



**BOARD OF REGENTS
COMMITTEE ON FINANCE**

Minutes from Public Session
September 10, 2015
Towson University

Regent Pevenstein called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:10 a.m. Regent Pevenstein read the *Convening in Closed Session statement* citing State Government Article Section 3-305 of the Open Meetings Act to discuss issues specifically exempted in the Act from the requirement for public consideration. Regent Pevenstein moved and Regent Attman seconded to convene in closed session. In response to the motion, the Committee members voted unanimously to convene in closed session at 10:10 a.m. for the reasons stated on the *Convening in Closed Session statement*. The session adjourned at 10:52 a.m.

The Committee reconvened in public session at 11:07 a.m. Regents participating in the session included: Mr. Pevenstein, Mr. Attman, Ms. Comitz, Ms. Gooden, Mr. Gossett, Senator Kelly, Mr. Neall, Mr. Rauch, and Mr. Slater. Also present were: Dr. Caret, Mr. Vivona, Ms. Doyle, Ms. Ryan, Mr. Hogan, Ms. Moultrie, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Dr. Chandler, Mr. Phillips, Mr. Appleton, Ms. Kropp, Mr. Oster, Ms. Phelps, Ms. Crockett, Ms. Schaefer, Mr. Lockett, Ms. Treber, Mr. Beck, Mr. Page, Ms. Denson, Mr. Hickey, Mr. McFadden, Mr. Lurie, Ms. McMann, and other members of the USM community and the public.

Chancellor Caret delivered opening remarks. The Chancellor revealed that he had been conducting a “listening tour” of his own, and that he was launching two listening initiatives. First, Chancellor Caret is planning to visit each USM campus for a full day and will meet with members of the campus community. Second, a four-day bus tour of the State will take place next month. This external listening tour will provide an opportunity for Chancellor Caret to listen to and engage business and government entities around the State of Maryland. Next, the Chancellor spoke of the System’s efficiency and effectiveness (E&E) efforts. He indicated that the USM will continue to aggressively pursue E&E efficiencies, and will be looking at both administrative and academic opportunities. Last year’s E&E initiative earned savings of over \$30 million.

Chancellor Caret indicated that he will focus on promoting affordable, high-quality, higher education for students, together with an emphasis on the completion agenda. The Chancellor voiced his strong support of university-based research as a powerful economic engine. Chancellor Caret also spoke of *system-ness*—coming together to leverage each other—with the STEM agenda and E&E as two prime examples. He pointed out that the best way to build a great system is by building great campuses. Chancellor Caret wrapped up his remarks by saying that he is excited about his new role, adding that Maryland is number one in the ratings and we plan to be the strongest partner as possible.

1. Towson University Facilities Master Plan Update (presentation and information)

Interim president Tim Chandler gave a presentation that focused on Towson University's efforts to involve a wide group of stakeholders, both from within the University and in the surrounding communities. Based on what they heard during those sessions, the University created a development plan for the campus that builds on three existing zones: an academic core, a housing and student living complex, and athletics. Student movement between these zones will be made easier with a series of major pedestrian corridors and bridges like the one that currently links housing and academics. Dr. Chandler reviewed the goals of the master plan: support and advance the mission of the institution, confirm campus capacity, update the plan, and promote community engagement and communication. On this last point, Dr. Chandler offered that the University held sixty meetings—including five public forums. Twenty of the meetings were held with groups external to the campus.

In an effort to support projected enrollment growth, the plan calls for an additional 2,300 beds and 1,700 parking spaces. The campus is currently constructing residences for 700 more beds in its West Village. Dr. Chandler also addressed the importance of place-making—essentially, providing outdoor spaces for students to gather together. Outdoor spaces function as living rooms for today's students and these areas are important to create and build a sense of community among the student body.

Major CIP projects in the plan include a science building, health professions and enrollment services facilities, and the renovation of Smith Hall. Union renovation/addition, construction of student housing, improvement of athletic fields and facilities, and the expansion of the Union Garage are among the highlights in the SFCP project list.

In closing, Dr. Chandler thanked the regents for their continuing support of Towson University.

2. Resolution on Reimbursement of System Cash Balances Spent on Revenue Bond-Authorized Projects (action)

Regent Pevenstein explained that each year the System authorizes approximately \$115 million in capital projects to be funded from revenue bond proceeds. The debt issuances are usually sized to generate about one year's worth of bond proceeds. He pointed out that sometimes the proceeds from the current issue will be depleted before proceeds from the next bond issue become available. Due to this timing difference, the System must spend its cash in the interim to keep the projects on track. This resolution will permit the System to reimburse itself for the cash outlays.

The Committee on Finance recommended that the Board of Regents approve the proposed resolution to enable the spending of System cash balances on revenue bond-authorized projects to be reimbursed from the proceeds of the next bond issue.

(Regent Gooden moved recommendation, seconded by Regent Attman, unanimously approved)

3. University of Maryland Eastern Shore: Leasing Off Campus Housing-Amendment to Prior Board of Regents Approval to Lease Off-Campus Housing at Talons Square (action)

Regent Pevenstein reminded everyone that UMES received approval from the Board of Regents in June to lease 403 beds for student housing in two separate off-campus apartments. UMES is now seeking the Board's approval to add 26 beds to the Talons Square lease. He added that student enrollment has gone well and there is the need for the additional housing.

The Finance Committee recommended that the Board of Regents approve for the University of Maryland Eastern Shore to amend the Talons Square off-campus student housing lease; and, authorize the Chancellor to execute, after appropriate legal review, all documentation required consistent with the University System of Maryland Policy, "Acquisition and Disposition of Real Property."

(Regent Gooden moved recommendation, seconded by Regent Gossett, unanimously approved)

4. Salisbury University: Property Transfer from Salisbury University Foundation (Gift to Salisbury University Foundation from Plaza Gallery, LLC) to Salisbury University (action)

Mr. Pevenstein summarized the item. The University is requesting approval to acquire properties via a gift from its Foundation. The properties are currently owned by Plaza Gallery, LLC and are expected to be gifted to the Foundation prior to the end of the year. The University and Foundation have an MOU, which includes a condition that the University must permit the Art Institute and Gallery to occupy its current space rent-free. Mr. Vivona explained that when an opportunity arises, campus foundations are able to act quickly. In this case, the Board was informed of the potential gift to the Foundation about a month ago. In response to a question from Regent Gossett, Ms. Crockett (VP of Salisbury) indicated that the University was in the process of performing necessary due diligence on the property. She added that the environmental work had been clear and that all required due diligence would be complete prior to the acceptance and transfer of the gift.

The Finance Committee recommended that the Board of Regents approve for Salisbury University, the transfer by gift, of property located at 208, 210, and 212 West Main Street, Salisbury, Maryland from the Salisbury University Foundation as described; and, authorize the Chancellor to execute, after appropriate legal review, all documentation required consistent with the University System of Maryland Policy, "Acquisition and Disposition of Real Property."

(Regent Slater moved recommendation, seconded by Regent Attman, unanimously approved)

5. Frostburg State University: Second Amendment to Ground Lease with Allegany County to Adjust Property Boundaries for the Allegany Business Park (action)

Mr. Vivona stated that the University is requesting approval to make several technical property boundary changes and create a "no-build" zone in the Business Park. These adjustments are necessary and will require an amendment to the ground lease between the University and Allegany County.

The Finance Committee recommended that the Board of Regents approve for Frostburg State University the second amendment to the Ground Lease between the Frostburg State University and Allegany County, Maryland to adjust property boundaries and to create a “no-build” area; and, delegate to the Chancellor the authority to execute all required documentation following legal review by the Office of the Attorney General and consistent with USM Policy and Procedures for the Acquisition and Disposition of Real Property.

(Regent Slater moved recommendation, seconded by Regent Gossett, unanimously approved)

6. University System of Maryland: Review of Capital Improvement Projects (information)

Mr. Beck gave a brief report on the progress of the funded projects that the Board of Regents approved in previous capital budgets. The current report provides data through the end of July, notes the start of design work for key new projects like the Cole Fieldhouse expansion at College Park and the Interdisciplinary Sciences Building at UMBC. Major construction contracts for ongoing projects include the new Natural Sciences Building at Bowie State, the St. John Teaching and Learning Center at College Park, and the Academic Commons at Salisbury. For each project in the report, the names of the architects and primary contractors are listed.

The item was accepted for information purposes.

The public session was adjourned at 11:59 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance



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Regents participating in the session included: Mr. Pevenstein, Mr. Attman, Ms. Comitz, Ms. Gooden, Mr. Gossett, Senator Kelly, Mr. Neall, Mr. Rauch, and Mr. Slater.

Also taking part in the meeting were: Dr. Caret, Mr. Vivona, Ms. Doyle, Ms. Ryan, Mr. Hogan, Ms. Moultrie, Assistant Attorney General Bainbridge, Assistant Attorney General Palkovitz, Mr. Beck, Mr. Page, Ms. Denson, Ms. West, Mr. Hickey, Mr. McFadden, and Ms. McMann. Ms. Schaefer, Mr. Young, Mr. Lockett, Ms. Rolandelli, and Ms. Kim were present for a portion of the meeting.

1. The committee considered and unanimously recommended the appointment of members to the UMBC Research Park Corporation Board [Section 3-305 (b)(1)(i)]. (moved by Regent Slater; seconded by Regent Attman)
2. The committee considered and unanimously recommended the awarding of a contract for the provision of technical and student services support and help desk services [Section 3-305 (b)(14)]. (moved by Regent Slater; seconded by Regent Attman)
3. The committee discussed the initial preparation of the USM 2017 operating budget document [Section 3-305 (13)]. There was no action taken on this item.

The session was adjourned at 10:52 a.m.

Respectfully submitted,

Robert L. Pevenstein
Chairman, Committee on Finance