

Finance and Facilities Committee

Minutes – Pre-meeting conference call

November 30, 2011

1:00 PM EST

Trustee Scott called the meeting to order at 1:00 p.m. Committee members attending via phone: Steven Scott (chair), Susan Cameron, Al Warrington, Juliet Roulhac, and Anthony Reynolds. Attending in person: Dr. Scott Nygren.

Other attendees included: Matt Fajack, Sheri Austin, Mike McKee, Bob Miller, Kim Simpson, Kathleen Tillett, Norb Dunkel, Curtis Reynolds, Azfar Mian, Mike Ford, William Li, Dave Kratzer, Janine Sikes, Chris Hughes, Kevin Heinicka, and Eugene Herring.

Vice President and Chief Financial Officer (CFO), Matt Fajack explained the presentation of the 2011-12 Budget of Revenue and Expenses. The State requires budget information in June so that portion of the budget is submitted first. The units then use the rest of the summer to gather information regarding other sources and complete the budget before September. There is a projected deficit for 2011-2012 but this can change. There was a projected deficit for 2010-2011 when it was first presented which was not true at year end. This was due in large part to salary savings, additional grants being received, departments using cash carry forward and people having been conservative in their projections.

There is a resolution to open a new bank account with Citibank for use in the payments of Clinical Trial Research Participants which needs approval. Pre-paid debit cards (refillable) will be issued by the bank (for a minimal fee) which can be given to participants in lieu of cash. This will be one of several options available to researchers. The University of Michigan has been successfully using such a system.

- A question was asked about the limit on withdrawals of \$250,000, noting it seemed high.
- The Controller explained that the University has a two signature requirement on all checks.
- We may require that the Audit Committee approve the resolution as well.
- Matt Fajack offered a short presentation on cash controls for the next Committee meeting.

Associate Vice President Norb Dunkel of Housing presented information regarding the proposed 2012 Housing Bond Issuance for up to \$31M. The bonds would be for only 20 years rather than 30 years with a potential savings of \$12.7M in interest. He reviewed the work that would be done with the bond proceeds as well as the current and anticipated debt ratio.

Controller Mike McKee presented the quarterly financial statements and highlighted the following:

- Decreases in Fair Market Value of Investments mirror the experience of the market.

- Write-off of depreciation is due to the change as of 7/1/2011 of the capitalization of equipment from \$1,000 to \$5,000.
- Reduction in State appropriations.

To be addressed tomorrow in the full meeting:

- Review and Approval of minutes from June 9, 2011 and September 6, 2011.
- Naming of West Side Garden – with a brief history
- J. Wayne Reitz Union Project update
- UFICO update – we will ask Tom Mitchell to give a brief update on the UFF campaign goals tomorrow and he will be ready to answer more questions at the next meeting.
- Construction update by Carol Walker
- Employee recognition

The meeting adjourned at approximately 1:45.