

MINUTES
MEETING OF THE FINANCIAL AFFAIRS COMMITTEE
June 24, 2015

TRUSTEES PRESENT: Louise Bailey, Charles Bunnell, Shari Cantor, Richard Carbray, Michael Daniels, Andrea Dennis-LaVigne, Juanita James, Jeremy Jelliffe, Thomas Kruger, Rebecca Lobo, Donny Marshall (*via Telephone*), Larry McHugh, Denis Nayden (*via Telephone*) and Thomas Ritter

STUDENT TRUSTEE ELECT: David Rifkin

STAFF PRESENT: Andrew Agwanobi, Thomas Callahan, Debbie Carone, Mun Choi, Lisa Danville, Amy Donahue, Michael Eagen, Charles Eaton, Joanne Fazio, David Galloway, Gail Garber, Jeff Geoghegan, Michael Gilbert, Douglas Gnodtke, Brian Gore, Matthew Hancock, Susan Herbst, Kent Holsinger, Michael Jednak, Scott Jordan, Andrea Kelty, Tysen Kendig, Michael Kirk, Matthew Larson, Susan Locke, Wayne Locust, Joanne Lombardo, Warde Manuel, Michael Mundrane, Brandon Murray, Richard Orr, Stephanie Reitz, Rachel Rubin, Jeff Seeman, Katrina Spencer, Eli Strassfeld, Jack Sullivan, Bill Wendt, Dana Wilder, Beverly Wood and Reka Wrynn

UNIVERSITY SENATE MEMBERS PRESENT:
Rajeev Bansal, Cheryl Beck, Larry Gramling, Elizabeth Jockusch, Shayla Nunnally and Angela Rola

Committee Chairman Thomas Kruger convened the meeting of the Financial Affairs Committee at 9:04 a.m. in the Lewis B. Rome Commons Ballroom on the University of Connecticut campus in Storrs, Connecticut. On a motion by Trustee Cantor and seconded by Trustee Carbray the committee voted to go into Executive Session at 9:05 a.m. to discuss commercial or financial information given in confidence and preliminary drafts and notes that the University has determined that the public interest in withholding such documents clearly outweighs the public interest in disclosure.

Trustees participating included: Louise Bailey, Charles Bunnell, Shari Cantor, Richard Carbray, Michael Daniels, Andrea Dennis-LaVigne, Jeremy Jelliffe, Thomas Kruger, Rebecca Lobo, Donny Marshall (*via Telephone*), Larry McHugh, Denis Nayden (*via Telephone*) and Thomas Ritter.

University staff members who participated: President Herbst, Rachel Rubin, Mun Choi, Scott Jordan, Andy Agwanobi, Rich Orr, Tysen Kendig, Michael Kirk, Katrina Spencer, Jeffrey Geoghegan, Lisa Danville, Warde Manuel, Douglas Gnodtke, Gail Garber, Joanne Lombardo, Andrea Kelty, Reka Wrynn, Debbie Carone and David Rifkin.

On a motion by Trustee Cantor and seconded by Trustee Carbray the Executive Session ended at 10:31 a.m. and the committee moved into open session.

Mr. Kruger introduced Scott Jordan, Executive Vice President for Administration and Chief Financial Officer, to provide the Budget Presentation. Mr. Jordan explained that a balanced budget had been achieved despite uncertainty and challenges associated with development of the FY16 budget. He emphasized appreciation for support of the University by the Governor and legislature during an extremely difficult budget cycle. Mun Choi, Provost and Executive Vice President for Academic Affairs, detailed the effects of the budget challenges on the academic mission and strategies to be implemented in order to meet those challenges. Jeffrey Geoghegan, UConn Health Chief Financial Officer, explained the UConn Health budget to the Trustees. The UConn Health Board of Directors had previously received a presentation of the budget and recommended it to the Trustees for approval on June 15, 2015. The UConn Health budget challenges and savings initiatives were reviewed along with capital improvements underway at UConn Health. The Budget PowerPoint Presentation is available on the web at: <http://finance.uconn.edu/wp-content/uploads/sites/1118/2015/06/BudgetWorkshopPresentation6-24-15.pdf>).

On a motion by Trustee Cantor and seconded by Trustee Carbray the agenda ***Item #2, the Minutes of the Financial Affairs Committee Meetings of April 29, 2015 and May 20, 2015*** were approved as circulated.

Matthew Larson, Director of Procurement, provided a thorough overview of agenda ***Item #3, Contracts and Agreements for Approval***. On a motion by Trustee Cantor and seconded by Trustee Carbray the item was recommended to the full Board for approval.

On a motion by Trustee Cantor and seconded by Trustee Carbray, agenda ***Item #4, Extension and Restructuring of an Existing Long-Term Ground Lease with Celeron Square Associates, LLC (CSA)***; agenda ***Item #5, Travel and Entertainment Policies and Procedures – Revised***; agenda ***Item #6, Master Agreement and Statement of Work between the University of Connecticut Foundation and the University of Connecticut for Fiscal Year 2016***; and agenda ***Item #7, Management Agreement for the Nathan Hale Inn*** were taken together and recommended to the full Board for approval.

On a motion by Trustee Cantor and seconded by Trustee Carbray, agenda ***Item #8, Spending Plan for Fiscal Year 2016 for the University of Connecticut, Storrs and Regional Campuses***; and agenda ***Item #9, Spending Plan for Fiscal Year 2016 for UConn Health*** were taken together and recommended to the full Board for approval.

On a motion by Trustee Cantor and seconded by Trustee Carbray, agenda ***Item #10, UCONN 2000 Fiscal Year 2016 Capital Budget*** and agenda ***Item #11, Fiscal Year 2016 Deferred Maintenance/Code/ADA Renovation Lump Sum Project List*** were recommended to the full Board for approval.

Mr. Jordan detailed the indentures presented for approval. On a motion by Trustee Cantor and seconded by Trustee Carbray, agenda *Items 11-15, Twenty First Supplemental Indenture Authorizing University of Connecticut General Obligation Bonds; Revised Allocation of Bond Authorizations as set forth in the Twentieth Supplemental Indenture; Revised Allocation of Bond Authorizations as set forth in the Nineteenth Supplemental Indenture; Revised Allocation of Bond Authorizations as set forth in the Seventeenth Supplemental Indenture; and the Revised Allocation of Bond Authorizations as set forth in the Sixteenth Supplemental Indenture* were recommended to the full Board for approval.

Brian Gore, Director of Project and Program Management, gave a brief explanation of the project budgets for the Storrs campus presented for approval. The Storrs based project budgets presented for approval included: *Academic and Research Facilities – Main Accumulation Area for Regulated Waste (Final: \$5,255,580); Arjona and Monteith – Monteith Renovations (Final: \$25M); Engineering Building – Engineering & Science Building (Final: \$95M); Replace Gampel Chillers (Final: \$1,446,000); South Campus Stair Repair (Final: \$615K); and Replace Gampel Cooling Tower (Revised Final: \$3M)*. On a motion by Trustee Cantor and seconded by Trustee Carbray the committee recommended these Project Budgets to the full Board for approval.

George Karsanow, Director of Construction Services at UConn Health, provided a brief explanation of the project budgets for the UConn Health campus presented for approval. These project budgets presented for approval included: *UCH Main Building Boiler and Deaerator Tank Replacement (Planning: \$2.2M); UCH Main Building Renovation – Lab (“L”) Building Renovations – Project 2 (Design: \$41,389,671); UCH New Construction and Renovation: Clinic Building (“C”) Renovations (Revised Design: \$91,314,604); UCH Main Building Renovation: Lab (“L”) Building Renovations – Project 1 (Revised Final: \$78,415,503); UCH Medical School Academic Building Addition and Renovations (Revised Final: \$36,050,000); UCH New Construction and Renovations: New Hospital Tower (Revised Final: \$325,866,000); UCH New Construction and Renovation – Roadway & Intersection Improvements (Revised Final: \$5,786,250); and UCH Research Tower: Incubator Lab Addition to the Cell & Gnome Sciences Building*. On a motion by Trustee Cantor and seconded by Trustee Carbray the committee recommended the UConn Health Project Budgets to the full Board for approval.

Mr. Kruger directed the committee to the information items on the agenda. There being no additional agenda items the meeting was adjourned at 11:40 a.m. on a motion by Trustee Cantor and seconded by Trustee Carbray.

Respectfully submitted,

Debbie L. Carone

Debbie L. Carone,
Secretary to the Committee