

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

Wednesday, August 20, 2014 – The members of the Finance and Administration Committee of the University of Houston System convened at 12:52 p.m. on Wednesday, August 20, 2014 at the University of Houston, Conrad Hilton Ballroom, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Spencer D. Armour, III, Chair
Welcome W. Wilson, Jr., Vice Chair
Tilman J. Fertitta, Member
Peter K. Taaffe, Member
Jarvis V. Hollingsworth, Ex Officio

Non-Member(s) Present

Durga D. Agrawal, Regent
Beth Madison, Regent
Paula M. Mendoza, Regent
Roger F. Welder, Regent
Asit R. Shah, Student Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum of the board present, Chair of the Committee, Spencer D. Armour, III called the meeting to order.

Regent Armour moved to the first item on the agenda, Item B, the approval of the minutes from the Finance and Administration Committee meeting:

1. February 26, 2015, Finance and Administration Committee Meeting

AGENDA ITEMS

Action Items:

1. Approval of Minutes – Item B

On motion of Regent Peter Taaffe, seconded by Regent Wilson, Jr., and by a unanimous vote of the members in attendance, the minutes from the following meeting listed below was approved:

- February 26, 2014, Finance and Administration Committee Meeting.

Following the approval of the minutes, Regent Armour stated the committee would be presented six (6) agenda items, all of which will require the committee's consideration and approval. Regent Armour then requested Dr. Carlucci introduce the first action item listed on the Finance and Administration Committee agenda, Item C.

University of Houston System

2. Approval to delegate authority to the Chancellor to negotiate and execute a contract for on-site temporary staffing services for the University of Houston, UH-Clear Lake and UH-Downtown – University of Houston System, Item C, F&A-C was requested Dr. Carlucci present this item.

Dr. Carlucci stated that as a large institution, the University of Houston System has a regular need for temporary staffing. The university does this through a contract which covers three (3) of the UH System institutions: the University of Houston, UH-Clear Lake and UH-Downtown. The estimated cost of this contract was approximately \$1.4 million. The university has secured a contract through a RFP and normally the bids received were from national vendors. This process is completed on an annual basis.

On motion of Regent Taaffe, seconded by Regent Wilson, Jr., and by a unanimous vote of the regents in attendance, the request to delegate authority to the Chancellor to negotiate and execute a contract for on-site temporary staffing services for the University of Houston, UH-Clear Lake and UH-Downtown was approved.

3. Approval is requested for the Twenty-fifth Supplemental Resolution to the Master Resolution, the Preliminary Official Statement, and the Notice of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue Refunding bonds, Series 2014 – University of Houston System, Item D, F&A-D.

Dr. Carlucci presented this action item. This is only the refinancing of an existing bond series. The amount is approximately \$53 million. The university generates savings as a result of this refinancing; and the original rate was 4.5% and the new rate will be 3%. For the UH System, this is an excellent opportunity to reduce our debt; save money; and the savings go both to the State for the TRBs that were issued under this financing and to the universities for the auxiliary bonds that had been issued under this financing. Dr. Carlucci asked Mr. Tom Ehardt, Associate Vice President for Finance, to address the savings for this transaction.

Mr. Ehardt stated that as it relates to the TRBs, the savings will be approximately 30% or \$1.9 million and for the auxiliaries and other university local funding, the savings will be approximately 70% or \$4.2 million. Dr. Carlucci stated that the university would see a savings on our debt service as a result of this refinancing.

On motion of Regent Fertitta, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the request for the Twenty-fifth Supplemental Resolution to the Master Resolution, the Preliminary Official Statement, and the Notice of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue Refunding bonds, Series 2014 – University of Houston System was approved.

4. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for property management and related services at the University of Houston Energy Research Park – University of Houston, Item E, F&A-E.

University of Houston System

Since the University of Houston acquired the Energy Research Park, Dr. Carlucci stated that the university has been operating under a management contract to void the university from having to staff-up and actually run the Park ourselves. The university has had a management contract and that contract was up and we would like to competitively bid that contract again. The contract would most likely be for a period of three years plus renewals. The contract would cover all of the maintenance services. The current vendor has an operating team present that services all of the needs of the tenants in the park, both public and private. The current contract expired on August 12, 2014 and has been extended on a month-to-month basis until a new contract has been awarded. The estimated property management fee is not to exceed \$750,000 based on a five-year contract.

On motion of Regent Fertitta, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the request to delegate authority to the Chancellor to negotiate and execute a contract for property management and related services at the University of Houston Energy Research Park – University of Houston was approved.

5. Approval of the Annual Purchase of Programming from National Public Radio (NPR) – University of Houston, Item F – F&A-F.

Dr. Carlucci presented this item which was for the annual purchase of programming from National Public Radio (NPR). This contract is directly with the provider and is based on our listenerhip and/or viewership. Dr. Carlucci recognized Ms. Lisa Shumate, Executive Director and General Manager of Houston Public Media at the meeting, who was present to answer any questions. Dr. Carlucci also pointed out that the university was running our radio and TV stations under Houston Public Media which has been rebranded. The programming cost of \$1,377,953 will be funded by a Public Broadcasting grant and gifts from the community.

On motion of Regent Fertitta, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the request of the Annual Purchase of Programming from National Public Radio (NPR) was approved.

6. Approval of the Annual Purchase of Programming from Public Broadcasting Service (PBS) – University of Houston, Item Public Broadcasting Service (PBS) – University of Houston, Item G – F&G-G

Dr. Carlucci presented this item which was to request approval for the annual purchase of programming from Public Broadcasting Service (PBS). This contract is driven by the selection of programming and viewership and is completely funded through a Public Broadcasting grant and gifts from the community. The annual programming cost for this service will be \$2,180,792. Ms. Shumate was available to answer any questions on this item. Regent Armour encouraged anyone who had not taken a tour of KUHT-TV to do so. He found it very interesting. Ms. Shumate is a wonderful tour guide and does an excellent job at KUHT.

University of Houston System

On motion of Regent Taaffe, seconded by Regent Fertitta, and by a unanimous vote of the regents in attendance, the request of the Annual Purchase of Programming from Public Broadcasting Service (PBS) was approved.

7. Approval is requested to modify all banking resolutions for the University of Houston System – University of Houston System, Item H – F&A-H.

Dr. Carlucci introduced this item requesting approval to modify all banking resolutions for the University of Houston System. This was purely a housekeeping item, deleting one individual's signature and adding another signature.

On motion of Regent Fertitta, seconded by Regent Taaffe, and by a unanimous vote of the regents in attendance, the request to modify all banking resolutions for the University of Houston System was approved.

At the conclusion of the presentation of this item, Regent Armour requested a motion to move the last six (6) action items to the Board of Regents' Consent Docket Agenda for final Board approval at the Board of Regents' meeting later today, August 20, 2014.

On motion of Regent Wilson, Jr., seconded by Regent Fertitta, and by a unanimous vote of the members in attendance, the following six (6) items will be placed on the Board of Regents' Consent Docket Agenda for final Board approval. They are as follows:

1. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for on-site temporary staffing services for the University of Houston, UH-Clear Lake and UH-Downtown- University of Houston System;
2. Approval is requested for the Twenty-fifth Supplemental Resolution to the Master Resolution, the Preliminary Official Statement, and the Notice of Sale authorizing the issuance of Board of Regents of the University of Houston System Consolidated Revenue Refunding Bonds, Series 2014 – University of Houston System;
3. Approval is requested to delegate authority to the Chancellor to negotiate and execute a contract for property management and related services at the University of Houston Energy Research Park – University of Houston;
4. Approval of the Annual Purchase of Programming from National Public Radio (NPR) – University of Houston;
5. Approval of Annual Purchase of Programming from Public Broadcasting Service (PBS) – University of Houston; and
6. Approval is requested to modify all banking resolutions for the University of Houston System – University of Houston System.

There was no Executive Session held.

There being no further business to come before the committee the meeting adjourned at 1:10 p.m.

University of Houston System

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:

Renu Khator
Carl Carlucci
Paula Myrick Short
Dona Cornell
Eloise Dunn Stuhr
Richie Hunter
Elwyn Lee
Richard Walker
William Flores
Vic Morgan
William Staples
Darrin Hall
Shankar Mody
Tina Shah
Joe Brueggeman
Brandon Alexander
Brenda Robles

Raymond Bartlett
Emily Messa
Daniel Arp
Steve Wallace
Wayne Beran
Carl Stockton
Dana Rooks
Shannon Harrison
Oscar Gutierrez
Wayne Beran
David Bradley
John Locke
Pravina Mody
Troy Golden
Don Price
Brian Thomas
Gerry Mathisen

Dan Maxwell
Tom Ehardt
Pam Muscarello
Lisa Shumate
Margie Hattenbach
Chris Stanich
Lisa Shumate
Richard Bonnin
Jeffrey Cass
Wynn Chin
Mike Guidry
Phil Booth
Rajiv Shah
Rima Shah
Jon Aldrich
Marquette Hobbs