



**BOARD OF REGENTS
COMMITTEE ON FINANCE**
Minutes of the Public Session
October 7, 2010
Towson University

Senator Kelly called the meeting of the Finance Committee of the University System of Maryland Board of Regents to order in public session at 10:20 a.m. Senator Kelly moved and Regent Gossett seconded to convene in closed session. At 10:20 a.m., the Committee voted unanimously to go into closed session under State Government Article Section 10-508(a) to consider the investment of public funds.

Those Regents in attendance included: Mr. Attman, Dr. Florestano, and Mr. Gossett. Mr. McMillen participated by phone. The session adjourned at 10:55 a.m.

Senator Kelly reconvened the public session at 10:58 a.m. Also present were: Mr. Vivona, Dr. Avery, Ms. Byington, Ms. Doyle, Ms. Kropp, Mr. Short, Dr. Wylie, Ms. Schaefer, Mr. Sheehan, Dr. Patel, Mr. Farley, Mr. Lockett, Ms. Augenbach, Mr. Lurie, Mr. Page, Mr. Salt, Ms. Kowal, Ms. McMann, and other members of the USM community and the public.

Senator Kelly welcomed everyone in attendance and noted that he would take the agenda items slightly out of order.

1. University of Maryland, College Park: Shuttle UM Relocation (action)

Mr. Vivona explained that the institution was requesting approval to relocate the shuttle bus facility and operations from its present location at east campus to parking lot 4i, off of Paint Branch Drive. The current location of the facility is not the highest and best use of the property. This project is one of several relocation projects that is taking place in advance of the redevelopment of the east campus site. Dr. Wylie indicated that design was underway, and that the previous estimate for the facility was based on older specifications. In addition, with a goal of meeting a LEED Silver certification, there are new water management needs. The area will accommodate 85 parking spaces, so with a current bus fleet numbering in the 60's, there will be room for expansion of the fleet as the campus expands bus service. In response to a question about using the former Washington Post facility site, Dr. Wylie noted that the Post property has very limited space for parking, otherwise it would have been a good location for the Shuttle operation.

The Finance Committee recommended that the Board of Regents authorize for the University of Maryland, College Park the relocation of the UMCP Shuttle UM facility and operations from its present site on east campus to parking lot 4i as described above, at a total project cost of \$6,250,000.

(Regent Attman moved recommendation, Regent Gossett seconded, unanimously approved)

2. Energy Performance Contracts at Bowie State University, Towson University, and University of Maryland, Baltimore County (action)

Mr. Vivona introduced the item and recognized Ms. Kowal, the System's energy advisor. Energy Performance Contracts are an important means for reducing energy consumption because they permit improvements to be financed by using the savings that they produce. He reminded the committee that there was a discussion at the May Capital Workshop as to whether or not the System could take on additional EPCs under the USM's current debt capacity constraints. Ms. Kowal explained that several USM staff had recently met with the State Treasurer's Office in an effort to structure the transactions in a way that would not result in the transfer of the associated debt to the USM. The meeting was a good step in the right direction, but Ms. Kowal noted that there is still work to be done with the accounting and budget offices. She pointed out that the Board's approval would be contingent on the debt scoring at the State level.

Regent Attman asked about the financial workings of a given project, using the UMBC EPC as an example. Ms. Kowal explained that while \$25 million would be borrowed for the project, the resulting energy savings of \$2.5 million annually would be enough to cover the debt service payments for 13 years. The institutions would also be making progress toward meeting the State's goals for carbon footprint reduction. In response to Regent Attman's inquiry about the potential benefit of having one Systemwide contract, Ms. Kowal indicated that the USM is currently utilizing a DGS contract, so there is not a lot of flexibility. However, if the EPC debt cannot be moved to the State level, the USM may look at revising the RFP process and that could be a consideration.

The Finance Committee recommended that the Board of Regents approve for UMBC, Bowie State University and Towson University the award of an Energy Performance Contract to the ESCOs listed under the terms and conditions described, above consistent with USM Procurement Policies and Procedures section VII.C.2. Funding for the EPC implementation will be provided as described under Fiscal Impact. The cost for routine and preventative maintenance and Measurement and Verification program will be assumed as an institutional operating expense. The approval is conditioned upon the determination that the resulting debt does not impact the USM balance sheet.

(Senator Kelly moved recommendation, Regent Attman seconded, unanimously approved)

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

This report is provided semi-annually to the committee. Mr. Vivona reported that there were no surprises. With no further discussion, the report was accepted for information purposes.

4. Coppin State University: Facilities Master Plan Update (presentation and discussion)

President Avery gave an overview presentation on the update to the facilities master plan.

The planning process engaged members of the community in an effort to address important issues such as health care and notification of campus capital projects. The entire master plan is presented to the surrounding neighborhoods associations annually in an effort to demonstrate that the capital development is part of a long-range plan to upgrade the campus and maintain the neighborhood's infrastructure. The new Coppin Heights-Rosemont Family Computer Center, funded by the Broadband Technology Opportunities Program grant, opened in the fall.

President Avery indicated that the University seeks to promote environmental awareness, restore green space on campus, and engage the entire campus community in enhancing sustainability. Last spring, the University was awarded a \$500,000 stimulus grant for the installation of solar panels on campus facilities.

President Avery reviewed five strategic goals that the University will pursue:

- Enhance **Student Success through Graduation**. While the current rate hovers around 20%, the president would like to reach a goal of 30-35%, and then move toward a rate of 50%.
- Enhance the **Academic Core** of the University. The Middle States report will serve as a blueprint to strengthen academic affairs and other campus units.
- Strengthen **Institutional Infrastructures**. A campus-wide strategic plan will be developed and implemented that includes enrollment planning; budget planning, and prioritization; all complemented by unit planning in all areas.
- Enhance **Urban Metropolitan Mission** of the University. The University will develop a Center of Excellence in Teaching and Learning based on the University's urban mission.
- Increase **Fundraising Initiatives**. The University will develop and implement a realistic capital campaign project consistent with the mission, goals, and objectives of the University.

The plan identified important areas of expansion for Coppin, including the construction of the Science and Technology Building which would help in STEM initiatives and address the critical needs in science related disciplines, consolidate the information technology division, and provide a campus data center. A 500 space parking structure is also envisioned for Lot C to alleviate the parking deficit on campus. The renovation of the Grace Jacobs Office and Classroom Building would create more appropriate sized classrooms and offices. A new Creative and Performing Arts Center would house activities related to the academic programs in the visual and performing arts. The construction of a Management Science, Economics, and Education facility would address critical needs in the professional disciplines. The Moore Library is also very outdated; students travel to other USM institutions and within the City of Baltimore to get what they need. Dr. Avery emphasized that state-of-the-art facilities do make a difference.

There was a brief discussion on the restoration and stabilization of the Hebrew Orphan Asylum located on the Lutheran Site. Coppin believes that this site is a prime location for the right program. Dr. Avery plans to convene a study panel to determine the best use of the property, but noted there is also the real consideration of much needed funding for the eventual endeavor. Several members of the committee also asked about the plans for the beautification of North Avenue and commented that the proposed streetscape island looked like a great start.

Senator Kelly thanked Dr. Avery for his presentation.

(A copy of the slide presentation is on file with the official copy of the meeting minutes in the Office of the Chancellor.)

The 2009-2019 Facilities Master Plan for Coppin State University will be on the November 18 agenda for consideration of approval by the Finance Committee.

With no further business, the meeting was adjourned at 11:37 a.m.

Respectfully submitted,

Senator Frank X. Kelly
Chairman, Committee on Finance