

MINUTES
MEETING OF THE FINANCIAL AFFAIRS COMMITTEE
April 27, 2016

TRUSTEES PRESENT: Andy Bessette, Shari Cantor, Richard Carbray, Sanford Cloud, Jeremy Jelliffe, Thomas Kruger, Andrea Dennis-LaVigne, Larry McHugh, Denis Nayden (*via telephone*), David Rifkin and Thomas Ritter

STAFF PRESENT: Andy Agwunobi, Carolle Andrews, David Benedict, Mun Choi, Laura Cruickshank, Amy Donahue, David Galloway, Jeffrey Geoghegan, Michael Gilbert, Susan Herbst, Scott Jordan, Tysen Kendig, Michael Kirk, Matt Larson, Wayne Locust, Michael Mundrane, Richard Orr, Sally Reis, Rachel Rubin, Jeffrey Seeman, Katrina Spencer, Tom Trutter and Dan Weiner

UNIVERSITY SENATE MEMBERS PRESENT:
Cheryl Beck, Amy Howell, Elizabeth Jockusch, and Shayla Nunnally

Committee Chairman Thomas Kruger convened the meeting of the Financial Affairs Committee at 9:15 a.m. in the Lewis B. Rome Commons Ballroom on the University of Connecticut campus in Storrs, Connecticut. On a motion by Trustee Bessette and seconded by Trustee Cantor the committee accepted a revised agenda to note the title change of the Bookstore Resolution to "*Proposed Transition of Bookstore Management*"; to add a resolution regarding the "*Sale of West Hartford Campus*"; to remove of the "*Gampel Pavilion Dome Ceiling and Roof Repair*" Project Budget; and to add an information item "*Bond Sale Update*".

On a motion by Trustee Cantor and seconded by Trustee Bessette the minutes of the meeting of March 30, 2016 were approved as circulated.

Matthew Larson, Director of Procurement, presented highlights of agenda ***Item #2, Contracts and Agreements for Approval***. On a motion by Trustee Bessette and seconded by Trustee Cantor the item was recommended to the full Board for approval.

Trustee Kruger directed the Committee to agenda ***Item #3, Proposed Transition of Bookstore Management***. He stated that he would like the item deferred until the full Board as there is a great deal of interest in the item.

Scott Jordan, Vice President for Administration and Chief Financial Officer, presented ***agenda Item #4, Proposal to Stabilize Natural Gas Transportation Costs and Reduce Oil Consumption at the University of Connecticut, Storrs, CT***. Trustee Kruger added that both he and Trustee Nayden had been briefed on the proposal. Mr. Nayden affirmed his agreement with the resolution. On a motion by Trustee Cantor and seconded by Trustee Cantor the item was recommended to the full Board for approval.

Mr. Jordan detailed agenda ***Item #5, Fiscal Year 2017 Program and Course Fees for the University of Connecticut, Storrs and Regional Campuses.*** He stated that there are no increases in required fees for the next fiscal year only changes to fees on the listed specific programs and courses. Provost Mun Choi explained that the proposed fee increases were for specific programs for course materials, etc., and he noted that there were also some fee reductions. On a motion by Trustee Bessette and seconded by Trustee Cantor the item was recommended to the full Board for approval.

Richard Orr, Vice President and General Counsel, introduced agenda ***Item #6, Sale of the West Hartford Campus.*** The West Hartford Campus will be sold to either the Weiming Educational Group or the Town of West Hartford. The Town of West Hartford has the right to match Weiming's offer; that right expires May 14. The resolution requests that the Board approve the sale to the Town of West Hartford on the same terms as Weiming if they choose to exercise that right; if the Town does not exercise that right, the Board authorizes the University to sell to Weiming on the terms set forth in the agreement; and if the Town comes back with a different proposal the University has the authority to negotiate with them. This resolution will be final approval for the sale to Weiming according to the terms in the memorandum. A letter of intent has been signed with Weiming; and exchanged drafts of a purchase and sale agreement following the March Board meeting. If there is a need for a sale to the Town of West Hartford the Board will need to approve that sale at a subsequent meeting. On a motion by Trustee Bessette and seconded by Trustee Carbray, the item was recommended to the full Board for approval. Trustee Cantor abstained from the vote.

Laura Cruickshank, University Master Planner and Chief Architect, introduced Michael Jednak, Associate Vice President for Facilities Operations and Building Services. Mr. Jednak detailed agenda ***Item #7, North Eagleville Road Area Infrastructure Repair/Replacement and Upgrades – Phase II (Revised Final: \$5,500,000).*** Ms. Cruickshank presented information on project management as well as the remaining project budgets for Storrs based programs for approval agenda ***Items 8, 9, 11,*** which included: ***Sewer Line Replacement at Storrs Road Pump Station (Revised Final: \$5,250,000); Young Envelope Renovation/Addition – Envelope Repairs (Revised Final: \$5,600,000); and Jorgensen Renovation HVAC Renewal (Revised Final: \$1,850,000).***

Agenda Item #10, Gampel Pavilion Dome Ceiling and Roof Repair (Final: \$10,000,000) was requested to be removed from the agenda subject to all Board members being in agreement. Trustee Kruger asked Ms. Cruickshank about safety issues related to the deferral of the Gampel Pavilion roof project. Ms. Cruickshank explained that the University had been requested to defer some of its projects due to the difficulties the state is experiencing with its budget. The optimal projects for deferral were those that were either in design or before the start of construction. The Gampel roof project fell within that category for deferral. She then read an excerpt of a letter regarding safety concerns related to deferring the project. The letter, dated April 25, 2016, from Simpson Humpertz and Hagar, regarding the project stated: "It is our professional opinion that the safety of occupants and workers at the Gampel Pavilion will not be affected if the above-named project is deferred until 2017." Copies of the letter were distributed to the Trustees. Trustee Ritter confirmed that BGE Committee had also had safety concerns with deferring the project but that the committee were now in agreement with the project deferral for

one year. The project budgets were recommended to the full Board for approval on a motion by Trustee Bessette and seconded by Trustee Cantor.

Mr. Jordan provided an update on the University's recent bond sale. A handout was provided in the supplemental documents.

Trustee Kruger directed the committee to the information items for their review. There being no additional agenda items the meeting was adjourned at 9:52 a.m. on a motion by Trustee Bessette and seconded by Trustee Cantor.

Respectfully submitted,

Debbie L. Carone

Debbie L. Carone,
Secretary to the Committee