

**UNIVERSITY OF MASSACHUSETTS  
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL SCHOOL•UMASSONLINE**

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

**Wednesday, December 3, 2014; 8:00 a.m.**

**Amherst Room**

**225 Franklin Street – 33<sup>rd</sup> Floor**

**Boston, Massachusetts**

**Committee Members Present:** Chair Woolridge; Vice Chair Buonomo; Trustees Campbell, Collins, Fubini, Furman, Lee, Miller, Mullan, O'Brien, Peters; Chairman Thomas

**Committee Members Absent:** Trustees Johnston, King-Shaw, Malone

**University Administration:** President Caret; General Counsel Heatwole; Senior Vice President Wilda; Chancellors Subbaswamy, Grossman, Meehan and Collins; Provost Langley; Ms. Filippone, Executive Director UMass Building Authority (UMBA)

**Faculty Representatives:** Professor May, UMass Amherst; Professor Tirrell, UMass Boston

**Documents Used:**

- Meeting Minutes, September 10, 2014 (Open Session)
- Establishment of Endowed Professorships, UMass Medical School, Doc. T14-088
- Approval of the University's FY2015 - FY2019 Capital Plan and Approval of Changes to the Quarterly Capital Projects List, Doc. T14-089
- Authorization to Request the University of Massachusetts Building Authority to Initiate Financing of University Projects and Related Matters, Doc. T14-090
- FY2014 University Financial Report, Doc. T14-096
- Review of the University's Fiscal Year 2015–2019 Budget Forecast, Related Financial Indicators AND Review updates to the Executive Dashboards, Doc. T14-084
- Building Authority Update, Doc. T14-091
- University's FY16 State Budget Request, Doc. T14-092
- 2014 Annual Clery Report, Doc. T14-093

Chair Woolridge convened the meeting at 8:08 a.m. and stated that due to a full Board agenda and the need to keep the meeting moving forward in a constructive manner, any members of the Committee or others who wish to speak must do so through the Chair, and all speakers will be limited to three minutes. He also noted that Board of Trustees meeting guidelines restrict comments to specific agenda items.

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Chair Woolridge stated that the Committee had been provided with draft minutes for the September 10, 2014 meeting and asked for any corrections. With no corrections, the minutes were approved.

**Reports:**

**Chair's Report**

Chair Woolridge provided an update on the latest tax revenue collections reported by the State's Department of Revenue through October and commented on future work with the new Baker administration. Chair Woolridge also commented on the progress of the Executive Dashboard and the new modeling tool, 'Future Perfect'. He then reviewed the agenda for the day's meeting.

**President's Report**

President Caret reported that UMass would be working with the new administration and the administration's budget would likely be released in March. He added that the state was experiencing 9C cuts and that some cuts to UMass were already made through the removal of an economic development line item from the budget.

President Caret provided updates on the progress of the collective bargaining and the FY16 budget. He also reported on the Higher Education Funding Commission Report, the Capital Plan approval process and the need for additional higher education bond bills to continue state investment in UMass' capital infrastructure. President Caret noted that a speaker at a recent Chamber of Commerce event predicted a positive economic outlook for 2015.

**Action Items:**

Chair Woolridge requested the approval of the **Establishment of Endowed Professorships, UMass Medical School**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion. It was moved and seconded.

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 the UMass Memorial Health Care Chair in Biomedical Research (UMMHC Chair) at the University of Massachusetts Medical School.

And further,

In accordance with sections 1A(e) and 11 of Chapter 75 of the General Laws to the Worcester Foundation for Biomedical Research Chair (WFBR Chair) at the University of Massachusetts Medical School. (Doc. T14-088)

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

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Chair Woolridge requested the approval of the University's FY2015-FY2019 Capital Plan and Changes to the Capital Projects List. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Associate Vice President Gorzkowicz provided an overview of the five-year capital plan and its process. He noted the more robust quarterly review process and a more systematic look at campus deferred maintenance through Sightlines. He noted that a report on campus housing strategies would be provided before the end of the month, at the request of Chairman Thomas.

Trustee Fubini noted that Chair Woolridge was not on UMBA's Board and that it would make sense to include him on that Board.

Associate Vice President Gorzkowicz provided highlights of the Sightlines work and described further the five-year capital plan. Trustee Lee noted that it would be useful to have a column which represented the total for capital projects that UMass was responsible for funding. Associate Vice President Gorzkowicz then reviewed data by program and funding area. There was further discussion about the funding of the projects and those projects that did not yet have funding.

Trustee Fubini asked how many of the projects were new or deferred maintenance. Vice Chair Furman asked how the operating costs for the building projects were added to the budgets. Chancellor Collins commented on the importance of funding the Life Sciences bill. There was additional discussion on the 8 percent cap on debt service and the impact of additional state funding on debt ratios and the management of projects. Trustee Mullan reiterated that it is technically the state's responsibility to take care of the maintenance of these buildings. He also expressed concern about the recent Board of Higher Education's report on student projections. There was a discussion about the report on declining student populations and the challenge of demographic projections versus actual student populations.

Director Pasquini reviewed the approved project list and the associated votes on preliminary estimates; full project approvals and changes greater than 10 percent. She reviewed the projects that fall into each of these areas. There was further discussion about the continued advocacy on state funding for UMass Boston's UCRRR (Utility Corridor and Roadway Relocation) Project. Chair Woolridge expressed interest in understanding more about the project process and vendors. Trustee Mullan agreed that Chair Woolridge should attend UMBA meetings and also requested that a formal cost recovery program be adopted.

It was moved and seconded.

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, as amended, to approve the University's Capital planning process that has resulted in this list of capital projects described in the Five-year Capital Plan (FY2015 to FY2019) Doc. T14-089 and to satisfy the University's written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T14-090. Approval of the University's capital plan does not constitute approval of the individual

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projects and each project must follow the capital project approval process pursuant to Trustee Policy T93-122.

And further,

Pursuant to Trustee Policy T93-122, as amended, to approve the following projects be added to the approved project list under the first vote or “**Preliminary Campus Estimate**” and to satisfy the University’s written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T14-090.

<b>Campus</b>	<b>Project Name</b>	<b>Preliminary Campus Estimate</b>
Amherst	Old Chapel Renovations	\$ 21,000,000
Amherst	DuBois Writing Program & Image Library	\$ 6,400,000
Boston	Master Plan Phase I: Bayside Expo Center - Separate Utilities and Demolish Buildings, and Make Major Parking Lot Improvements	\$ 9,000,000
Worcester	VA-1 Mass DOT Building Demolition	\$ 2,000,000
Worcester	VA-1 Worcester VA Community Based Outpatient Clinic - New Facility - Phase 1	\$ 70,000,000
Worcester	VA-1 Expansion to South Road Garage	\$ 10,000,000
Worcester	MBL South Coast GMP Renovations - Fall River	\$ 13,000,000

And further,

Pursuant to Trustee Policy T93-122, as amended to approve the following projects under the second vote or “**Full Project Approval**” and to satisfy the University’s written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T14-090:

<b>Campus</b>	<b>Project Name</b>	<b>Preliminary Campus Estimate</b>	<b>Full Project Approval (Second Vote)</b>
Amherst	Integrated Design Building - formerly Hills replacement Building	\$ 55,000,000	\$ 55,000,000
Amherst	Marks Meadow/Furcolo Renovations	\$ 21,400,000	\$ 22,500,000
Amherst	South College Academic Facility - formerly Bartlett Replacement Building	\$ 50,000,000	\$ 65,000,000
Amherst	Morrill Steamline	\$ 6,000,000	\$ 6,000,000
Boston	Life Sciences: Center for Personalized Cancer Therapy - To Be Located within Integrated Sciences Complex - LSBB Earmark	\$ 10,000,000	\$ 10,000,000
Dartmouth	Classroom, Teaching Laboratory, and Learning Space Improvements	\$ 11,440,000	\$ 11,440,000
Lowell	North Campus Quad Renewal	\$ 31,500,000	\$ 18,000,000
Worcester	REN - 4 Basic Research and Student Lab Wing Improvements Floors 1 - 4	\$ 15,500,000	\$ 16,000,000

And further,

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Pursuant to Trustee Policy T93-122, as amended to approve the following projects that **exceeded the Approved Project cost by more than 10%** and to satisfy the University’s written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T14-090:

Campus	Project Name	Full Project Approval (Second Vote)	Adjusted Cost	% Change
Boston	Master Plan Phase I: Utility Corridor and Roadway Relocation Project	\$ 143,000,000	\$ 165,200,000	16%
Boston	Master Plan Phase I: Construct New Academic Building 1	\$ 113,000,000	\$ 130,500,000	15%
Worcester	REN - 4 Clinical Wing Lab to Office Conversions (Floor 2 - 7)	\$ 8,000,000	\$ 15,500,000	94%

And further,

With respect to any or all of the projects identified in the University’s 5 Year Capital Plan, Doc. T14-089, and in the Approved Capital Project list, as reviewed and amended quarterly, 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, (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. 1960, c. 773, §\_19A, as amended, and St. 1992, c. 138, §\_15A, as inserted by St. 2000, c. 159, §\_303. (Doc. T14-089)

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

Chair Woolridge requested the approval of the **Authorization to Request the University of Massachusetts Building Authority to Initiate Financing of University Projects and Related Matters**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

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Associate Vice President Gorzkowicz explained that the vote allows UMBA to issue debt on behalf of the University.

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 buildings and other 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, 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:

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- (a) Any or all of the projects identified in the University's 2015-2019 Capital Plan, Doc. T14-089 **'which are on'** the Approved Capital Project list, as reviewed and amended quarterly **'by the Trustees'**; 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 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.
  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. T14-090)

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

Senior Vice President Wilda then discussed the final slide of the presentation which provides an overview of critical IT investments needed to bring campuses to an acceptable level.

Chair Woolridge then asked for a motion to put Action Items #1 and #3 on a Consent Agenda for the Board meeting and explained that the Board can approve these items by a single vote, and that no discussion will be permitted.

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It was moved and seconded to place the above matters on a Consent Agenda. The Chair asked for a vote and the motion passed unanimously.

**Discussion Items:**

Senior Vice President Wilda provided an update on the **FY2014 University Financial Report**, which included fiscal highlights, trends and key indicators. There was discussion about the definition of operating margins. Professor May from the Amherst campus, suggested the need for looking at faculty and programs not operating in updates spaces.

**Information Items:**

Executive Director Filippone provided the **Building Authority Update**, which included a brief update on recent initiatives of the Building Authority, including the recent financial and construction audits, the October strategic planning retreat, and upcoming financing plans.

Senior Vice President Wilda discussed the launch and sharing of the **Executive Dashboards** to be presented at the upcoming Committee of the Whole and asked for feedback.

Chairman Thomas announced that Chair Woolridge was appointed to another term on the Board by Governor Patrick and that Governor-elect Baker had appointed him along with President Caret and Chancellor Meehan to serve on his transition teams.

Chair Woolridge then asked the Committee to vote to enter into **Executive Session** to discuss **Update on Real Property in the City of Lowell**, as permitted by General Laws Chapter 30A, Section 21(6) and **Strategy discussion for remaining 2014 Collective Bargaining units**, as permitted under Chapter 30A, Section 21(a)(3), since a discussion in open session would have a detrimental effect on the University's position

It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter into Executive Session for those purposes listed: Chair Woolridge voted for the motion as did Vice Chair Buonomo; Trustees Campbell, Collins, Furman, Mullan and Chairman Thomas.

The time was 10:37 a.m.

Kate Wilkinson  
Staff Assistant