

**MINUTES OF THE
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FINANCE AND ADMINISTRATION COMMITTEE**

August 12, 2008

The Chair, Calvin W. Stephens, convened the meeting of the Finance and Administration Committee of the University of Houston System Board of Regents in Room 128 Ezekiel Cullen Building, 4800 Calhoun, University of Houston, at 2:30 p.m. on Tuesday, August 12, 2008, with the following members present: Nelda L. Blair, Dennis D. Golden, Jacob M. Monty, and Welcome W. Wilson, Sr., Ex Officio.

Regent Stephens introduced Dr. Carl Carlucci, who presented the following three action items for consideration by the committee.

A. Action Items

1. FY 2009 Plan and Budget - UH System.

Dr. Carlucci requested approval for the FY 2009 Plan and Budget. Annual plans, plus revenue and expenditure budgets were presented for all university components for the period September 2008 through August 2009. The budget for the UH System includes operations and capital projects for the University of Houston, UH-Clear Lake, UH-Downtown UH-Victoria, and UH System Administration. The FY 2009 Operating Budget totaled \$32.6 million.

Below is a breakdown of the New Sources:

	<u>General Revenue</u>	<u>Tuition</u>	<u>Fees</u>	<u>Reallocations/ Savings/Other</u>	<u>Total</u>
Univ. of Houston	(\$0.1)	\$15.1	\$3.6	\$0.7	\$19.3
UH-Clear Lake	(0.1)	2.4	(0.2)	0.4	2.5
UH-Downtown	(0.1)	2.1	2.0	2.0	6.0
UH-Victoria	0.6	1.4	0.6	1.2	3.8
UH System Admin.	0.0	0.0	0.0	1.0	1.0
TOTAL	\$0.3	\$21.0	\$6.0	\$5.3	\$32.6

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Below is a breakdown of the New Uses:

	Student Access & Success	Acad & Research Excel/Nat'l Competiveness	Infrastructure and Administration	Community Engagement	Total
Univ. of Houston	\$13.2	\$2.3	\$3.8	\$0.0	\$19.3
UH-Clear Lake	1.6	0.2	0.6	0.1	2.5
UH-Downtown	3.1	0.1	2.2	0.6	6.0
UH-Victoria	2.5	0.1	1.1	0.1	3.8
UH System Admin.	0.7	0.0	0.3	0.0	1.0
TOTAL	\$21.1	\$2.7	\$8.0	\$0.8	\$32.6

The allocation of resources for each system campus was presented which outlined their priorities and initiatives.

The UH System FY 2009 Total Budgets were addressed. Listed below is the UH System FY2009 Budget – Sources (\$Millions):

	State General Revenue	Tuition & Fees	Federal	Capital	Other	Total
Univ. of Houston	\$231	\$280	\$108	\$194	\$132	\$945
UH-Clear Lake	41	39	6	3	6	95
UH-Downtown	47	51	15	3	8	124
UH-Victoria	22	13	3	22	5	65
UH System Admin.	4	0	0	6	10	20
TOTAL	\$345	\$383	\$132	\$228	\$161	\$1,249

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The UH System FY 2009 Budget – Uses (\$ Millions) is listed below:

	Student Access & Success	Academic & Research Excel/Nat'l & Fees	Infrastructure & Admin.	Community Engagement	Capital Cons	Total
Univ. of Houston	\$458	\$107	\$155	\$39	\$194	\$945
UH-Clear Lake	62	4	27	0	3	95
UH-Downtown	86	2	31	1	3	124
UH-Victoria	28	1	13	1	22	65
UH System Admin.	5	1	8	0	6	20
TOTAL	\$639	\$115	\$234	\$32	\$228	\$1,249

Regent Golden moved committee approval of the FY 2009 Plan and Budget – UH System; Regent Monty seconded the motion; and members of the committee concurred. This item will be presented for final Board approval at the August 19, 2008 meeting. A copy of this presentation was filed in the Board office.

2. Consolidated Revenue and Refunding Bonds, Series 2008A – UH System

Dr. Carlucci presented this item requesting approval to authorize the UH System to issue bonds to be sold by negotiated sale for combined new money and refunding purposes. Approval was requested of the Nineteenth Supplemental Resolution, the Preliminary Official Statement, the Bond Purchase Agreements, and the Reimbursement Resolution. The amount requested was \$150 million for the following projects:

<u>Project Short Name</u>	<u>Budget</u>	<u>Bonds</u>
Bayou Oaks	\$ 20,000,000	\$ 20,000,000
Wilhelmina Robertson Smith Stadium Complex	38,700,000	18,500,000
East Parking Garage	18,000,000	9,000,000
Lab Renovation (Science Bldg)	57,600,000	57,600,000
UH-Clear Lake Arbor Bldg	11,604,808	10,604,808
Potential Bond Refunding		20,515,000
	<u>\$145,904,808</u>	<u>\$136,219,808</u>

Regent Golden moved committee approval of the Consolidated Revenue and Refunding Bonds, Series 2008A – UH System; Regent Monty seconded the motion; and members of the committee concurred. This item will be presented for final Board approval at the August 19, 2008 meeting. A copy of this presentation was filed in the Board office.

3. Investment Resolutions for the University of Houston System

Dr. Carlucci requested approval for the following investment resolutions for the University of Houston System:

- Resolution Governing the Sale, Assignment, Endorsement, Transfer, and Delivery of Gift Securities for Any Component of the UH System;
- Resolution Governing the Purchase and Sale of Securities and Similar Investments for the UH System Endowment Fund; and
- Resolution Governing the Purchase and Sale of Securities and Similar Investments for all Non-Endowed Funds of the UH System.

These resolutions must be renewed semi-annually.

Regent Golden moved committee approval of the Investment Resolutions for the UH System; Regent Monty seconded the motion; and members of the committee concurred. This item will be presented for final Board approval at the August 19, 2008 meeting.

B. Information Items:

The following two items were for information and required no action by the committee.

1. Report on Bonds – UH System

Dr. Carlucci introduced Mr. Jim McShan, who presented this item to the Board. Mr. McShan gave a brief report on the UH System Series 2008 Bond Issue:

- Credit rating affirmed as Aa3 by Moody's and AA- by S&P
- \$175 million sold on June 18, 2008 at 4.87%
- Closed on July 21, 2008
- Five projects were financed:
 - \$106.3 million - Calhoun Lofts – UH
 - \$9.0 million - East Parking Garage – UH
 - \$25.0 million – MacGregor Land – UH
 - \$31.4 million of UHV TRBs (\$22.9M – Sugar Land and \$8.5M Regional Economic Development/Allied Health)

A copy of the report was filed in the Board office.

2. Calhoun Lofts Rental Rates, FY 2010 – University of Houston

The Calhoun Lofts is a new 984-bed graduate and professional student residence and will open in the Fall 2009. It is vital that marketing materials be made available to prospective students beginning in the Fall 2008 when recruitment efforts are underway within the colleges. Rates may vary based on several

variables such as location and view. The rates were determined on a 12-month rental rate and range from \$810 - \$850 for an unfurnished efficiency/1 bath to \$1,642-\$1,665 for a furnished 2 bedroom/1 bath.

There being no further business to come before the committee, the meeting adjourned at 3:25 p.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to "Passed" agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

Others Present:

Jerry Strickland
Carl Carlucci
Dona Cornell
Grover Campbell
Michael Rierson
Dan Gardner
Carl Stockton
Ed Hugetz
Gerry Mathisen

Max Castillo
Jim McShan
Don Guyton
Diane Murphy
Craig Ness
Elaine Charlson
Dave Irvin
Malcolm Davis

Margie Hattenbach
Emily Messa
Wayne Beran
Oscar Gutierrez
Tom Ehardt
Javier Hiladgo
John Powell