

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

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

**Wednesday, September 14, 2016; 8:00 a.m.
Amherst Room
One Beacon Street – 32nd Floor
Boston, Massachusetts**

Committee Members Present: Chair Buonomo; Trustees Campbell, Delaney, Fatemi, Fubini, Johnston, Lee, Mullan, Peyser, Reed and Thomas; Chairman Woolridge

Committee Members Absent: Vice Chair Epstein; Trustees Collins, Furman and Peters

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

Guests: Ralph Wallace, Keville Enterprises (UMass Building Authority Consultant)

Documents Used:

- Meeting Minutes: June 8, 2016 (Open & Executive Session)
- Special Meeting Minutes: July 14, 2016
- Non-Discrimination and Harassment Policy, Doc. T16-040
- Authorization for the President to Submit the University's Fiscal Year 2018 Budget Request, Doc. T16-056
- University's FY2017–FY2021 Capital Plan, Doc. T16-057
- Capital Projects List, Doc. T16-067
- Authorization to Request the University of Massachusetts Building Authority to Initiate Financing of University Projects and Related Matters, Doc. T16-058
- Building Authority Update, Doc. T16-059
- Sustainability Report, Doc. T16-060
- Proposed Draft of the University's Sustainability Policy, Doc. T16-055
- Department of Higher Education Report on Campus Safety and Violence Prevention, Doc. T16-069

Chair Buonomo convened the meeting at 8:07 a.m. He stated that the Committee was provided with draft minutes of the June 8, 2016 Open and Executive Session and the July 14, 2016 special meeting and asked for any corrections. With no corrections, the minutes were approved.

Reports:

Chair's Report

Chair Buonomo provided an update on the tax collection and commented on the state's revenue collections for the first quarter of the fiscal year 2017. He also provided an overview of the University's updated 5-year Financial Projection and the updated 5-year Capital Plan. Chair Buonomo stated that the A&F team explored and included cost drivers, collective bargaining, fringe, capital investments and University funded financial aid.

Chair Buonomo commented on the level of state support that the University can achieve in order to develop reasonable plans for tuition and fees while maintaining a focus on addressing deferred maintenance and the quality of education.

President's Report

President Meehan reported on the challenges the University faced in developing the FY17 budget. The University was impacted by below benchmark state revenues and reductions to the state budget and had to make adjustments since state funding failed to meet the increase in mandatory and fixed costs. The University funded financial aid and faculty lines needed to maintain academic quality despite fiscal realities which put pressure on the University's budget. President Meehan also commented on the deliberations and ongoing strategic efforts to develop solutions in dealing with the University's budget funding constraints.

President Meehan informed the Committee about the Campus Safety and Violence Prevention Task Force assembled by the Commissioner of the Massachusetts Department of Higher Education. Two UMass representatives serve on the 33-member Task Force charged with assessing existing policies and practices on campus safety and violence prevention. The University has been asked to participate in a statewide Conference on Campus Safety and Violence Prevention in September.

President Meehan provided an update on the work by the University in collaboration with the Division of Capital Asset Management and Maintenance (DCAMM) on the Strategic Framework for Higher Education planning effort led by the Executive office of Education. Each UMass campus will participate in a series of regional workshops geared to help better align the administration's allocation of capital resources with the economic and workforce needs of the state and across higher education.

President Meehan recognized Vice Chancellor Joanne Yestramski for being honored nationally for her exemplary and longstanding contributions to higher education management. She recently received the 2016 Distinguished Business Officer Award, which is the highest distinction bestowed by the National Association of College and University Business Officers (NACUBO).

Committee on Administration and Finance
September 14, 2016

Action Items:

Chair Buonomo requested the approval of the **Non-Discrimination and Harassment Policy**. 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:

To approve the Non-Discrimination and Harassment Policy which establishes what each campus' policies and procedures must provide to address issues of discrimination and harassment, and to authorize the President or his/her designee to issue Standards to be followed by each campus conduct code.

And further,

To rescind the Sexual Harassment Policy, Doc. T92-037. (Doc.T16-040)

Associate Vice President Preble, provided an update on the proposed policy. The policy changes in the procedural aspect of policies and broadens the scope of harassment types while protecting all classes.

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

Chair Buonomo requested the approval of the **Fiscal Year 2018 State Budget Request Authorization**. 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:

To authorize the President to prepare and submit the University's Fiscal Year 2018 State Budget request per the Board's Governance policy (T73-098).
(Doc. T16-056)

Senior Vice President Wilda provided a brief overview of the vote. She stated that the vote authorizes the President to submit the State Budget Request for FY2018.

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

Chair Buonomo requested the approval of the **University's 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.

Committee on Administration and Finance
September 14, 2016

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 Five-year Capital Plan (FY2017 to FY2021) as described in Doc. T16-057 and to satisfy the University's written request that the UMass Building Authority undertake projects in accordance with Board of Trustees vote T16-058. Approval of the University's capital plan does not constitute approval of the individual projects and each project must follow the capital project approval process pursuant to Trustee Policy T93-122.

And further,

With respect to any or all of the projects identified in the University's 5-Year Capital Plan, Doc. T16-057, 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. T16-057)

Associate Vice President Gorzkowicz provided an overview of the planning and process for developing the University's 5-year Capital Plan. He provided a breakdown of the categories for capital projects which are Board approved projects, as well as priority projects and future pipeline projects. He noted that the 5-year Capital Plan does not constitute approval of projects that are not currently on the "Approved Project list."

Committee on Administration and Finance
September 14, 2016

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

Chair Buonomo requested the approval of the **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.

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
Amherst	Isenberg School of Management renovations and addition	\$62,000,000	\$62,000,000	-	\$16,000,000	\$46,000,000	-	-
Boston	Construct New Garage Facility (Master Plan Phase I)	\$45,000,000	\$71,000,000	-	-	-	-	71,000,000.00
Boston	Construct University Dining Facility in New Residence Hall 1	\$18,000,000	\$18,000,000	-	-	\$18,000,000	-	-
Boston	Renovations to Existing Academic Buildings (McCormack Hall and Wheatley Hall) (Master Plan Phase I)	\$75,000,000	\$45,000,000	-	-	\$45,000,000	-	-
Boston	Elevator Renovations in Clark Athletic Center, McCormack Hall, Quinn Administration Building, and Wheatley Hall	\$3,300,000	\$8,300,000	\$2,700,000	-	\$5,600,000	-	-
Boston	Clark Athletic Center: Replace Gymnasium Roof and East Curtain Wall and Repair Rink South Façade	\$5,250,000	\$5,250,000	\$625,000	-	\$3,000,000	\$1,625,000	-
Boston	Fox Point Dock: Upgrades and ADA Accessibility	\$2,500,000	\$2,500,000	-	-	\$2,500,000	-	-
Total		\$211,050,000	\$212,050,000	\$3,325,000	\$16,000,000	\$120,100,000	\$1,625,000	\$71,000,000

And further,

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 T16-058:

Campus	Project Name	Full Project Approval (Second Vote)	Adjusted Cost	% Change
Boston	Utility Corridor and Roadway Relocation Project (Master Plan Phase I)	\$177,700,000	\$233,500,000	31%
Lowell	Fox Hall Elevators	\$14,000,000	\$18,000,000	29%
Total		\$191,700,000	\$251,500,000	31%

(Doc. T16-067)

Budget Director Pasquini provided an update on the phases and status of capital projects at UMass Amherst, Boston, and Lowell.

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

Committee on Administration and Finance
September 14, 2016

Chair Buonomo requested the approval of the **Resolution Authorizing Request for Initiation by UMass Building Authority 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.

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

Committee on Administration and Finance
September 14, 2016

Building Authority initiate and undertake:

(a) Any or all of the projects identified in the University's 2017-2021 Capital Plan, Doc. T16-057, and in the Approved Capital Project list, as reviewed and amended quarterly; 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. T16-058)

Associate Vice President Gorzkowicz reported on the vote authorizing the UMass Building Authority to initiate the financing of University projects and related matters. He stated that with the Board's approval, the Building authority would be able to issue new bonds in support of the Approved Capital Projects List.

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

Chair Buonomo then asked for a vote to place Action Items #1-5 on a Consent Agenda for the Board meeting.

Committee on Administration and Finance
September 14, 2016

It was moved and seconded to place Action Items #1-5 on a Consent Agenda. Chair Buonomo asked for a vote and the motion passed unanimously.

Discussion Items:

Executive Director Filippone provided an update on the recent activities of the UMass Building Authority. Mr. Wallace, a consultant with Keville Enterprises working with the construction team at the UMass Boston campus then provided an update of activity on the Boston campus. He expressed the importance of having sufficient parking on the campus. He also commented that the progress of constructing a 1400 space parking garage has been postponed due to the surface challenges with the recent discovery of asbestos in the soil. Mr. Wallace also reported on the cost of a geotechnical assessment and new proposed completion date for the garage.

Information Items:

Budget Director Pasquini provided an overview of the **University's Annual Sustainability Report**, which included a draft Sustainability Policy for the University. She highlighted the reduction of Greenhouse gas (GHG) emissions, noting that the University has been successful in reducing GHG by 14.76% from the Leading by Example baseline while experiencing increased enrollment and square footage of the physical plant. Director Pasquini also reported that after extensive research, the Sustainability Committee has endeavored to draft a Board policy specific to the matter. Sustainability highlights from each campus were provided.

Mr. Hescok, Director of University Emergency Management and Business Continuity provided a brief overview of the **Department of Higher Education Report on Campus Safety and Violence Prevention**.

There being no other business, the meeting adjourned at 11:01 a.m.

Christina Kelley
Assistant Secretary to the Board