will help with the renewal of renovation reserves, debt burden limitations and set deferred maintenance targets. It will also improve integration of the Building Authority by providing assistance on campus planning, and provide expertise in the establishment and adherence to project budgets.

**Building Authority Report:**

UMass Building Authority Executive Director Craven highlighted initiatives intended to enhance the Building Authority's services. She reported that the Building Authority is working with the campuses on the capital process to assist with developing project concept and initial cost estimates, track analytics for project hard and soft costs, incorporate best practices in green design, project management and contracting and develop a "Sources and Uses" Fiscal Note for

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all projects including well-developed project budget, schedule and scope, and all committed revenue sources.

The Building Authority is looking at how to serve the University by reviewing all options in light of current bond market conditions, reviewing options relative to creative financing, such as public private partnerships, implementing a construction budget and cash flow monitoring, acting as a resource for the campuses in developing capital budget plans and a construction audit program.

UMass has a strong bond rating of Aa2 (Moody's), AA- (Standard & Poor) and AA (Fitch) allowing the University to borrow at favorable rates and avoiding higher interest costs that penalize lower rate borrowers. Strong bond ratings are essential to keep debt cheap and maintain flexibility in financing strategies.

UMass has been forced to rely on its own balance sheet to fund mission-critical capital construction. The Building Authority now funds nearly 3:1 more nontraditional projects.

**Discussion Item: Campus-specific Capital Presentations Focusing on Strategic Priorities, Critical Projects, and Financing.**

**UMass Amherst:**

Chancellor Holub from UMass Amherst reported that Chancellor-elect Subbaswamy will continue to use the campus' 'Framework for Excellence' model.

Chancellor Holub reported that the Campus Master Plan developed by in-house staff was driven by Strategic Priorities and vetted across campus and surrounding communities. The Guiding Principles is a roadmap which also looks at a long-term 50-year perspective. The Master Plan was approved by Chancellor Holub in April 2012 and will be used as a guiding document for future projects 10 years and beyond.

The current Master Plan currently accommodates 24,300 students, 8,000 faculty and 12,500 beds. In 10 years it will accommodate 27,700 students, 8,800 faculty and 14,000 beds. Looking out 50 years it is estimated that the plan will accommodate 36,700 students, 11,700 faculty and 19,000 beds.

Trustee Mullan asked about the philosophy of working with the Town of Amherst and keeping students at Amherst. Chancellor Holub stated that it was sometimes difficult to get the town to pass a proposition and that different housing options have to be pursued.

Chancellor Holub highlighted new construction projects through 2017 including the \$186.5M Commonwealth Honors College Residential Complex scheduled for completion in 2013; the \$156.5M Life Science Laboratories to expand Life Science research; the \$85M New Academic Classroom Building, a project based on Provost Staros' Team-based Learning scheduled for

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completion spring, 2014. The McGuirk Alumni Stadium Improvements will support upgrades in the football program.

Projected capital funding of \$270M is expected during FY2013 and FY2014. The current plan anticipates \$272.5M in state capital funding—\$92.5M for deferred maintenance projects and \$180M for new buildings. An NIH C-06 Federal Grant will support upgrades to Lederle Building. The Champion Center will be offset by a \$10M private donation.

Vice Chancellor Sheehan provided information about property transactions with the Town of Amherst and the Amherst Campus. General Counsel Heatwole reported that the Land Use Policy requires that review and analysis be first presented to the Board of Trustees for informational purposes and then presented at a later meeting for Board approval.

Trustee Woolridge asked if there is a target for revenues on the campuses and if the campuses are managing through those targets. Chancellor Holub indicated that Amherst tried to target some revenues, but has not been given a mandate from the Board on Reserves.

**UMass Boston:**

Chancellor Motley from UMass Boston provided an overview of Capital Planning. He stated that past financial influences and capital challenges do not limit the campus' aspirations. Growth fuels strategic vision and fosters the campus to "Build Momentum".

Enrollment increases began with the opening of the Campus Center and enrollment growth became a long term strategic goal. *Princeton Review* ratings create a favorable environment at the campus.

The Master Plan by Chan Krieger Sieniewicz charts campus development over 25 years. The outline framework was adopted in 2007 and the comprehensive plan was accepted in December 2009. The Master Plan's theme, "Improve Connections", suggests an inward focus and an outward reach, connecting buildings and landscapes within the campus, and connecting the campus with the external community.

An Energy and Utility Master Plan by Arup USA Inc. was developed to identify the timeline of load growth versus existing capacities, systems' fitness for future uses, and sustainable options for ensuring infrastructure is available for future growth.

A Space Allocation Plan by Goody Clancy was developed to determine back-fill opportunities for academic space, after the new Integrated Sciences Complex and General Academic Building No. 1 are occupied.

A Bayside-Campus Master Plan Integration Study being authored by NBBJ is underway to integrate planning for the 20-acre Bayside property, purchased in 2010, with the Campus Master

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Plan. UMass Boston is integrating the recently acquired Bayside and Calf Pasture Pumping Station properties into its Strategic and Master Plans.

Major Capital Projects, through 2016 include construction of the Integrated Sciences Complex, Utility Corridor and Roadway Relocation, General Academic Building No. 1, McCormack Hall Backfill and Wheatley Hall Backfill Renovations, Science Center and Substructure Demolition/Central Quadrangle Redevelopment, Residence Hall No. 1, Trigeration Plant, Parking Garage No. 1 and General Academic Building No. 2. The Anticipated Cost of Major Capital Projects is \$10 Million and is in alignment with Strategic Plan Goals.

Capital projects to 2016 will be funded through the state-funded Higher Education Bond Bill (HEBB), borrowing from the UMass Building Authority and MassDevelopment. External Sources from Public-Private partnerships, Fundraising and Sponsored Research will also fund capital projects.

Trustee Furman asked how much support UMass Boston can receive from the City. Chancellor Motely indicated that the City of Boston is very helpful and the campus is able to get to areas it has not been to before.

**UMass Dartmouth:**

Chancellor MacCormack presented the Capital Plan for the Dartmouth campus. The initial Master Plan was developed by Chan Krieger & Associates in January 2005. The Key Campus Strategic Goals for UMass Dartmouth are growing enrollment at the undergraduate and graduate level to 10,000 HC students, enhancing graduate programs and growing the research enterprise for new knowledge, to impact economic development, and providing excellent facilities that enhance the student, faculty and staff experience.

Chancellor MacCormack reported on the recently completed renovations on campus that help with growing student enrollment including the Tripp Athletic Center & Hall of Fame Room, Law School Dining/Lounge, Residence Dining Facilities and Student Meeting Spaces in the Colleges of Arts & Sciences and Engineering.

Renovations in process include the Tripp Athletic Center expansion and renovation project to include interior renovation of 15,000 sq. ft. and double the capacity of the existing Fitness Center. The Building Authority will provide \$7.2 million to fund the project.

Projects enhancing graduate programs and growing the research enterprise include the acquisition of the Advanced Technology & Manufacturing Center (ATMC), the Anchor facility for regional technology based economic development; the expansion of the School for Marine Science and Technology (SMAST); the 38,000 sq. ft. anchor to the bio-park, the Massachusetts Accelerator for Bio-Manufacturing; and the 20,000 sq. ft. expansion and renovation of the Claire

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T. Carney Library building. Energy upgrades and improvements provide excellent facilities that enhance the student, faculty and staff experience.

Major Projects Beyond 2014 include the expansion of the Charlton College of Business, the Campus Center, Centennial Way Retail Corridor and planning for a New Academic Building.

**UMass Lowell:**

Chancellor Meehan from UMass Lowell presented the Strategic Capital Program. He provided an update of the most recent FY2012-2016 Capital Plan for the campus approved by the Board of Trustees and how it reflects the priorities outlined in UMass Lowell's 2020 Strategic Plan.

The campus continues to partner with the University of Massachusetts Building Authority and DCAM to plan, finance and implement its ambitious capital program.

Renewal of several buildings in the North Campus Quad is included in the Master Plan. The impact of the new College of Management building is coordinated as part of this process. St. Joseph's Hospital Building has been redesigned as University Crossing. A new Campus Center, bookstore, food court and social center will be located at the site. Demolition phase is just beginning and will be completed by the fall. Construction of the new building will be completed in 2014; the total cost of project is currently estimated at \$90M.

The Health and Social Sciences building, the first new academic building on the South Campus in nearly 40 years is opening in early 2013. North and South Campus Parking Garages are significant projects underway to address the pressures for parking created by Lowell's growth. Completion of the 510-bed Riverview Suites Housing complex near the South Campus is expected by fall 2013. A ten year lease has been negotiated with a local developer.

The University is targeting State support for the following projects over the next ten years: new Pulichino/Tong College of Business building (\$25M); the Science & Engineering renewal and renovation program for Engineering (Perry Hall) (\$25M), Olsen Building (\$45M), North Campus Quad (\$31.3M) and Olney Hall (\$55M); Coburn Hall (\$19M to \$40M with); South campus Master Plan improvements (\$10M) and a consistent level of support for deferred maintenance and compliance projects (\$28.5M). A new project that is emerging from the South Campus Master Plan is the need for a new Academic Building to support the health sciences and its laboratory requirements currently projected at \$80M. The total state supported program proposed for FY13 to FY17 is \$316M.

**UMass Worcester:**

Chancellor Collins presented the Capital Plan for the Medical School. The Medical School's mission is to advance the health and well-being of the people of the Commonwealth and world through pioneering advances in education, research and health care delivery.



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Six pillars of the Medical School's strategic plan stand in support of its mission: 1) designing a future model of health care delivery 2) building a workforce of the future 3) designing an ideal learning environment 4) translating discovery into practice 5) being a high performance organization, and 6) having a significant impact in the world.

The Medical School Capital Plan and investment strategy are direct corollaries to the strategic goals, and each major project is directly linked to the support of at least one of these specific goals. On a functional level, the Capital Plan is informed by the Medical School's FY2005 Master Plan completed through DCAM by Tsoi, Kobus (TKO). The Master Plan provides a context for all space planning and construction.

Chancellor Collins provided a summary of renovation projects to upgrade existing facilities, backfill activities and consolidate off-campus programs. The Ambulatory Care Center, the 7 story 258,000 sq. ft. state-of-the-art Clinical Science Building serves as a design future model of health care delivery. The Albert Sherman Center is the future home to more than 140 faculty investigators within departments including the Advanced Therapeutics Cluster, Bioinformatics and Integrative Biology, Quantitative Health Sciences, Systems Biology, Pathology and Neurotherapeutics. Completion of the Sherman Center is December 2012.

Completed and planned deferred maintenance projects to assure the continued safe and efficient operation of the Medical School's Physical Plant includes a \$50M addition to the Power Plant. The addition is necessary to support campus expansion. \$7.2M will be received in rebates from National Grid. The state-of-the-art Data Center opened in 2010 to alleviate overcrowding, provide for future growth, increase reliability, and improve efficiency of IS operations. The completion a new Parking Garage is planned for December 2012.

Off-site properties managed and maintained for the Medical School's research programs, such as Commonwealth Medicine, UMass Biologics - Mattapan II and other core campus activities have a significant impact in the world and translate discovery into practice.

Trustee Campbell asked that historical data on the Medical School be sent to Trustees.

President Caret thanked the Chancellors for their presentations. The presentations provided a better sense of the needs on the campuses, campus priorities and a how campus debt is incurred and fits into Board policies.

The meeting adjourned at 4:30 p.m.

Zunilka Barrett  
Assistant Secretary to the Board