

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

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

**Wednesday, November 30, 2016; 9:00 a.m.
Amherst Room
One Beacon Street – 32nd Floor
Boston, Massachusetts**

Committee Members Present: Chair Buonomo; Vice Chair Epstein; Trustees Collins, Delaney, Fatemi Ardestani, Furman, Johnston, Peyser and Reed; Chairman Woolridge

Other Trustees: Trustee Manning

Committee Members Absent: Trustees Fubini, Peters and Thomas

University Administration: President Meehan; General Counsel Heatwole; Senior Vice President Wilda; Chancellors Subbaswamy, Motley, Moloney and Collins; Ms. Filippone, Executive Director, UMass Building Authority

Faculty Representatives: Professor Johnston, UMass Lowell

Documents Used:

- Meeting Minutes, September 14, 2016
- Establishment of Endowed Chairs, UMass Amherst, Doc. T16-090
- Sustainability Policy, Doc. T16-055
- Approval of Changes to the approved Capital Projects List, Doc. T16-067, as amended
- FY2016 University Audited Financial Statements, Doc. T16-083
- Quarterly Building Authority Update, Doc. T16-084
- Report on University Efforts Related to Campus Safety and Violence Prevention, Doc. T16-091
- 2016 Annual Clery Report, Doc. T16-085
- Calendar of Key Deadlines for the Upcoming Year, Doc. T16-086

Chair Buonomo convened the meeting at 9:24 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 do so through the Chair, noting that all speakers will be limited to three minutes.

Chair Buonomo stated that the Committee was provided with draft minutes of the September 14, 2016 meeting and asked for any corrections. With no corrections, the minutes were approved.

Reports:

Chair's Report

Chair Buonomo provided an update on the states revenue and tax collections through October 2016. He then highlighted the days' agenda which included three action items and a summary of the University's year-end financials for FY16 with highlighted key financial metrics in budget and projection. He noted that the University continues to budget conservatively and that UMass continues to uphold its fiscally prudent commitment to manage a balanced budget despite necessary costs and investments in capital with inadequate state funding. He stated that the audited financials show that the University is controlling expenses amidst modest revenue growth and while the operating margin gets tighter the University's bottom line is positive and has been for nine consecutive years.

Chair Buonomo noted that the Committee had access to an updated A&F Committee calendar which highlights the various topics that come before the A&F Committee throughout the year and how the budget process aligns with the state.

President's Report

President Meehan expressed his sympathy and offered well-wishes to the community of Ohio State University, who recently experienced a tragic campus safety incident. He commented that he offered President Drake his condolences and support from UMass.

President Meehan discussed the importance of the University's commitment to diversity and inclusion and reiterated his comments from the recent Committee on Academic and Student Affairs meeting where he emphasized the value of diversity and that the University of Massachusetts is a public university that seeks to extend the promise of higher education to all members of society locally and globally.

President Meehan reported on the University's sustainability efforts and noted that the Sustainability Policy would be voted on later in the agenda. The Sustainability Policy reaffirms the University's commitment to key principles in that regard and further demonstrates that sustainability is an institutional priority for UMass. He reported that the *Princeton Review* recently ranked UMass Amherst among its Top 50 Green Colleges and designated UMass Boston, Dartmouth, and Lowell as Green Colleges. He noted other external acknowledgements such as UMass Amherst and Lowell receiving Gold category recognition by STARS (Sustainability Tracking, Assessment & Rating System). The Medical School was awarded bronze distinction.

President Meehan briefed the Committee on campus safety efforts and indicated that the Office of the President in collaboration with the 5 campuses under the direction of Jeff Hescoock, Director for University Emergency Management & Business Continuity, have created a report with a benchmark analysis of what each campus is doing to act in accordance with the Department of Higher Education's Task Force recommendations. Each campus completed an analysis that demonstrated that they are actively engaged in a wide-range of activities based on the 55 recommendations in the Task Force's report.

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President Meehan announced that he will conduct quarterly financial reviews with each Chancellor of the five campuses. The purpose of the quarterly reviews is to ensure that the financial plans are being implemented and that the Office of the President is doing its due diligence to maintain balanced budgets. He stated that he is committed to working with State Leaders in preparation of another challenging budget process and noted the importance of advocating for the University's needs.

Public Speakers:

Anneta Argyres, Vice President of the Professional Staff Union and Marlene Kim, Professor and President of the Faculty Staff Union from UMass Boston expressed their concerns regarding budget tightening and how it is affecting the UMass Boston community.

Action Items:

Chair Buonomo requested the approval of the **Establishment of Endowed Chairs, UMass Amherst**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion. Chancellor Subbaswamy commented on the Chairs.

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 an endowed professorship at the University of Massachusetts Amherst to be known as the **Charles P. McQuaid Endowed Professorship in the Isenberg School of Management**.

And further, to establish an endowed chair at the University of Massachusetts Amherst to be known as the **Robert K. Barrett Chair in Polymer Science and Engineering at the College of Natural Sciences**. (Doc. T16-090)

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

Chair Buonomo requested the approval of the **Sustainability Policy**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Budget Director Pasquini reported on the purpose and goal of the Sustainability Policy. She stated that the policy would enhance the current sustainability report to include updates and progress on key principles and metrics that display the University's trends in greenhouse gas reductions and energy utilization.

It was moved and seconded.

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To recommend that the Board take the following action:

To approve the Sustainability Policy which establishes the University’s commitment to sustainability efforts and to authorize the President or his/her designee to issue Standards to be followed by each campus. (Doc. T16-055)

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

Chair Buonomo requested the approval of the **Approval of Changes to the Capital Projects List (related to the FY2017 – FY2021 Capital Plan)**. He indicated that the Committee had a chance to review the background materials that were provided and asked for questions or discussion.

Budget Director Pasquini provided an update on the approved capital projects list. She reported that approximately 64% of the projects continue to progress through each phase in construction and are near the completion phases.

Executive Director Filippone then provided an update on the approval request for Perry Hall at UMass Lowell. She stated that the capital project, which totaled \$50 million, would be funded by a combination of borrowing local and external funds.

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 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 T16-058:

Campus	Project Name	Preliminary Campus Estimate	Full Project Approval (Second Vote)	Funding Source				
				Local Funding	External Funding	Borrowed Funding	State Funding	P3
Lowell	Science & Engineering Master Plan-Perry Hall, Engineering, Renewal	\$50,000,000	\$50,000,000	18,000,000.00	\$12,000,000	\$20,000,000	-	-
Total		\$50,000,000	\$50,000,000	\$18,000,000	\$12,000,000	\$20,000,000	\$0	\$0

(Doc. T16-067, as amended)

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

Chair Buonomo then asked for a vote to place Action Items #1-3 on a Consent Agenda for the Board meeting.

It was moved and seconded to place Action Items #1-3 on a Consent Agenda.

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

Discussion Items:

Senior Vice President Wilda provided an update on the **FY2016 University Audited Financial Statements**. She discussed key financial fluctuations from FY15 to FY16. The key financial ratios showed an operating margin at 0.2%; a debt ratio at 6.4%; and a primary reserve ratio at 16.9% which was significantly impacted by the implementation of GASB 68. She stated that the ratios were consistent with the year-end projections completed earlier this year. She indicated that the University remains competitive in securing federal grants and contracts for research. She noted that the University managed to budget with the FY16 financial position being stable.

Information Items:

Mr. Hescock, Director for University Emergency Management & Business Continuity commented on the **Report on University Efforts Related to Campus Safety and Violence Prevention**. He reported that President Meehan tasked the 5 campuses to benchmark themselves against the 55 recommendations identified in the report from the Massachusetts Department of Higher Education and highlighted areas of opportunity for collaboration. He also reported on the **2016 Annual Clery Report** observations, noting the largest decrease in liquor law violations, drug law violations, and liquor law arrests.

There being no other business, the meeting adjourned at 10:59 a.m.

Christina A. Kelley
Assistant Secretary to the Board