

**UNIVERSITY OF MASSACHUSETTS
AMHERST•BOSTON•DARTMOUTH•LOWELL•MEDICAL•LAW•ONLINE**

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

Thursday, December 5, 2019; 9:30 a.m.

Amherst Room

University of Massachusetts Club

One Beacon Street – 32nd Floor

Boston, Massachusetts

Committee Members Present: Chair Karam; Trustees Binnall, Callahan, Cruz-Gordillo, Epstein, Furman, Patel, Peyser, Thomas, Tolman and Woolridge

Other Trustees: Trustees Burns and Scheibel

Committee Members Absent: Vice Chair O'Brien; Trustee Wu

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

Documents Used:

- Meeting Minutes: September 4, 2019 (Open & Executive Session)
- Establishment of the Robert T. Seeley Visiting Assistant Professorship in Mathematics, UMass Boston, Doc. T19-063
- Approval of Changes to the Capital Project List (related to the FY2019–FY2023 Capital Plan) (Vote 1), UMass Medical School, Doc. T18-063, as amended
- Approval of Changes to the Capital Project List (related to the FY2019–FY2023 Capital Plan) (Vote 2), UMass Amherst, Dartmouth, Doc. T18-064, as amended
- Approval of Changes to P3 Projects on the Capital Projects List (related to the FY2019–FY2023 Capital Plan) (Vote 2), UMass Lowell, Doc. T18-064, as amended
- Updated Five-Year Financial Forecast, Doc. T19-018
- Capital Projects Submission to the Commonwealth, Doc. T19-064
- 2019 Annual Clery Report, Doc. T19-065
- UMass Admissions & Enrollment Data (CASA Report), Doc. T19-058

Chair Karam convened the meeting at 9:41 a.m.

Consideration of Minutes of the prior meeting of the Committee

Chair Karam stated that the Committee was provided with the draft minutes of the September 4, 2019 meeting and asked for any corrections. With no corrections, the minutes were approved.

Chair Karam then announced the meeting's agenda.

President's Report

President Meehan welcomed Barbara Kroncke, the new Executive Director of the UMass Building Authority and briefly discussed her professional background.

He noted that Senior Vice President Lisa Calise and her team would provide a presentation on the University's Five-Year Forecast. He provided an update on the University's shared services model which continues to move forward and is expected to achieve an estimated \$17 million in annual cost savings. Senior Vice President Calise would provide a brief update in her report.

President Meehan commented on the Endowment Match Initiative to be funded by the state in its upcoming supplemental budget. The initiative provides UMass with at least \$10 million in state funds to match \$20 million in private gifts. This will be the first time since 2007 that the match program has been funded. He also announced that regarding the state's budget process, the Administration's budget recommendations will be released in January, followed by the House and Senate recommendations in the spring.

Senior Vice President's Report

Senior Vice President Calise provided an update on the A&F Roadmap 3.0 noting the work underway to ensure financial sustainability and efficient operations across administrative areas. She provided a summary of the first quarter Financial Report for FY20, and welcomed David Cho, the University's Chief Procurement Officer to the Committee.

Chief Procurement Officer Cho, provided an update on the implementation timeline and scope of the Shared Services Plan which is scheduled to go live on January 1st. He provided a high-level view of the plan's key objectives, as well as next steps.

Executive Director Kroncke provided a financing overview for 2020, noting that the UMass Building Authority is considering \$227 million in bond refunding, resulting in a \$20 million savings.

Action Item #1: Establishment of the Robert T. Seeley Visiting Assistant Professorship in Mathematics, UMass Boston, Document T19-063

Chair Karam requested the approval of the Establishment of the Robert T. Seeley Visiting Assistant Professorship in Mathematic at UMass Boston. 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 Robert T. Seeley Visiting Assistant Professorship in Mathematics at the University of Massachusetts Boston.

Chancellor Newman 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: Approval of Changes to the Capital Projects List (related to the FY2019–FY2023 Capital Plan), (Vote 1), UMass Medical School, Document T18-063, as amended

Chair Karam requested the approval of the Changes to the Capital Projects List at the 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:

Pursuant to Trustee Policy T93-122, as amended, to approve the following project 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 project 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
UMMS	New Research Building	\$300,000,000	-	-	\$300,000,000	-	-
UMMS	Power Plant Expansion	\$50,000,000	\$25,000,000	\$25,000,000	-	-	-
	TOTAL	\$350,000,000	\$25,000,000	\$25,000,000	\$300,000,000	\$0	\$0

Chancellor Collins provided the background for the purpose of the action item. President Meehan commended the Medical School’s leadership and the school’s accomplishments without state budget funding.

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

Action Item #3: Approval of Changes to the Capital Projects List (related to the FY2019–FY2023 Capital Plan), (Vote 2), UMass Amherst, Dartmouth, Document T18-064, as amended

Chair Karam requested the approval of the Changes to the Capital Projects List at UMass Amherst and Dartmouth. 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 projects listed below for a **second vote** and add them to the University’s approved capital projects list; the adoption of such vote hereby satisfies the University’s written request that the University of Massachusetts Building Authority engage professionals and otherwise undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended, and Board vote T18-056 and requires a third vote of the board prior to the execution of any development agreement:

**Committee on Administration and Finance
December 5, 2019**

Campus	Project Name	Vote 1	Vote 2	Funding Sources				
				Local Funding	External Funding	Borrowed Funding	State Funding	P3
UMA	Fine Arts Center Renovations	\$9,000,000	\$11,000,000	-	-	\$11,000,000	-	-
UMA	Central Heating Plant Boiler/Co-Gen Fitout	\$25,000,000	\$25,000,000	-	-	\$25,000,000	-	-
UMD	SENG - Building System Project	\$54,436,421	\$45,000,000	-	-	\$20,000,000	\$25,000,000	-
	TOTAL	\$88,436,421	\$81,000,000	\$0	\$0	\$56,000,000	\$25,000,000	\$0

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 #4, Approval of Changes to P3 Projects on the Capital Projects List (related to the FY2019–FY2023 Capital Plan) (Vote 2) UMass Lowell, Document T18-064, as amended

Chair Karam requested the approval of the Changes to the Capital Projects List at UMass Lowell. 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, the University of Massachusetts Board of Trustees Policy T93-122, as amended, establishes approval requirements for P3 funded projects that require the approval of the University President and the UMass Board of Trustees.

To recommend that the Board take the following action:

Pursuant to Trustee Policy T93-122, as amended, to approve the projects listed below for a **second vote** and add them to the University’s approved capital projects list; the adoption of such vote hereby satisfies the University’s written request that the University of Massachusetts Building Authority engage professionals and otherwise undertake the following projects to the extent permitted by Trustee Policy T93-122, as amended, and Board vote T18-056 and requires a third vote of the board prior to the execution of any development agreement:

Campus	Project Name	Vote 1	Vote 2	Funding Sources				
				Local Funding	External Funding	Borrowed Funding	State Funding	P3
UML	Tsongas Center Annex	\$0	\$12,000,000	-	-	-	-	\$12,000,000
	TOTAL	\$0	\$12,000,000	\$0	\$0	\$0	\$0	\$12,000,000

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

Chair Karam noted the importance of the Capital Policy and commented on the new approval process which provides greater transparency into the projects. He recommended that when reviewing the Tsongas Center Annex project, the UMass Building Authority Board’s Strategic Finance Committee consider the economics of the University building and operating the facility as opposed to leasing it to a private developer.

Committee on Administration and Finance
December 5, 2019

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

Consent Agenda

Chair Karam then asked for a vote to place Action Items #1-4 on a Consent Agenda for the December 18 Board meeting. It was moved and seconded to place the Action Items on a Consent Agenda.

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

Discussion Item #1: Updated Five-Year Financial Forecast, Document T19-018

Senior Vice President Calise and Assistant Vice President Pasquini provided a high-level summary of the Financial Forecast which provides valuable information about the direction the University is heading over the next five years. They discussed revenue and expense assumptions and highlighted enrollment growth and investments in capital which are areas of focus.

Discussion Item #2: Capital Projects Submission to the Commonwealth, Document T19-064

Associate Vice President Gorzkowicz provided a brief update on the Commonwealth's new approval process to allocate funding for capital projects across higher education.

Discussion Item #3: Advancement Update

Trustee Burns, Chair of the Advancement Committee, provided an update on system-wide fundraising results for the 1st quarter of FY20. Total year-to-date commitments as a system are \$19.6 million compared to \$26.7 million at this time last year, and new pledges are \$10.7 million.

She commented on the State Endowment Match Program soon to be finalized by the Legislature and Governor and provided an update on the President's Office's efforts to bring together alumni and friends in Massachusetts and outside of New England at system-wide alumni events, and on the continued focus to feature the University's incredible faculty.

The Vice Chancellors provided a quarterly fundraising update. They briefly summarized fundraising activities and development efforts on their campuses for the first quarter of FY20. Reports were provided by Interim Vice Chancellor Theresa Curry from UMass Amherst; Vice Chancellor Adam Wise from UMass Boston; Interim Vice Chancellor Dean Hickey from UMass Dartmouth; Vice Chancellor John Feudo from UMass Lowell; and Vice Chancellor John Hayes from the UMass Medical School.

President Meehan acknowledged Vice Chancellor Joanne Yestramski for her service to the University. Vice Chancellor Yestramski is retiring from UMass Lowell.

There being no further business, the meeting adjourned at 11:57 a.m.

Zunilka Barrett
Secretary to the Board of Trustees