

June 2006

Minutes, June 20, 2006

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**MEETING OF THE BOARD OF TRUSTEES
UNIVERSITY OF CONNECTICUT**

AGENDA

University of Connecticut
Rome Commons Ballroom
South Campus Complex
Storrs, Connecticut

June 20, 2006

OPEN SESSION

The meeting was called to order at 12:30 p.m. by Chairman John Rowe. Trustees present were: James Abromaitis, Philip Barry, Peter Drotch, Linda Gatling, Lenworth Jacobs, Jr., Stephen Kuchta, Rebecca Lobo, Denis Nayden, Thomas Ritter, F. Philip Prelli, Wayne Shepperd, and Janine Braun, who represents the Governor's Office. Trustee-elect Michael Nichols was also present.

Trustees Louise Bailey, Michael Bozzuto, Gerard Burrow, Andrea Dennis-LaVigne, Salmun Kazerounian, Michael Martinez, Betty Sternberg, and Richard Treibick were absent from the meeting.

University staff present were: President Austin, Provost and Executive Vice President for Academic Affairs Nicholls, Executive Vice President for Health Affairs Deckers, Vice President and Chief Financial Officer Aronson, Interim Vice President and Chief Operating Officer Feldman, Vice President for Student Affairs Saddlemire, Vice Provost for Academic Administration Singha, Vice Provost for Academic Affairs Makowsky, Interim Vice Provost for Research and Graduate Education Anderson, Vice Provost for Strategic Planning Greger, Dr. Schurin, Special Assistant to the President Callahan, Chief Audit and Compliance Officer Walker, Interim Executive Director of Architectural and Engineering Services Bradley, Associate Vice President and Chief of Police Hudd, Supervisor of Building Inspectors Griffith, Health Center Chief Financial Officer Upton, Health Center Chief Administrative Officer Whetstone, and Ms. Locke.

University Senate representatives Gary English, Kent Holsinger, and Michael Kurland were present.

Assistant Attorney Generals Paul McCarthy and Michael Sullivan were also present.

Also in attendance was Aetna Chief of Staff Patricia Hassett.

EXECUTIVE SESSION

On a motion by Mr. Barry, seconded by Ms. Bailey, **THE BOARD VOTED** to go into Executive Session at 12:35 p.m. to discuss matters pertaining to litigation and personnel issues. The Chairman noted that on the advice of counsel only staff members whose presence was necessary to provide their opinion would be permitted to attend Executive Session.

Trustees present were: Abromaitis, Barry, Drotch, Gatling, Jacobs, Kuchta, Lobo, Nayden, Prelli, Ritter, Rowe, Shepperd, and Janine Braun, who represents the Governor's Office. Trustee-elect Nichols was also present.

University staff present were: President Austin, Provost and Executive Vice President for Academic Affairs Nicholls, Executive Vice President for Health Affairs Deckers, Vice President and Chief Financial Officer Aronson, Interim Vice President and Chief Operating Officer Feldman, Dr. Schurin, Special Assistant to the President Callahan, Chief Audit and Compliance Officer Walker, and Interim Executive Director of Architectural and Engineering Services Bradley, Associate Vice President and Chief of Police Hudd, Supervisor of Building Inspectors Griffith, and Health Center Chief Administrative Officer Whetstone. Assistant Attorney Generals Paul McCarthy and Michael Sullivan were also present.

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Also in attendance was Aetna Chief of Staff Patricia Hassett.

Executive Session ended at 1:05 p.m. The Board returned to Open Session at 1:10 p.m. Trustees Martinez and Treibick participated by telephone.

All actions taken were by unanimous vote of the Trustees present.

1. Public Participation

There were no members of the public who wished to address the Board.

2. Chairman's Report

(a) Board recognition

Chairman Rowe welcomed Ms. Janine Braun as the Governor's representative to the Board. Ms. Braun has been appointed to replace Ms. Brenda Sisco as Legislative Director. Ms. Sisco recently took the position of Deputy Commissioner of the Department of Administrative Services.

Chairman Rowe read the following resolution in honor of Ms. Brenda Sisco.

BRENDA L. SISCO

WHEREAS, Brenda L. Sisco has completed three and a half years of distinguished service as the Governor's representative to the University of Connecticut Board of Trustees; and

WHEREAS, Ms. Sisco has been unfailingly diligent, provided valuable insights, and contributed constructively to the Board's deliberations; and

WHEREAS, Ms. Sisco's time working with the Board coincided with a particularly active period for the Board and the University, in which it was particularly important to maintain close communications between the Board and the Office of the Governor; and

WHEREAS, in maintaining those communications, Ms. Sisco provided invaluable service to the University, its students, and the people of the State;

THEREBY BE IT RESOLVED that the Board of Trustees expresses its deep gratitude to Ms. Sisco and wishes her success in her new assignment as Deputy Commissioner of the Department of Administrative Services, and in all her future endeavors.

On a motion by Mr. Martinez, seconded by Mr. Barry, **THE BOARD VOTED** to approve the resolution for Brenda Sisco.

Chairman Rowe welcomed again to the Board Michael Nichols as the new student Trustee representing the graduate and professional schools effective July 1. Chairman Rowe noted that Mr. Nichols was a very effective Board member representing the undergraduate students from 2003 to 2005 and now he is a student at the Law School. Chairman Rowe welcomed Mr. Nichols back to the Board.

Trustee Barry read the following resolution in honor of Stephen A. Kuchta and presented him with a framed resolution.

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STEPHEN A. KUCHTA
2004-2006

WHEREAS, Stephen Kuchta will complete his term as student-elected trustee on June 30, 2006; and

WHEREAS, Mr. Kuchta has served with great dedication as a member of the Board of Trustees and the Committees on Academic Affairs, Student Life, and Honors and Awards; and

WHEREAS, as the elected representative of graduate and professional students, Mr. Kuchta has been a devoted advocate of student concerns, but has simultaneously worked to advance the interests of the University as a whole; and

WHEREAS, in his service as a member of this Board, Mr. Kuchta has consistently demonstrated intelligence, dedication, willingness to listen carefully to a wide range of views, and unfailing courtesy and good humor; and

WHEREAS, as Mr. Kuchta leaves the Board to devote his energies to completion of his doctoral degree in economics, he takes with him the respect and affection of his colleagues;

NOW THEREFORE BE IT HEREBY *RESOLVED*, that the Board of Trustees of the University of Connecticut records its gratitude to Stephen Kuchta for his outstanding commitment and dedicated service and extends to him its best wishes for the future.

On a motion by Mr. Barry, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the resolution for Trustee Kuchta.

Chairman Rowe thanked Mr. Kuchta for his efforts, especially while he was studying in Germany, but still representing his constituency. He wished him luck with his post-doctoral studies.

(b) Appointment of Board of Trustees members to the Construction Management Oversight Committee

Chairman Rowe reported that the Construction Management Oversight Committee was established as an outgrowth of events over the past year regarding UCONN 2000 construction projects. Both the Governor's Panel and the Board of Trustees recommended the establishment of a committee to oversee UCONN 2000 projects. The legislation indicates that the Committee will be comprised of four members appointed jointly by the Governor and Legislative leadership, and three members from the Board of Trustees. Chairman Rowe will appoint the Chair of the Committee and the Committee will report to the Board of Trustees.

The Board recently established a parallel committee – the Buildings, Grounds and Environment Committee – for which there is some commonality of expertise and interest that could be utilized in setting the agendas of both committees.

Chairman Rowe spoke to a number of members of the Board and the Legislature about the composition of the new Construction Management Oversight Committee. Several individuals have been identified who are leading professionals in the field that have expertise in areas such as construction management, architecture and design, and code compliance.

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The Governor and legislative leaders will identify four members with specific expertise. For the Board of Trustees members, Chairman Rowe stated that his goal was to identify members who are interested in this area, have some relevant experience, and have a relationship in some way to the Buildings, Grounds and Environment Committee.

Chairman Rowe recommended the appointment of Vice-Chair Ritter as Chair of the Construction Management Oversight Committee and the appointment of himself and Trustee Shepperd as members.

On a motion by Dr. Jacobs, seconded by Mr. Drotch, **THE BOARD VOTED** to appoint Vice-chair Ritter as Chair of the newly created Construction Management Oversight Committee, and to appoint Chairman Rowe and Trustee Shepperd as members.

Chairman Rowe said that it was likely that the Governor and Legislature will appoint the additional members by July 1. He will inform the Board once those members have been identified. Chairman Rowe thanked the Governor's Office, Senator Hartley, Senator Williams, Representative Amann, and others for their ongoing communication with the University. He also thanked Vice-Chair Ritter for agreeing to chair this Committee.

- (c) Minutes of the meetings of April 11 and May 15, 2006

On a motion by Mr. Kuchta, seconded by Mr. Barry, **THE BOARD VOTED** to approve the minutes of the meetings of April 11 and May 15, 2006.

- (d) 2006-2007 Board meeting schedule (Attachment 1)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the 2006-2007 Board meeting schedule.

- (e) Consent Agenda Items:

Chairman Rowe noted that Item 9 under Contracts and Agreements was to be removed as it was inadvertently added to the agenda. The Health Center Board of Directors had already approved Item 9 and does not require approval of the Board of Trustees.

On a motion by Mr. Kuchta, seconded by Mr. Martinez, **THE BOARD VOTED** to approve the following items listed on the Consent Agenda.

Chairman Rowe commented on the Water System Rules and Regulations in Attachment 4, which were compiled by Mr. Callahan and his staff. The Rules and Regulations were developed as an action derived from the University's general effort to manage this important resource and to meet our responsibilities more effectively, particularly in the face of increased demand for water and potential development opportunities. He asked Vice-Chair Ritter to comment on the Water System Rules and Regulations as the Buildings, Grounds and Environment Committee was charged with reviewing them.

Vice-Chair Ritter responded that this issue was part of the overgrowth of the new Committee, which inherited several issues, such as this one. They have been working very closely with Town of Mansfield and State officials. Vice-Chair Ritter believed that the University has a program the State supports. University personnel are expected to work closely with Town officials. From these efforts, they have established a much more community approach to understanding the supply of water, the different constituents groups that need water, and the rate structure. He said that he is proud of the work achieved by the University staff.

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Trustee Gatling asked if the University was an entity similar to a water department in which the University sets the water rates for users. Vice-Chair Ritter confirmed that the University does act similarly. He said that the new water rates will go into effect October 1. Vice-Chair Ritter also raised the issue of delegating this activity to another authority.

Vice-Chair Drotch asked about Item 9 under Contracts and Agreements in Attachment 2. He asked what the \$33 million contract dealing with the Capital Area Health Consortium was for. Executive Vice President Deckers responded that the contract represents the salaries and fringe benefits, and the educational activity of their residents in graduate medical education.

(1) Contracts and Agreements for the Storrs-based programs (Attachment 2)

(2) Water and Wastewater Rates (Attachment 3)

Trustee Barry abstained from voting on this item.

(3) Water System Rules and Regulations (Attachment 4)

(4) Rejection of Option to Repurchase Property now at 920 Storrs Road, Mansfield, Connecticut (Attachment 5)

(5) Approval of Proposed Changes to the *University of Connecticut Laws and By-Laws* (Board of Trustees Distinguished Professor) (Attachment 6)

(6) Approval of Proposed Changes to the *University of Connecticut Laws and By-Laws* (Academic appointment and tenure) (Attachment 7)

(7) Approval of Proposed Changes to the *University of Connecticut Laws and By-Laws* (Student affairs judicial matters) (Attachment 8)

(8) Final Approval of the University's Mission and Purposes Statement (minor editorial changes) (Attachment 9)

(f) Personnel matters (Storrs-based programs) (Attachment 10)

(1) Designation of Emeritus Faculty

On a motion by Mrs. Gatling, seconded by Mr. Prelli, **THE BOARD VOTED** to approve the designation of emeritus status to the following faculty members effective June 1, 2006:

1. Anderson, Thomas, Associate Professor, Department of Chemical Engineering
2. Charters, Ann, Professor, Department of English
3. Floyd, Steven, Professor, Department of Management
4. Miller, Thomas, Professor, School of Allied Health
5. Palmer, David, Associate Professor, Department of Management
6. Pine, Barbara, Professor, School of Social Work
7. Vengroff, Richard, Professor, Department of Political Science

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(2) Sabbatics

On a motion by Mr. Drotch, seconded Mr. Kuchta, **THE BOARD VOTED** to approve the sabbatic leave list.

(3) Informational matters

3. President's Report

President Austin stated that in the May 19th Bi-Weekly Update to the Board, Dr. Schurin reported that the University was selected to receive the 2006 "Outstanding Retention Program Award" from the Education Policy Institute at their conference last month. The award is based on our exceptionally strong record in this area, which includes the following data points: 92% of all Storrs freshmen and 93% of minority Storrs freshmen in the 2004 cohort returned in the fall of 2005. President Austin said that these statistics represent a lot of dedicated work. At UConn, more undergraduate students are staying enrolled than is the case nationally. The downside of this is that while we have frozen freshmen enrollment for the last several years, there are still issues about student/faculty ratios despite the fact that we have added 50 more faculty last year and a proposal for 20 more faculty for next year. President Austin specifically accredited the attraction and retention of good students to Vice Provost Dolan Evanovich and his team.

University Senate Representative Michael Kurland rejoined the meeting at this time.

Secondly, President Austin mentioned that the UConn Police Department recently received their second international re-accreditation. The Department was first accredited in 2000. Only 17 law enforcement agencies in Connecticut receive this accreditation and nationally only 25% of state and local police departments have achieved this level of performance. President Austin congratulated Chief Hudd and his colleagues.

President Austin mentioned during the Budget session this morning that this year and last year have been two of the best years in the last 18 years in terms of the legislative support for our operating budget. As a result of the State's support regarding the University's capital and operating budgets, President Austin invited the membership of the relative legislative committees to an event last week to show the administration's appreciation.

President Austin expressed gratitude to former Governor Weicker for institutional support during his term, noting that it was fitting that the Governor's name be borne on the second research vessel at the Avery Point Campus. President Austin said that the Department of Marine Sciences is one of the most productive departments in terms of research productivity and stature in their field.

Chairman Rowe also thanked Vice-Chair Treibick for his generosity.

4. Financial Affairs Committee Report

(a) Committee Chairman's report on Committee activities

Vice-Chair Drotch reported that the Financial Affairs Committee met on May 25, 2006 to review proposed changes to the Capital Budget and the construction plan that carries out to 2015. At the conclusion of that meeting, a proposal was put forth for today's budget workshop and for Board approval to modify the timing and scope of several projects. Vice-Chair Drotch said that the project list is extensive and the time commitment over which these buildings are to be constructed and renovated is also fairly extensive. Part of the plan requires that each year

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there is to be an indenture to finance that particular year's construction. This year's proposal before the Board is for \$89 million of spending in Fiscal Year 2007.

Also proposed are a number of adjustments to previously issued indentures to recognize adjustments to project costs arising from audit efforts, both by internal and external auditors, and changes of some of the time parameters for individual projects. Also included in today's materials in Attachment 13 are specifics dealing with Deferred Maintenance Code/ADA renovations that had been requested by the Board at previous meetings.

Attachments 14 through 18 contain individual project budgets most of which are still in the planning stage and a few others with final budgets. These project reports are a continuation of the new process that was adopted about a year ago as part of the recommendations implemented by the University in response to the report from the Governor's Panel, the legislative committees, and the auditors.

Attachments 19 through 26 deal with Health Center capital projects that have been reviewed by the Health Center Board of Directors Finance Subcommittee and the Health Center Board of Directors.

The revised allocation of bond proceeds in Attachments 27 through 29 will enable the University to implement project changes mentioned under previously issued indentures to bring current the estimates of what those costs were in those particular years.

Vice-Chair Drotch indicated that Attachment 31 is a Spending Plan for the Storrs-based program. The Budget Workshop binder contains extensive detail regarding the budget plan and activities for Fiscal Year 2007. Vice President Aronson and Executive Vice President Deckers presented the Storrs-based program and Health Center budgets, respectively, during this morning's meeting. Vice-Chair Drotch emphasized that it was also important to continue investing in initiatives vital to the University's and the Health Center's advancement and at the same time recognizing the need to be cost effective. There are some steps to be taken to curtail costs in the areas involving personnel adjustments, outside contractors, and other areas where costs can be controlled in order to provide the resources to invest in important initiatives.

Attachment 32 contains a Master Lease agreement for equipment and other matters and is a continuation of a lease that is currently expiring. This will allow the University to lease where it is cost effective and appropriate and provide the agreement with Citimortgage, Inc. to fund those acquisitions.

Vice-Chair Drotch noted that the Health Center budget will be discussed under the Health Center report. The Health Center budget has separate capital and operating budgets that have been reviewed by the Health Center Board of Directors Finance Subcommittee and the Health Center Board of Directors.

(a) Items requiring Board discussion and approval:

- (1) Fiscal Year 2007 Capital Budget (Attachment 11)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve a capital budget in the amount of \$89,000,000 in UCONN 2000 General Obligation Bonds for Fiscal Year 2007.

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- (2) Thirteenth Supplemental Indenture Authorizing
University of Connecticut General Obligation Bonds (Attachment 12)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Thirteenth Supplemental Indenture authorizing University of Connecticut General Obligation Bonds. This provides for the thirteenth bond issuance under the Master Indenture and authorizes issuance in an amount not to exceed \$89,000,000, plus cost of issuance.
- (3) Approval of Deferred Maintenance/Code/ADA Renovation
Lump Sum Project List for FY '07 (Attachment 13)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Deferred Maintenance/Code/ADA Renovation Lump Sum Project List for FY '07 in the total amount of \$24,700,000 for the Storrs-based program and \$4.82 million for the Health Center.
- (4) Approval of Project Budget (Planning) for Repair and
Renovation of Avery Point Pool and Gym Facility (Attachment 14)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget for the repair and renovation of the Avery Point Campus pool and gym facility in the amount of \$2,750,000.
- (5) Approval of Project Budget (Planning) for Interior Remediation,
Demolition and Removal of Pharmacy Buildings (Attachment 15)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve a project Planning Budget in the amount of \$1,793,000 for the building interior environment remediation followed by demolition and removal of the Pharmacy facility including the Harold G. Hewitt and Pharmacy Research Buildings.
- (6) Approval of Project Budget (Final) for Phase I of the Fire
Alarm Upgrade Project (Attachment 16)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Final Budget in the amount of \$2,300,000 for the first phase of the planned fire alarm interconnection, communication, and equipment upgrade project. Because of the nature and timetable of this activity, resulting in a Final Budget approval request, an exception to the three-phase process is also requested.
- (7) Approval of Project Budget (Final Revised) for Student
Union Addition (Attachment 17)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the revised budget (Final Revised) of \$45.0 million for Phase I of the Student Union Addition; confirm the existing budget of \$25.8 million for Phase II; and approve an overall revised project budget of \$70.8 million.

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- (8) Approval of Project Budget (Final) for Hilltop Apartments
Corrective Action Plan, Phase II (Attachment 18)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve a Final Project Budget in the amount of \$9,700,000 for the second phase of code correction work (Corrective Action Plan, Phase II) for the Hilltop Apartments complex.
- (9) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Munson Road Renovation and Expanded
Parking (Attachment 19)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$3,200,000 for the UCHC Munson Road Renovation and Expanded Parking.
- (10) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Dental School Renovation (Attachment 20)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$5,000,000 for the UCHC Dental School Renovation (Pre-Clinical Lab and Dental teaching clinics).
- (11) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Dental Implant Center Renovation (Attachment 21)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$1,725,000 for the UCHC Dental Implant Center Renovation.
- (12) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Electric Heat Conversion Project (Attachment 22)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$1,250,000 for the UCHC Electric Heat Conversion Project.
- (13) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Library/Student Computer Center Renovation (Attachment 23)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$1,065,000 for the UCHC Library/Student Computer Center Renovation.
- (14) Approval of Project Budget (Planning) for UConn Health
Center (UCHC) Main Building Renovation (Attachment 24)
On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$75,000,000 for the UCHC Main Building Renovation (renovate space to provide a state-of-the-art Clinical Skills simulation lab and renovate Building L research lab space).

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- (15) Approval of Project Budget (Planning) for UConn Health Center (UCHC) Center for Laboratory Animal Care (CLAC) Renovation (Attachment 25)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Planning Budget of \$14,000,000 for the UCHC Center for Laboratory Animal Care (CLAC) Renovation.
- (16) Approval of Project Budget (Design) for UConn Health Center (UCHC) Medical School Academic Building Renovation (Attachment 26)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Design Budget of \$3,570,000 for the UCHC Medical School Academic Building Renovation.
- (17) Revised Allocation of Bond Proceeds of the Sixth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2001 Series A) (Attachment 27)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the reallocation of bond authorizations among capital projects amending Appendix A of the Sixth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2001 Series A) as follows:
- Decrease the Deferred Maintenance and Renovation Lump Sum Balance – Phase II Project by \$2,676,705 for a total Fiscal Year 2000-2001 bond authorization for such project of \$29,892,175.13; and
 - Increase the International House Conversion (Natural History Museum) Project by \$86,134 for a total Fiscal Year 2000-2001 bond authorization for such project of \$86,134; and
 - Increase the Wilbur Cross Building Renovation Project by \$2,590,571 for a total Fiscal Year 2000-2001 bond authorization for such project of \$2, 590,571.
- (18) Revised Allocation of Bond Proceeds of the Ninth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2003 Series A) (Attachment 28)
- On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the reallocation of bond authorizations among capital projects amending Appendix A of the Ninth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2003 Series A) as follows:
- Decrease the Deferred Maintenance and Renovation Lump Sum Balance - Phase II Project by \$4,802,633 for a total Fiscal Year 2002-2003 bond authorization for such project of \$16,197,367; and
 - Increase the Student Union Addition Project by \$4,802,633 for a total Fiscal Year 2002-2003 bond authorization for such project of \$14,802,633.

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- (19) Revised Allocation of Bond Proceeds of the Eleventh Supplemental Indenture (University of Connecticut General Obligation Bonds, 2005 Series A) (Attachment 29)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the reallocation of bond authorizations among capital projects amending Appendix A of the Eleventh Supplemental Indenture (University of Connecticut General Obligation Bonds, 2005 Series A) as follows:

- Decrease the Dental School Renovation Project by \$170,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$0; and
- Decrease the Library/Student Computer Center Renovation Project by \$65,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$85,000; and
- Decrease the Main Building Renovation Project by \$30,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$45,000; and
- Decrease the Medical School Academic Building Renovation Project by \$2,070,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$140,000; and
- Decrease the Research Tower Project by \$2,690,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$315,000; and
- Increase the Deferred Maintenance/Code/ADA Renovation Lump Sum – Health Center Project by \$260,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$3,110,000; and
- Increase the Equipment, Library Collections & Telecommunications – Health Center Project by \$4,765,000 for a total Fiscal Year 2004-2005 bond authorization for such project of \$12,665,000.

- (20) Revised Allocation of Bond Proceeds of the Twelfth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2006 Series A) (Attachment 30)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the reallocation of bond authorizations among capital projects amending Appendix A of the Twelfth Supplemental Indenture (University of Connecticut General Obligation Bonds, 2006 Series A) as follows:

- Decrease the Dental School Renovation Project by \$130,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$200,000; and
- Decrease the Equipment Library Collections & Telecommunications – Health Center Project by \$744,575 for a total Fiscal Year 2005-2006 bond authorization for such project of \$6,835,425; and
- Decrease the Medical School Academic Building Renovation Project by \$190,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$1,000,000; and
- Decrease the Research Tower Project by \$14,000,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$0; and

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- Increase CLAC Renovation Biosafety Level 3 Lab Project by \$500,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$500,000; and
- Increase the Deferred Maintenance/Code/ADA Renovation Lump Sum Project by \$459,575 for a total Fiscal Year 2005-2006 bond authorization for such project of \$10,659,575; and
- Increase the Deferred Maintenance/Code/ADA Renovation Sum – Health Center Project by \$1,285,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$4,285,000; and
- Increase the Intramural, Recreational & Intercollegiate Facilities Project by \$8,200,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$26,300,000; and
- Increase the Law School Renovation/Improvements Project by \$520,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$1,020,000; and
- Increase the Library/Student Computer Center Renovation Project by \$500,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$500,000; and
- Increase the Main Building Renovation Project by \$1,600,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$1,600,000; and
- Increase the Student Union Addition Project by \$2,000,000 for a total Fiscal Year 2005-2006 bond authorization for such project of \$13,000,000.

- (21) Approval of the Spending Plan for the Storrs-based Program for Fiscal Year 2007 (Attachment 31)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve a Spending Plan for the Storrs-based program for Fiscal Year 2007 of \$858.1 million.

- (22) Master Lease Agreement Between Citimortgage, Inc. and the University of Connecticut including the UConn Health Center (Attachment 32)

On a motion by Mr. Martinez, seconded by Mr. Drotch, **THE BOARD VOTED** to approve the Master Lease between the University of Connecticut (including the University of Connecticut Health Center) and Citimortgage, Inc. The Master Lease provides up to \$20 million in principal of tax-exempt lease financings, representing \$10 million for the University's Storrs-based program, and \$10 million for the Health Center.

(c) Informational items:

- (1) UCONN 2000 Book #22 (Separate cover)
- (2) Project Status Report (Separate cover)

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5. Health Center Report

(a) Report on Health Center activities

Vice-Chair Jacobs gave the Health Center report on behalf of Health Center Board of Directors Chair Dr. Gerard Burrow. He reported that the Health Center Board of Directors last met on June 12. The principal topics of discussion were the operating and capital budgets, which were presented in detail at this morning's budget session. There are four action items for the Board to approve.

(b) Items requiring Board discussion and approval:

- (1) Approval of the Capital Spending Plan for Fiscal Year 2007 and the Five-Year Capital Spending Plan for Fiscal Years 2008-2012 for the University of Connecticut Health Center (Attachment 33)

On a motion by Mr. Drotch, seconded by Mr. Abromaitis, **THE BOARD VOTED** to approve the University of Connecticut Health Center Capital Spending Plan for Fiscal Year 2007 and the Five-Year Capital spending Plan for Fiscal Years 2008-2012.

- (2) Approval of the Spending Plan for the University of Connecticut Health Center for Fiscal Year 2007 (Attachment 34)

On a motion by Mr. Drotch, seconded by Mr. Kuchta, **THE BOARD VOTED** to approve the University of Connecticut Health Center Spending Plan for Fiscal Year 2007.

- (3) Approval of Proposed Changes to the *University of Connecticut Laws and By-Laws* (Health Center Faculty Grievance Procedure) (Attachment 35)

On a motion by Dr. Jacobs, seconded by Mr. Abromaitis, **THE BOARD VOTED** to approve the proposed changes to the *University of Connecticut Laws and By-Laws* (Health Center Faculty Grievance Procedure).

Vice-Chair Jacobs indicated that an addendum to the agenda was distributed. The addendum deals with up to three leases in the building located at 400 Farmington Avenue in Farmington, Connecticut, also known as Farm Tech. It was approved unanimously by the Board of Directors with one abstention.

On a motion by Mr. Shepperd, seconded by Mr. Ritter, **THE BOARD VOTED** to add to the agenda a resolution authorizing the Executive Vice President for Health Affairs, the Chief Financial Officer of the University of Connecticut Health Center or the Vice President and Chief Financial Officer of the University of Connecticut to enter into up to three leases for space, totaling 112,898 sq. ft., in the building located at 400 Farmington Avenue, Farmington, Connecticut (Farm Tech) at the base rate of \$12.00 per sq. ft. increasing by 1% annually, in accordance with the conditions more fully described under the Background section. Such authorization is contingent upon final review and approval by the University of Connecticut Health Center Board of Directors Finance Subcommittee.

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On a motion by Mr. Martinez, seconded by Mr. Kuchta, **THE BOARD VOTED** to approve a resolution authorizing the Executive Vice President for Health Affairs, the Chief Financial Officer of the University of Connecticut Health Center or the Vice President and Chief Financial Officer of the University of Connecticut to enter into up to three leases for space, totaling 112,898 sq. ft., in the building located at 400 Farmington Avenue, Farmington, Connecticut (Farm Tech) at the base rate of \$12.00 per sq. ft. increasing by 1% annually, in accordance with the conditions more fully described under the Background section. Such authorization is contingent upon final review and approval by the University of Connecticut Health Center Board of Directors Finance Subcommittee.

6. **Joint Audit and Compliance Committee Report**

(b) Committee Chairman's report on Committee activities

Vice-Chair Nayden reported that the Joint Audit and Compliance Committee has not met since the last Board meeting. He announced that the next meeting was scheduled for July 14, 2006. In the meantime, significant work is being completed. Under the general heading of compliance, the Code of Conduct is being printed. The Code along with the Ethics Statement, which was recently approved by the State Ethics Commission, will be available sometime in July. Following distribution, there will be training, and then an annual follow-up for adherence to both the Code of Conduct and the Ethics Statement.

The Annual Risk Assessments and Audit Plans for Information Technology at Storrs and the Health Center are complete and will be reviewed by the Committee at its next meeting. This will provide a formal work plan going forward to review, monitor, and audit risk areas.

A Compliance Agreement has been reached between the University of Connecticut and the Environmental Protection Agency. As part of that agreement, the first annual report will be submitted to the federal authorities by July 1. It is an extensive update that relates directly to the myriad of compliance and reporting issues that were agreed upon with those agencies. As part of the Agreement, two committees were established – Executive Compliance Committee and Curriculum Compliance Committee. The Committees will be comprised of faculty and staff. There will be educational, training, and teaching requirements associated with specific compliance activities surrounding research, grants, etc.

As part of the oversight of the construction management, they are in the process of identifying an external audit group. There are several audit and monitoring requirements that were part of the overall legislation. The vendor will be selected by the end of July and then they would offer Mr. Walker and his staff to work closely with Vice-Chair Ritter from an audit and compliance angle to make sure that there is an integrated effort.

Chairman Rowe said that he was assuming that Mr. Bradley would staff the Construction Management Oversight Committee. There has not been a lot of discussion regarding the details, but Chairman Rowe wondered if he envisioned that outside auditors would also attend the meetings of this Committee or that someone from Mr. Walker's staff would attend.

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Vice-Chair Nayden said that he leaves those details to Vice-Chair Ritter, but added that both the internal and external auditors will need to perform certain tasks.

Chairman Rowe suggested at the outset there be explicit direction for Vice-Chair Ritter's review of how these two committees should be staffed with respect to the various kinds of support needed, oversight required, and who should attending the meetings.

Vice-Chair Ritter stated that they have begun to discuss those kinds of details, but need to formalize shortly.

7. **Buildings, Grounds and Environment Committee Report**

(a) Committee Chairman's report on Committee activities

Vice-Chair Ritter reported that the Buildings, Grounds and Environment Committee met on June 8, 2006. The Committee discussed at great length water issues. In addition to that discussion, the Committee reviewed the recommendation to forgo exercising the University's purchase option for the former Jorgensen residence.

The Committee adopted formal rules and regulations for the external users of the University's water supply services as well as a new rate schedule for University water and wastewater system services both to become effective October 1.

Vice-Chair Ritter noted that the Committee endorsed the Fiscal Year 2007 Deferred Maintenance Spending Plan for both the Storrs-based program and the Health Center.

Mr. Miller and Mr. Bradley provided the Committee with an update on the University's efforts to remediate and permanently close the University's former landfill and chemical pits located on North Campus. This was a very expensive process to undertake and it is anticipated to take about 18 months to complete.

At the meeting, Mr. Callahan reported that the Connecticut Department of Public Health in May approved the University's 2004-2009 Water Supply Plan.

Chairman Rowe said that the ad hoc group that was established has held several successful meetings. In addition to University representatives Dr. Rowe, President Austin, Thomas Callahan, and Vice-Chair Ritter, external members include Town of Mansfield Mayor Betsy Patterson, Mansfield Town Manager Martin Berliner, Dr. Robert Galvin, Commissioner of Public Health, and Ms. Regina McCarthy, Commissioner of Environmental Protection. All have been very cooperative and helpful and are pleased with the efforts currently underway. Vice-Chair Ritter emphasized that this has been a joint collaboration and progress is being made.

(b) Item requiring Board discussion and approval:

(1) Approval to Establish the Construction Assurance Office (Attachment 36)

On a motion by Dr. Jacobs, seconded by Mr. Barry, **THE BOARD VOTED** to approve the establishment of the Construction Assurance Office as required by Public Act 06-134, Section 4.

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8. Academic Affairs Committee Report

(a) Committee Chairman's report on Committee activities

Vice-Chair Jacobs reported that the Academic Affairs Committee directed Trustee attention to Tab 7 in the Budget Workshop Binder. He indicated that Page 1 identifies the University's current peer groups and Page 2 indicates how the University compares to its peers on a variety of metrics. He thanked the Provost and others for this information, because it allows the Board to see where we are better, equal to, and not as good as other institutions. This is a dynamic process in which our peer group changes as we gain stature in our programs.

9. Student Life Committee Report

(a) Committee Chairwoman's report on Committee activities

Trustee Barry reported that there was no report of the Student Life Committee. He announced that the members will be researching the cost of undergraduate textbooks, which has become a national issue.

10. Institutional Advancement Committee Report

(a) Committee Chairman's report on Committee activities

Trustee Barry gave the report of the Institutional Advancement Committee on behalf of Vice-Chair Treibick. The Committee last met via teleconference on June 14, 2006. Mr. Barry directed Trustee attention to the Development Progress Executive Summary in Attachment 39.

The Committee received an updated report from Mr. John Martin, President of The UConn Foundation, Inc. regarding fundraising results as of May 31, 2006. New gifts and pledges totaled \$32.83 million. This is compared with \$47.25 million received for the same period last year.

A number of significant proposals are presently in the hands of donors, and the outlook remains positive for several of them to be completed early in the new fiscal year, providing a strong start for 2007. The Foundation recently received a verbal commitment of \$2.75 million for a gift to the Health Center with a pledge to be signed in July.

Receipts continue to run at or near last year's levels, and The Foundation remains optimistic of reaching the \$50 million goal for the year. So far, \$45.07 million has been received, which is 90% of goal and just about the same figure taken in during the same period in 2005. Of this total, approximately \$33.7 million is earmarked for current operations and \$11.4 million for endowment.

The number of cash-basis donors to date is 30,044, or 86% of the 35,000 donor goal, compared with 31,424 last year.

As of June 12, total gifts received through The Foundation's annual giving programs reached \$3,377,220, which is 102% of our Annual Fund goal of \$3,310,500.

Total donor count to annual giving efforts stands at 27,162, which is a 7% increase over Fiscal Year 2005.

Trustee Barry said that it was important to note the growth in our average gift size, which was \$113 and is now at \$121.

The Foundation is very pleased with the 120% growth in the annual giving program at the Health Center this year.

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Regarding the Fund for UConn, an important source of unrestricted funds for Presidential initiatives, the Foundation has received to date \$842,000, or 84% of our \$1 million goal, and are within 5% of the total raised during the same period last year.

Mr. Brohinsky updated the Committee on the major accomplishments during the completely 2006 legislative session by outlining funding for both Storrs and the Health Center for Fiscal Year 2007 and describing the major changes in the UCONN 2000 Program.

Mr. Feudo reported that under the leadership of Trustee Andrea Dennis-LaVigne, the Alumni Association is completing a new strategic plan. The Committee was also informed that Mr. Feudo will be leaving UConn to head alumni activities at his alma mater, Boston College.

(b) Items requiring Board discussion and approval:

(1) Facilities Naming Recommendations (Attachment 37)

On a motion by Dr. Rowe, seconded by Mr. Treibick, **THE BOARD VOTED** to approve the following facilities naming recommendations for the Storrs Campus and the Health Center:

(a) Health Center

(1) Paula McManus Memorial Conference Room

(b) Storrs Campus

(1) Charter Oak Apartments

(a) Frederick Brown Building

(b) Charles S. Foster Building

(c) Henry R. Hoisington Building

(d) Burke Hough Building

(e) Arthur S. Hubbard Building

(f) Andrew K. Thompson Building

(2) Charter Oak Suites

(a) Alan Thacker Busby Building

(3) South Campus

(a) Nellie Louise Wilson Building

(b) Louise Jane Rosebrooks Building

(c) Anna Mabel Snow Building

(4) Hilltop Suites

(a) Harry Lucian Garrigus Building

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- (2) Academic Naming Recommendations (Attachment 38)

On a motion by Dr. Rowe, seconded by Mr. Treibick, **THE BOARD VOTED** to approve the following academic naming recommendations for the Health Center.

(a) Health Center

- (1) Lockean Distinguished Chair in Mental Health Education, Research and Clinical Improvement
- (2) UConn Health Center Auxiliary/Joseph M. Healey, Jr. Chair in Medical Humanities and Bioethics
- (3) Linda and David Roth Chair in Cardiovascular Research
- (4) Dr. Charles J. Burstone Endowed Professorship in Orthodontics

- (c) Development Progress Executive Summary (Attachment 39)

11. Adjournment

The next meeting of the Board of Trustees is scheduled for Tuesday, August 1, 2006 at 1:00 p.m. at the Rome Commons Ballroom (South Campus Complex), Storrs, Connecticut.

There being no further business appearing, the Board meeting adjourned at 1:57 p.m.

Respectfully submitted,

Louise M. Bailey
Secretary