

UNIVERSITY OF MASSACHUSETTS

AMHERST•BOSTON•DARMOOUTH•LOWELL•WORCESTER

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

Thursday, April 29, 2004; 8:00 a.m.

Board Room

One Beacon Street – 26th Floor

Boston, Massachusetts

Committee Members Present: Chair Dubilo; Vice Chair Karam; Trustees Brathwaite, McCarthy, Marcalo, and O’Shea

Committee Members Absent: Trustees Giblin, Mahoney, Moes and Rainey

University Administration: President Wilson; General Counsel O’Malley; Vice Presidents Chmura, Gray, Julian and Lenhardt; Chancellors Lombardi, Gora, MacCormack and Hogan; Mr. O’Riordan, Budget Director; Vice Chancellors for Administration and Finance Hatch, O’Connor, Zekan and Griffin; Deputy Chancellor Stanton; Mr. Harrison, Director of Auditing; Mr. MacKenzie, Executive Director, Building Authority; Ms. Harrington, Associate Vice President

Faculty Representatives: Professor Buzawa, UMASS Lowell

PricewaterhouseCoopers: Mr. Hanley

Chair Dubilo convened the meeting at 8:03 a.m. and introduced the first item on the agenda for action, **Consideration of Minutes of the Prior Meeting of the Committee.**

It was moved, seconded and

VOTED: To approve the minutes of the January 22, 2004 meeting of the Committee.

The next item on the agenda was the **Chair’s Report.** Chair Dubilo noted that the Committee had a full agenda and would review the overall University and campus financial position. The Committee will also hear from the University Auditor; review the Mid-Year Financial Report; and take a number of actions to enhance the University’s Capital Program. Chair Dubilo announced that he will recuse himself from the session of the meeting dealing with the actions to enhance the University’s Capital Program due to possible conflicts of interest.

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Chair Dubilo reported that the Investment SubCommittee approved the transformation of the Investment Portfolio Process to diversify and sustain the Investment Advisor to the University Treasurer.

Trustee McCarthy asked for clarification on the Investment Committee's decision to change the Investment Portfolio Policy. The University has handled the portfolio in-house for a number of years and it was prudent to hire a consultant to work with the advisors on the portfolio.

The next item was the **President's Report**. President Wilson announced that he released a statement in response to yesterday's opinion column in the Massachusetts Daily Collegian which criticized Pat Tillman, a U.S. Soldier who was killed in Afghanistan. A copy of the statement is available upon request.

President Wilson reported that today's Performance Measure System Report will show that the campuses have managed well in spite of the last difficult years. In the Performance Measure System Report the campuses have benchmarked their data against peer institutions.

The next item was the **Vice President's Report**. Vice President Lenhardt reported that a discussion had taken place this week with two rating agencies, Standard & Poors, and Fitch. Both of the agencies will be favorable to the University in terms of their ratings.

Vice President Lenhardt reported that today's discussion would focus on the indicators and financial health of the University and the campuses.

The next item for Discussion was the **FY2003 Financial Ratios Analysis of University Systems**. Vice President Lenhardt reported that the following issues require constant consideration:

- What is the annual operating margin of the University? Is the University operating in a surplus or deficit situation?
- Do we have sufficient liquidity in effect? Is our financial cushion adequate to make sure that in a time of crisis are there enough unrestricted funds available to operate in an effective manner?
- Physical plant condition is a major issue for the University.
- The University's endowment can be a primary motivator and generator of unrestricted and restricted funds.

Challenges include:

- To increase the University's unrestricted revenues which include state appropriation, general student fees, some interest income, and certain administrative funds;

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- To continue to raise the University's restricted revenue which include private gifts and grants, federal and state grants and contracts which provide the large margin of excellence for the University;
- To control personnel expenses.

Vice President Lenhardt also reported that opportunities have come out of the Strategic Plans presented by the Chancellors. The University wants to recruit good students and good faculty; expand its research agenda and research dollars; expand online education; and have better facilities.

The next item was the **FY2004 and FY2009 Financial Indicators Report – Performance Measurement System Report**. Vice President Lenhardt reported that the Financial Indicators encourage the setting of financial targets for the campuses; identifies performance against peers for benchmarking; provides an objective position of the financial condition; and incorporates into the Performance Measurement System established in 1997. Highlights included:

- The Operating Margin is at 0.5% as audited in FY2003. We anticipate that it will go to 1.5% in FY2009;
- Financial Cushion – the unrestricted revenues available to the University in the event of a crisis situation was at 17.1% in FY2003. The average for peer systems was at 17.7%. Financial Cushion projections for FY2009 are currently at 10.6%;
- Debt Service to Operations – how much funds the University spends on an annual basis to service debt is at 4.1% against a peer average of 4.6%. Debt Service to Operations projections for FY2009 is 4.6%;
- Endowment Per Student is at \$3,530 per student with a peer average of \$12,000 per student. Endowment Per Student is projected to increase to \$4,000 in FY2009.
- Age of Facilities – this new ratio attempts to show the conditions that the University's buildings are in. Currently we are at a ratio of 10.4. Age of Facilities projection for FY2009 is 12.7.

Vice President Lenhardt indicated that campus summaries of the report are available upon request.

The next item was **Amendment to the University Capital Plan, Amherst Health Center, Boston Athletic Facilities, Dartmouth Research Building Extension, Lowell Parking Garage and Worcester Medical Office Building Projects**. Vice President Lenhardt reported that the purpose of this vote is to approve amendments to the Capital Plan.

It was moved, seconded and

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VOTED: To recommend that the Board take the following action:

To amend the University of Massachusetts Five-Year Capital Plan as contained in document T03-046 by adding the following new projects:

Renovation and repairs to Health Center at the Amherst campus. The total project cost of the project is estimated to be \$5,500,000.

Renovation and equipping of Locker Rooms, Beacon Fitness Center and Clark Athletic Center at the Boston campus. The total project cost of the project is estimated to be \$500,000.

Renovation, equipping and construction of an addition to the Violette Research Building at the Dartmouth campus. The total project cost for the project is estimated to be \$11,000,000.

Medical Office Building project at the Worcester campus. The total project cost of the facility is estimated to be \$20,000,000.

And further to amend the University of Massachusetts Five-Year Capital Plan as contained in document T03-046 by increasing the total project cost of the Parking Garage project at the Lowell campus from \$9,000,000 to \$13,000,000. (Doc. T03-046, Addendum 1)

The next item was **University Capital Plan Update, Request for the University of Massachusetts Building Authority to Undertake Certain Capital Projects and Declaration of Official Intent Relative to the Financing and Construction of Student Housing at the Amherst Campus.** Vice President Lenhardt reported that this had previously been voted on but an amendment was necessary to correct the estimated cost of the Amherst campus Dorm Project.

Trustee McCarthy indicated that he did not have a problem with what is being proposed, but had a problem with the last “And Further” section of the vote. He expressed that as the Labor Representative to the Board he wanted the opportunity to inform his constituents of the amendment.

Trustee McCarthy then asked to submit a motion to hold off on the vote. The motion was moved, and not seconded.

The original motion was moved, seconded and

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VOTED: To recommend that the Board take the following action:

To further amend the University of Massachusetts Five-Year Capital Plan as contained in Doc. T03-046 by increasing the total project cost of the Amherst Student Housing project from an estimated \$85,000,000 to \$105,000,000.

And further,

That the University reasonably expects to incur debt to reimburse expenditures, including expenditures made within one year from the date of this vote, temporarily advanced from internal funds or internal loans for the design and construction of student housing at the Amherst campus, the maximum principal amount of debt expected to be issued for such project, including for reimbursement purposes, being \$105,000,000.

And further,

WHEREAS, the University of Massachusetts Building Authority (the Building Authority) was created by Chapter 773 of the Acts of 1960 of the Commonwealth of Massachusetts (the Commonwealth) (said Chapter 773, as amended, being hereinafter called the Enabling Act) as a body politic and corporate and a public instrumentally of the Commonwealth;

WHEREAS, the Building Authority was created by the Enabling Act for the general purposes of aiding and contributing to the performance of the educational and other purposes of the University of Massachusetts (the University) by providing dormitories, dining commons and other buildings and 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), a research, foundation or other research organization the operation of which in conjunction with the University is approved by the Trustees or other entity and activities of which are approved by the Trustees as furthering the purposes of the University;

WHEREAS, the Building Authority is authorized by the Enabling Act, among other things, (a) To construct buildings or structures and to acquire, add to, alter, enlarge, reconstruct, remodel and do other work in or upon or respecting any building or structure, in each case upon written request made by authority of the Trustees; and to provide and install furnishings, furniture, machinery, equipment, facilities, approaches, driveways, walkways,

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parking areas, planting and landscaping in or for or related to any such building or structure; provided that such approaches, driveways, parking areas, planting and landscaping be approved by authority of the Trustees;

(b) To borrow money from time to time to achieve any one or more of its corporate purposes and to refund obligations earlier incurred for any such purpose and for refunding, and to issue and sell its revenue bonds and notes therefore, payable solely from its revenues;

WHEREAS, The Massachusetts Health and Educational Facilities Authority (HEFA) or the Massachusetts Development Finance Agency (MDFA) in the judgment of the President provides a suitable alternative to financing projects to effectuate the projects in the Capital Plan;

WHEREAS, the Treasurer is authorized to make expenditures for said Capital Plan from non-appropriated funds, which expenditures are to be reimbursed from the proceeds of financing issued through the Authority, HEFA or MDFA;

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 one or more of the aforementioned Authorities or Agencies initiate the projects described by the following:

NOW THEREFORE, BE IT RESOLVED THAT,

1. The President of the University be and he hereby is authorized in the name and on behalf of the Trustees to make a written request of any or all of the Authorities or Agencies listed above that such Authorities or Agencies initiate:

(a) Any or all of the projects set forth in the FY2004 Five-Year Capital Plan for the University Doc. T03-046, as amended as long as the estimated total project cost does not exceed the estimated total project cost listed in Doc. T03-046, as amended by more than 20%; 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 or to be owned or used by the University or the 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 Authority in writing from time to time by the President of the University, the Executive Vice President of the University

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or the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, the making of any such request being hereby authorized.

2. The projects to be initiated by the Authorities or Agencies in accordance with the request authorized to be made in Section 1 of this resolution may in the discretion of the Authorities or Agencies be undertaken separately or together for financing purposes.

3. The President of the University and all other officers of the University be and they are and each acting singly is authorized and directed to request the Commissioner of Administration to approve in writing the undertaking by the Building Authority of the projects a request for which is hereby authorized and to do such other things and to take such other action as to the officer or officers so acting shall, as conclusively evidenced by their taking the action hereby authorized, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

4. This vote is intended as the expression of the University's official intent under Section 1.150-2(d) (1) and (e) of the regulation promulgated by the United States Treasury Department under the Internal Revenue Code of 1986, as amended, toward the issuance of revenue bonds under the Enabling Act or other applicable legislation for financing and refinancing the cost of any or all of the projects described in paragraph (c) or 1(b) above.

And further,

The Board of Trustees authorizes the President and the Amherst Campus to enter a ground lease with the University of Massachusetts Foundation or other appropriate 501(c)(3) organization for the purpose of engaging a private firm to design, finance, build and manage a student housing project if the President and the Amherst campus deem said approach necessary or desirable. (Doc. T03-046, as amended)

Trustee McCarthy voted against the motion.

The next item was **Authorization for the Use of University Property by the Department of Marine Fisheries (DMF) for the Construction, Operation and Maintenance of a Building for the Department of Marine Fisheries and the Marine Fisheries Institute (MFI); UMASS Dartmouth.** Vice President Lenhardt reported that the purpose of this vote is to give the Dartmouth campus the authority to enter into an agreement with the State Department of Marine

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Fisheries to construct, operate, and maintain a building for the Department of Marine Fisheries and the Marine Fisheries Institute.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

That the Board of Trustees approves and authorizes the use of University property by the Department of Marine Fisheries (DMF) for the construction, operation and maintenance of a building for the Department of Marine Fisheries and the Marine Fisheries Institute (MFI). Said property is located at the School of Marine Science and Technology (SMAST) site in New Bedford. The building will be paid for and used by DMF. No University funds will be provided for the construction or operation of the facility. If the facility ceases to be used by DMF for the stated purposes the facility shall revert in its entirety to UMD with exclusive right to reassign its use. (Doc. T04-041)

The next item was **Authorization to Purchase Five Fraternity Houses Adjacent to the University of Massachusetts Amherst Campus**. Chancellor Lombardi reported that the Amherst campus has been in conversation with the property owners, and is in negotiations to purchase the property.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

To authorize the Amherst campus to purchase five fraternity houses adjacent to the campus at a cost to be negotiated by the Commonwealth of Massachusetts Division of Capital Asset Management and approved by the President of the University or his designee. (Doc. T04-045)

The next item was **Audit Report**. Mr. Harrison then reported on the Activity Report. Highlights included:

- A draft internal audit report of the UMASS Lowell campus research area has been provided to President Wilson for further discussion and planning;
- A Request For Bid seeking proposals from qualified independent audit firms has been issued. The goal is to establish a pre-qualified vendor list interested in providing internal audit support services;
- All five campuses and the President's Office have reissued the University Fraud Policy to employees. The Principles of Employee Conduct and information about the Conflicts of Interest Law have also been issued. The policies will be issued annually;

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- At the Committee's request, we regularly discuss the Sarbanes-Oxley Act and have met with Paul Hanley from PricewaterhouseCoopers to discuss NACUBO recommendations. Any suggestions for implementation of additional sections of the Act will be presented to the Committee Chair;
- As a result of the recently completed internal audit on the University's Procard programs, the Purchasing Council Group has issued a Request For Bid for banking services for the University-wide purchasing card program. The Amherst campus Procurement Office will lead the effort;
- The State Audit Office completed its ten month review of the University Treasurer's Office. A draft report of the review is expected by May, and a copy of any published report will be sent to the Board;
- The State Audit Office completed work on the Amherst campus bookstore privatization dealing with the Pacheco Law;
- In July, Paul Hanley from PricewaterhouseCoopers will present the FY2004 Financial Audit Service Plan to the Board.

It was moved, seconded and

VOTED: To recommend that the Board accept the following Audit Report:

1. University Auditing Activity Report (Doc. T04-027)

The next information item was the **FY2004 Mid-Year Report**. Vice President Lenhardt reported that this report assesses the University's financial situation mid-year. He also reported that fiscal offices on the campuses are now using the PeopleSoft Financial System to effectively keep track of budgets and actuals, and financial reporting.

At 9:03 a.m. Chair Dubilo recused himself from the meeting due to possible conflicts of interest.

Vice Chair Karam introduced the next item for action **Authorization to Transfer Endowment Funds to UMASS Foundation**.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

WHEREAS, The University of Massachusetts Foundation has been established to assist the University of Massachusetts in private fund raising and the management of endowment funds; and

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WHEREAS, The University of Massachusetts and the Foundation will enter into an agreement to assure that University funds are separately accounted for and held as agency funds;

NOW, THEREFORE, BE IT RESOLVED THAT,

The University of Massachusetts Trustees authorizes the transfer of endowment funds of the University of Massachusetts to the University of Massachusetts Foundation and that an appropriate agreement for such purposes shall be executed between the parties. (Doc. T04-043)

Vice President Lenhardt introduced Mr. MacKenzie, Executive Director of the Building Authority. Mr. MacKenzie referred the Committee to a two page document summarizing the next five votes which are related to effectuating a bond issue.

The next item was **Resolution of the Board of Trustees of the University of Massachusetts Authorizing Requests for the Initiation of Projects and Other Actions**. Vice President Lenhardt reported that the purpose of this vote is to approve the projects described in the Capital Plan.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

WHEREAS,The University of Massachusetts Building Authority (the “Authority”) is authorized by Chapter 773 of the Acts of 1960, as amended (the “Enabling Act”), among other things, to provide dormitories, dining commons and other buildings and structures for the use of the University of Massachusetts (the “University”), its students, staff and their dependents and certain organizations related to the University, to alter, enlarge, reconstruct, remodel and do other work in or upon or respecting any building or structure, to provide and install furnishings, furniture, machinery, equipment and facilities in or for or related to any such building or structure and to initiate projects for such purposes upon written request made by authority of the Board of Trustees (the “Trustees”) of the University and upon written approval from the Commissioner of Administration; and

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 Authority initiate the projects described below;

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NOW, THEREFORE, BE IT RESOLVED THAT

1. The President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, are hereby authorized in the name and on behalf of the Trustees to make a written request of the Authority that the Authority initiate the following projects:

(a) (i) the renovation and equipping of and the construction and equipping of an addition to the Violette Research Building at the Dartmouth campus of the University to provide facilities for a botulinum research center and other purposes deemed appropriate by the University and (ii) the renovation and equipping of the men's and women's locker rooms in the Beacon Fitness Center and the Clark Athletic Center at the Boston campus of the University; and (iii) the renovation and equipping of the Health Center at the Amherst campus of the University; 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 or to be owned or used by the University or the 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 Authority in writing from time to time by the President of the University, the Executive Vice President of the University or the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, the making of any such request being hereby authorized.

2. The Authority is hereby requested to provide additional financing for the construction of the parking garage at the Lowell campus of the University originally financed by the Authority's Project Revenue Bonds, Senior Series 2003-1, and the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, are hereby authorized to make a written request of the Authority that the Authority issue its bonds to provide such additional financing in an amount (including the costs of issuance of such bonds and capitalized interest, if any) not to exceed the amount set forth in such request (and such additional financing shall not exceed the amount set forth in such request).

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3. Any of the projects to be initiated by the Authority in accordance with any request authorized to be made in Section 1 of this resolution may in the discretion of the Authority be undertaken separately or together for financing purposes, and the additional financing authorized in Section 2 of this resolution may in the discretion of the Authority be provided separately or together with the provision of financing for any one or more such projects or any one or more projects a written request for the initiation of which by the Authority has been authorized by the Trustees other than by this resolution (or by any combination of any of the projects referred to above in this sentence).

4. The President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, are hereby authorized to request the Commissioner of Administration from time to time to approve in writing the undertaking by the Authority of any of the projects a request for which is authorized in Section 1 of this resolution and to do such other things and to take such other action as the officer or officers so acting shall, as conclusively evidenced by their taking the action hereby authorized, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized.

5. The authorization in this resolution of a written request of the Authority that the Authority initiate the project described in clause (a)(ii) of Section 1 of this resolution is not intended to limit the generality of the written request authorized in Section 1(a) of the vote adopted by the Trustees on February 4, 2004 identified as "ACTION ITEM #b, 5: Amendment to Amherst Capital Plan and Other Actions" and as "DOC. & VOTE I.D. #: T03-046, as amended."

6. This resolution is intended as the expression of the University's official intent under Section 1.150-2(d)(1) and (e) of the regulations promulgated by the United States Treasury Department under the Internal Revenue Code of 1986, as amended, toward the issuance of revenue bonds under the Enabling Act for financing and refinancing the cost of any or all of the projects described in Section 1 or Section 2 of this resolution. (Doc. T04-036)

The next item was **Resolution of the Board of Trustees of the University of Massachusetts Approving Refunding**. Vice President Lenhardt reported that the purpose of this vote is to allow the Building Authority to refinance some of its existing debts and to receive present value savings and free up some reserve funds.

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Mr. MacKenzie reported that in addition to interest rate savings, the Building Authority would like to apply for Commonwealth Guarantee for some of the projects. Another benefit is something called the "Section 10 Reserve" which is required for all projects that are Commonwealth Guaranteed.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

RESOLVED: That the issuance by the University of Massachusetts Building Authority (the "Authority") of bonds (in one or more series) or notes (in one or more series) for the purpose of refunding any or all of the outstanding indebtedness of the Authority, including indebtedness of the University of Lowell Building Authority and indebtedness of the Southeastern Massachusetts University Building Authority, is hereby approved, and the President of the University of Massachusetts (the "University"), the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, are hereby authorized in the name and on behalf of the Trustees of the University (the "Trustees") to approve in writing the issuance by the Authority of bonds (in one or more series) for such purpose or notes (in one or more series) for such purpose.

That the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, are hereby authorized to do all other things and to take all such other action as the officer or officers so acting shall, as conclusively evidenced by the taking of the action hereby authorized, deem necessary or desirable to be done or taken to carry into effect the matters hereby authorized, including without limitation the execution, sealing and delivery of contracts (which are hereby authorized) on behalf of the Commonwealth or the Trustees (including without limitation contracts entered into by the Commonwealth, acting by and through the Trustees, with the Authority (to which the Trustees may but need not be a party) for state financial assistance in the form of a guaranty by the Commonwealth of bonds (in one or more series) or notes (in one or more series) of the Authority, all as provided in and subject to the Enabling Act), the execution of any such contract by the signer thereof on behalf of the Commonwealth and the Trustees conclusively to evidence that such contract is authorized by this Resolution.

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That in addition to the authorizations granted by this resolution to the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University, the Vice President for Management and Fiscal Affairs and Treasurer of the University and each other officer of the University, and without limiting any such authorizations, the Trustees, pursuant to Chapter 75, Section 3A of the Massachusetts General Laws and every other authority thereunto the Trustees enabling, hereby delegate to the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, the power to do all acts and things and exercise all powers each officer of the University is authorized by this resolution to do or exercise, such delegation being intended to be commensurate with the authorizations granted to each such officer by this resolution, and such delegation being in the judgment of the Trustees necessary or desirable. (Doc. T04-037)

The next item was **Resolution of the Board of Trustees of the University of Massachusetts Approving a Contract for Management and Services 2004 Projects and Authorizing Other Action**. Vice President Lenhardt reported that this is a standard form requirement for a contract based between the Building Authority and the University over Management Services Agreement.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

RESOLVED: That the making of a Contract for Management and Services 2004 Projects among The Commonwealth of Massachusetts (the "Commonwealth"), acting by and through the Board of Trustees (the "Trustees") of the University of Massachusetts (the "University"), the Trustees and University of Massachusetts Building Authority (the "Authority") pursuant to Chapter 773 of the Acts of 1960, as amended (the "Enabling Act"), and pertaining to the undertaking by the Authority of projects for which requests have been authorized by the Trustees, be and the same hereby is authorized; that the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, be and hereby are authorized, in the name and on behalf of the Commonwealth and the Trustees, to sign, seal with common seal of the University and of the Trustees, acknowledge if deemed advisable and deliver a Contract for Management and Services 2004 Projects substantially in the form

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presented to this meeting, subject to such changes, insertions and omissions (including changes in the title of such Contract to reflect any change in the projects to which such Contract pertains) as may be approved by the signer of such Contract on behalf of the Commonwealth and the Trustees; that the form of such Contract for Management and Services 2004 Projects presented to this meeting and each term, condition and provision therein contained be and the same hereby are approved, subject to such changes, insertions and omissions as may be approved by the signer of such Contract on behalf of the Commonwealth and the Trustees; and that the execution of such Contract for Management and Services 2004 Projects by the signer of such Contract on behalf of the Commonwealth and the Trustees shall be conclusive evidence (a) of the approval by such signer of any such changes, insertions or omissions and the authorization of the same and (b) that the form of Contract for Management and Services 2004 Projects so executed (with approved changes, insertions and omissions, if any) is as hereby authorized and approved.

That each of the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University, and the Vice President for Management and Fiscal Affairs and Treasurer of the University, acting alone, and each other officer of the University, acting alone, are hereby authorized to do such other things and to take such other actions as the officer or officers so acting shall, as conclusively evidenced by their doing any of the things or taking any of the actions hereby authorized, deem necessary or desirable to be done or taken to carry out the Contract for Management and Services 2004 Projects authorized above and to carry out any project (or the financing thereof) a request to initiate which has been made to the Authority by the authority of the Trustees, including without limitation the execution, sealing and delivery of contracts (which are hereby authorized) on behalf of the Commonwealth or the Trustees (including without limitation contracts entered into by the Commonwealth, acting by and through the Trustees, with the Authority (to which the Trustees may but need not be a party) for state financial assistance in the form of a guaranty by the Commonwealth of bonds (in one or more series) or notes (in one or more series) of the Authority, all as provided in and subject to the Enabling Act), the execution of any such contract by the signer thereof on behalf of the Commonwealth and the Trustees conclusively to evidence that such contract is authorized by this Resolution.

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That in addition to the authorizations granted by this resolution to the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University, the Vice President for Management and Fiscal Affairs and Treasurer of the University and each other officer of the University, and without limiting any such authorizations, the Trustees, pursuant to Chapter 75, Section 3A of the Massachusetts General Laws and every other authority thereunto the Trustees enabling, hereby delegate to the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, the power to do all acts and things and exercise all powers each officer of the University is authorized by this resolution to do or exercise, such delegation being intended to be commensurate with the authorizations granted to each such officer by this resolution, and such delegation being in the judgment of the Trustees necessary or desirable. (Doc. T04-038)

Trustee McCarthy voted against the motion.

The next item was **Resolution of the Board of Trustees of the University of Massachusetts Approving the Contract for Financial Assistance, Management and Services 2004-A Projects and Authorizing the Signing of the Guaranty on Certain Bonds Issued by The University of Massachusetts Building Authority.** Vice President Lenhardt reported that this is an additional issue on contracts, and a method by which the Board of Trustees authorize the Building Authority's use of the State Guarantee.

It was moved, seconded and

VOTED: To recommend that the Board take the following action:

RESOLVED: That the making of a Contract for Financial Assistance, Management and Services 2004-A Projects among The Commonwealth of Massachusetts (the "Commonwealth"), acting by and through the Board of Trustees (the "Trustees") of the University of Massachusetts (the "University"), the Trustees and University of Massachusetts Building Authority (the "Authority") pursuant to Chapter 773 of the Acts of 1960, as amended, and pertaining to the undertaking by the Authority of projects for which requests have been authorized by the Trustees, be and the same hereby is authorized; that the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, be and hereby are authorized, in the name and on behalf of the Commonwealth and the

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Trustees, to sign, seal with common seal of the University and of the Trustees, acknowledge if deemed advisable and deliver a Contract for Financial Assistance, Management and Services 2004-A Projects substantially in the form presented to this meeting, subject to such changes, insertions and omissions (including changes in the title of or other changes in such Contract to reflect any change in the projects to which such Contract pertains, the issuance of bonds not guaranteed by the Commonwealth or the issuance of refunding bonds) as may be approved by the signer of such Contract on behalf of the Commonwealth and the Trustees; that the form of such Contract for Financial Assistance, Management and Services 2004-A Projects presented to this meeting and each term, condition and provision therein contained be and the same hereby are approved, subject to such changes, insertions and omissions as may be approved by the signer of such Contract on behalf of the Commonwealth and the Trustees; and that the execution of such Contract for Financial Assistance, Management and Services 2004-A Projects by the signer of such Contract on behalf of the Commonwealth and the Trustees shall be conclusive evidence (a) of the approval by such signer of any such changes, insertions or omissions and the authorization of the same and (b) that the form of Contract for Financial Assistance, Management and Services 2004-A Projects so executed (with approved changes, insertions and omissions, if any) is as hereby authorized and approved.

That the Chair and Vice Chair of the Trustees, each acting alone, be and hereby are authorized, in the name and on behalf of the Commonwealth, to sign by manual or facsimile signature the form of guaranty provided in the Contract for Financial Assistance, Management and Services 2004-A Projects authorized above on each bond having the benefit of such guaranty as provided in such Contract; in case any officer of the Trustees whose signature or facsimile signature shall appear on any such bond shall cease to be such officer before the delivery thereof, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such delivery.

That each of the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University, and the Vice President for Management and Fiscal Affairs and Treasurer of the University, acting alone, and each other officer of the University, acting alone, are hereby authorized to do such other things and to take such other actions as the officer or officers so acting shall, as conclusively evidenced by their doing any of the things or taking any of

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the actions hereby authorized, deem necessary or desirable to be done or taken to carry out the Contract for Financial Assistance, Management and Services 2004-A Projects authorized above and to carry out any project (or the financing thereof) a request to initiate which has been made to the Authority by the authority of the Trustees, including without limitation the execution, sealing and delivery of contracts (which are hereby authorized) on behalf of the Commonwealth or the Trustees (including without limitation contracts entered into by the Commonwealth, acting by and through the Trustees, with the Authority (to which the Trustees may but need not be a party) for state financial assistance in the form of a guaranty by the Commonwealth of bonds (in one or more series) or notes (in one or more series) of the Authority, all as provided in and subject to the Enabling Act), the execution of any such contract by the signer thereof on behalf of the Commonwealth and the Trustees conclusively to evidence that such contract is authorized by this Resolution.

That in addition to the authorizations granted by this resolution to the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, and without limiting any such authorizations, the Trustees, pursuant to Chapter 75, Section 3A of the Massachusetts General Laws and every other authority thereunto the Trustees enabling, hereby delegate to the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, the power to do all acts and things and exercise all powers each officer of the University is authorized by this resolution to do or exercise, such delegation being intended to be commensurate with the authorizations granted to each such officer by this resolution, and such delegation being in the judgment of the Trustees necessary or desirable. (Doc. T04-039)

The next item was **Resolution of the Trustees of the University of Massachusetts Authorizing Leases and Amendments to Leases**. Vice President Lenhardt reported that the purpose of this vote is to give authority to the Building Authority to lease land under contract.

It was moved, seconded and

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VOTED: To recommend that the Board take the following action:

WHEREAS,The University of Massachusetts Building Authority (the “Authority”), created by Chapter 773 of the Acts of 1960 (as amended, the “Enabling Act”), is authorized by the Enabling Act, among other things, to lease from The Commonwealth of Massachusetts (the “Commonwealth”) such lands of the Commonwealth, or rights therein, as may be necessary for carrying out the provisions of the Enabling Act;

WHEREAS,The Enabling Act authorizes the Trustees (the “Trustees”) of the University of Massachusetts (the “University”), acting in the name and on behalf of the Commonwealth, among other things, to lease to the Authority land owned by the Commonwealth or grant easements, licenses or any other rights or privileges therein to the Authority;

NOW, THEREFORE, BE IT RESOLVED THAT, PURSUANT TO THE ENABLING ACT,

the Authority pursuant to one or more leases (each a “Lease”) land owned by the Commonwealth on which will be located each project, if any, to be owned by the Authority and financed in whole or in part by the Authority’s Project and Refunding Revenue Bonds, Senior Series 2004-1 or the Authority’s Facilities and Refunding Revenue Bonds, Senior Series 2004-A (provided, that if either such series or bonds is not issued for the purpose of refunding, the words “and Refunding” will not be included in the name of such series) and an amendment (each an “Amendment”) to any lease previously entered into between the Commonwealth, acting by and through the Trustees, as lessee, and any of the Authority, the University of Lowell Building Authority (or its predecessor, the Lowell Technological Institute Building Authority) or the Southeastern Massachusetts University Building Authority, as lessor.

Each Lease and each lease as amended by an Amendment (each such lease as so amended being an “Amended Lease”) shall be for a rent of \$1.00 per year, shall be for a term not less than the latest maturity of the bonds of the Authority that financed or refinanced the one or more projects located on the land to which such Lease or Amended Lease pertains and shall have provisions for automatic renewals if the lessor is not then in default thereunder until the ownership of such project The Trustees are authorized, in the name and on behalf of the Commonwealth, to lease to or projects reverts to the Commonwealth as provided in the Enabling Act; provided, that each Lease and Amended Lease may provide that it will terminate whenever the ownership of the project or projects located on the land to

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which such Lease or Amended Lease pertains shall revert to the Commonwealth as provided in the Enabling Act. Each Lease, each Amendment and each Amended Lease shall comply with the provisions of the Enabling Act and, subject to such requirement and the foregoing provisions of this Section, shall have such other terms as are approved by the signer of such Lease or such Amendment on behalf of the Trustees and the signer of such Lease or such Amendment on behalf of the Authority, the execution of such Lease or Amendment by the signer on behalf of the Trustees conclusively to evidence the approval by such signer of the terms of such Lease or such Amendment and the related Amended Lease and conclusively to identify such Lease or such Amendment as a Lease or an Amendment authorized by this Resolution, and the execution of such Lease or Amendment by the signer on behalf of the Authority conclusively to evidence the approval by the Authority of the terms of such Lease or such Amendment and the related Amended Lease.

The Chair of the Trustee, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, are hereby authorized, in the name and on behalf of the Commonwealth and the Trustees, to sign, seal with the common seal of the University and the Trustees, acknowledge if deemed advisable and deliver each Lease and each Amendment and, if deemed advisable, record any Lease, Amendment or Amended Lease or a notice of any thereof.

Each of the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, acting alone, and each other officer of the University, acting alone, are hereby authorized to do such other things and to take such other actions as the officer or officers so acting shall, as conclusively evidenced by their doing any of the things or taking any of the actions hereby authorized, deem necessary or desirable to be done or taken to carry out each Lease, Amendment and Amended Lease.

In addition to the authorizations granted by this resolution to the Chair of the Trustees, the Vice Chair of the Trustees, the President of the University, the Executive Vice President of the University, the Vice President for Management and Fiscal Affairs and Treasurer of the University and each other officer of the University, and without limiting any such authorizations, the Trustees, pursuant to Chapter 75, Section 3A of the Massachusetts General Laws and every other authority thereunto the

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Trustees enabling, hereby delegate to the President of the University, the Executive Vice President of the University and the Vice President for Management and Fiscal Affairs and Treasurer of the University, each acting alone, and each other officer of the University, acting alone, the power to do all acts and things and exercise all powers each officer of the University is authorized by this resolution to do or exercise, such delegation being intended to be commensurate with the authorizations granted to each such officer by this resolution, and such delegation being in the judgment of the Trustees necessary or desirable. (Doc. T04-046)

Trustee McCarthy voted against the motion.

President Wilson then thanked Mr. MacKenzie for accepting the position of Executive Director of the UMASS Building Authority.

There being no further business, the meeting adjourned at 9:15 a.m.

Zunilka Barrett
Staff Associate