

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

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

Wednesday, September 12, 2018; 1:00 p.m.

Amherst Room

University of Massachusetts Club

One Beacon Street – 32nd Floor

Boston, Massachusetts

Committee Members Present: Chair Karam; Vice Chair O'Brien; Trustees Epstein, Fubini, Furman, Madigan, Tariq, Thomas, Tolman and Wu; Mr. Moreau (representing Trustee Peyser)

Other Trustees: Trustees Burns, Paris Jeffries and Scheibel

Committee Members Absent: Trustees Peters, Peyser, Phimmasonne and Woolridge

University Administration: President Meehan; General Counsel Leone; Senior Vice President Calise; Chancellors Subbaswamy, Newman, Johnson, Moloney and Collins

Faculty Representatives: Professor Hoagland, UMass Amherst; Professor Lublin, UMass Boston

Documents Used:

- Meeting Minutes: April 4, 2018
- University Reserve Policy, Doc. T18-026
- Fiscal Year 2020 State Budget Request Authorization, Doc. T18-055
- University's FY2019-FY2023 Capital Plan, Doc. T18-056
- Approved Capital Projects List (Vote 1), Doc. T18-063
- Approved Capital Projects List (Vote 2), Doc. T18-064
- Naming of the Horse Barn at the Agricultural Learning Center as the Massachusetts Farm Bureau Federation Hall, UMass Amherst, Doc. T18-062
- KPMG's Alternative Procurement in the Higher Education Sector, Doc. T18-060
- University Capital Planning, Land and Facilities Use Policy, Doc. T93-122

Chair Karam convened the meeting at 1:01 p.m.

Consideration of Minutes of the prior meeting of the Committee

Chair Karam stated that the Committee was provided with draft minutes of the April 4, 2018 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair's Report

Chair Karam provided an overview of the day's agenda and informed the Committee of six action items for vote and two discussion items.

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President's Report

President Meehan welcomed new Student Trustees, Sara Tariq from UMass Boston and Brian Madigan from UMass Lowell to their first A&F Committee meeting. He noted their responsibility and the impact for their peers as stewards of their respective campuses.

President Meehan congratulated the campuses on the latest *U.S. News & World Report* rankings. For three consecutive years, UMass is one of the only public university systems in the nation to have all of its undergraduate campuses ranked as top tier national universities and one of only three with all undergraduate campuses ranked and at least one in the top 100 overall.

President Meehan discussed the goals of the FY19-23 Capital Plan. He noted that the University is working closely with Sightlines to integrate deferred maintenance backlog data in capital planning efforts. He stated that deferred maintenance needs of the campuses is top priority of the capital plan—the \$2.3 billion capital plan reflects those needs.

President Meehan highlighted the adoption of the University's first Reserve Policy and the proposed changes to the Capital Planning, Land and Facilities Use Policy.

President Meehan stated that Senior Vice President Calise would be discussing the progress of the University's shared services. Budget constraints coupled with efficiency demand necessitate the University adopting new modes of operations, increased efficiencies, and reduced costs produced through shared services that are well documented.

Senior Vice President's Report

Senior Vice President Calise provided an overview of the A&F roadmap and discussed FY18 close enrollment tracking progress, and the new University Reserve Policy. She also updated the Committee on shared services from a discussion that began at the previous A&F Committee meeting. The University is positioned to take on shared services beginning in the areas of accounts payable, payroll, as well as additional opportunities in procurement as a result of the E&E Task Force and the Business Process Review initiatives.

She provided an update on the fall enrollment numbers at each campus and noted that due to rolling deadlines, enrollment numbers are changing daily. Based on the data provided by each campus, undergraduate enrollment for all campuses is on target for FY19; the strength of the numbers are driven by new students while continuing students are slightly behind, with the exception of Boston and graduate students continuing to be below budget. The campuses are working on enrollment strategies.

Senior Vice President Calise then reported on the University's first Reserve Policy noting that adopting such a policy would serve as a means for increased transparency through reporting on key metrics.

Public Speakers

Christopher Simon, Co-Chair for SaveUMB at UMass Boston expressed his thoughts about the new residence halls on the campus. He stated that SaveUMB is looking for allies and encourages those wishing to speak out and address the issues surrounding the Boston campus to join their

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mission. He encouraged Board members and the President to work with the campus community to resolve the challenges that the campus currently faces.

Action Item #1: Adoption of the University Reserve Policy, Doc. T18-026

Chair Karam requested the approval of the University Reserve 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 University Reserve Policy that governs University reserve funds, the purposes for which they can be used and associated reporting requirements; and to authorize the President to promulgate administrative standards to define reserve targets, funding sources and designations and to otherwise implement this policy.

Associate Vice President Gorzkowicz provided the background for the purpose of the action item.

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

Action Item #2: Fiscal Year 2020 State Budget Request Authorization, Doc. T18-055

Chair Karam requested the approval of the Fiscal Year 2020 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 2020 State Budget request per the Board's Governance policy (T73-098).

Assistant Vice President Pasquini provided the background for the purpose of the action item.

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

Action Item #3: Approval of the University's FY2019-FY2023 Capital Plan, Doc. T18-056

Chair Karam requested the approval of the University's FY2019-FY2023 Capital Plan. 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 University's Five-year Capital Plan (FY2019 to FY2023) as described in Doc. T18-056. 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, as amended.

And further,

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With respect to any or all of the projects in the University’s Five-Year Capital Plan described in Doc. T18-056 or described 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 the President 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 making a written request in the name and on behalf of the trustees that the University of Massachusetts Building Authority initiate and undertake any such project in the Approved Capital Project list, or to request the Worcester City Campus Corporation to effectuate the financing thereof through any appropriate issuer of debt, 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.

Assistant Vice President Pasquini provided background for the purpose of the action item.

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

Action Item #4: Approval of Changes to the Approved Capital Projects List (Vote 1), Doc. T18-063

Chair Karam requested the approval of the Changes to the Approved Capital Projects List (Vote 1). 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 **first vote**; the adoption of such vote hereby satisfies the University’s written request that that the University of Massachusetts Building Authority undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended and Board vote T18-056:

Campus	Project Name	Preliminary Campus Estimate	Funding Sources					P3
			Local Funding	External Funding	Borrowed Funding	State Funding		
UMA	Central Heating Plant Boiler/Co-Gen Fitout	\$25,000,000	-	-	\$25,000,000	-	-	
UMA	Energy Improvements	\$15,000,000	\$11,700,000	\$1,000,000	-	\$2,300,000	-	
UMA	Office/Lab/Academic Renovations	\$52,500,000	\$6,500,000	-	\$46,000,000	-	-	
UML	Critical Repair - Olsen Strategic Renovations, Repairs and Replacements	\$18,500,000	\$12,400,000	-	-	\$6,100,000	-	

AND

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Pursuant to Trustee Policy T93-122, as amended, to approve the following projects under the **first vote**; the adoption of such vote hereby satisfies the University’s written request that the University of Massachusetts Building Authority undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended and Board vote T18-056:

Campus	Project Name	Preliminary Campus Estimate	Funding Sources				
			Local Funding	External Funding	Borrowed Funding	State Funding	P3
UMA	Housing Expansion	\$175,000,000	-	-	-	-	\$175,000,000
UMA	North Village Apartments	\$70,000,000	-	-	-	-	\$70,000,000

Assistant Vice President Pasquini provided background for the purpose of the action item.

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

Action Item #5: Approval of Changes to the Approved Capital Projects List (Vote 2), Doc. T18-064

Chair Karam requested the approval of the Changes to the Approved Capital Projects List (Vote 2). 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**; the adoption of such vote hereby satisfies the University’s written request that the University of Massachusetts Building Authority undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended and Board vote T18-056:

Campus	Project Name	Preliminary Campus Estimate (First Vote)	Full Project Approval (Second Vote)	Funding Sources				
				Local Funding	External Funding	Borrowed Funding	State Funding	P3
UMA	McGuirk Scoreboard & Seasonal Bubble	\$13,000,000	\$18,000,000	\$11,000,000	\$7,000,000	-	-	-
UMA	Whitmore Deferred Maintenance	\$14,000,000	\$4,000,000	-	-	\$1,752,000	\$2,248,000	-
UML	Science & Engineering Master Plan-Olsen Renovations 1	\$40,000,000	\$10,000,000	-	-	\$10,000,000	-	-
UMB	Demolish Substructure, Science Center, and Pool (Master Plan Phase I)	\$155,000,000	\$114,500,000	-	-	\$36,500,000	\$78,000,000	-
UMB	Renovations to Existing Academic Buildings (McCormack Hall and Wheatley Hall) (Master Plan Phase I)	\$75,000,000	\$41,000,000	-	-	\$41,000,000	-	-

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

Action Item #6: Naming of the Horse Barn at the Agricultural Learning Center as the Massachusetts Farm Bureau Federation Hall, UMass Amherst, Doc. T18-062

Chair Karam requested the approval of the Naming of the Horse Barn at the Agricultural Learning Center as the University of Massachusetts Amherst as the Massachusetts Farm Bureau Federation Hall. 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:

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To name the horse barn at the Agricultural Learning Center of the University of Massachusetts Amherst as the Massachusetts Farm Bureau Federation Hall.

Chancellor Subbaswamy provided brief comments for the purpose of the action item.

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

Consent Agenda

Chair Karam asked for a vote to place Action Items #1, 2, and 6 on a Consent Agenda for the Board meeting. It was moved and seconded to place Action Items #1, 2, and 6 on a Consent Agenda.

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

Discussion Item #1: KPMG Presentation: Innovative Partnerships in Higher Education

Daniel Feitelberg and Timothy Wilschetz from KPMG's Infrastructure Advisory, reviewed key principals of alternative procurement or P3 arrangements for the Committee to better understand the range of risks and responsibilities for planning financing options for current and future capital projects.

Discussion Item #2: Review of the Changes to the University's Capital and Land Use Policy, Doc. T93-122

Associate Vice President Gorzkowicz discussed the proposed changes to the current Capital Planning, Land and Facilities Use Policy, which include defining key terms that will support addressing deferred maintenance needs, requiring all projects to complete a P3 (public, private, partnerships) screen for feasibility and completing a P3 options analysis for all projects where the initial screening suggests the use of a P3, and a review of all language to clarify language that may be ambiguous or out of sync with other policies.

Executive Session Announcement

Chair Karam then asked the Committee to vote to enter into Executive Session To consider the purchase, exchange, lease or value of real property, since it has been determined that an open meeting would have a detrimental effect on the negotiating position of the University, as permitted by General Laws Chapter 30A, Section 21(a)(6).

Chair Karam announced that the Committee would not reconvene in open session.

It was moved and seconded and the Secretary called the roll with each Trustee asked to vote yes or no to enter in Executive Session for those purposes listed. Chair Karam voted for the motion as did Vice Chair O'Brien; and Trustees Epstein, Fubini, Thomas, Tolman and Wu; Mr. Moreau (representing Trustee Peyser).

The time was 3:26 p.m.

Christina A. Kelley
Assistant Secretary to the Board