

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

Thursday, February 23, 2017 – The members of the Finance and Administration Committee of the University of Houston System convened at 2:31 p.m. on Thursday, February 23, 2017 at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4450 University Drive, Houston, Texas 77204, with the following members participating:

ATTENDANCE –

Present

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

Non-Members Present

Beth Madison, Regent
Paula M. Mendoza, Regent
Joshua A. Freed, 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.

AGENDA ITEMS

Action Items:

Regent Armour stated the committee would be presented seven (7) action items for the board's consideration and approval and two (2) items presented for information only.

The first action item addressed at the meeting was:

1. Item B, Approval is requested for changes to FY2018-FY2019 voluntary and optional fees at University of Houston System universities and approval of the FY2018 Student Service Fee at the University of Houston.

Regent Armour asked Mr. Jim McShan, Senior Vice Chancellor for Administration and Finance to introduce this item to the committee.

Mr. McShan stated this item addressed a request for changes to the FY2018-FY2019 voluntary and optional fees at UH System universities and approval of the FY2018 Student Service Fee at the University of Houston ("UH"). This item would be presented in four (4) stages. Mr. McShan said that there would be a brief summary of the housing increase; the parking increase; setting the first rates of the UH-Clear Lake new housing project; and a Student Service Fee Report which is given annually. It was noted that all four (4) of the fees being considered by the

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committee at the meeting had students, and in some cases faculty, involved in the review and budget of these fees.

The first issue addressed by Mr. McShan was the UH student housing increase. UH Student Housing proposed a 3% or \$25 per month increase for all of the housing facilities (excluding Calhoun Lofts – which had no increase). The university completed reviews and comparisons of other facilities and was in line with those in the area and consistent with other Texas universities. The rates at UH were an all-in cost which includes utilities, television service, Wi-Fi, and laundry services which was a good deal for the students. The increase would be used for the following:

- Expand Service: Student housing transition to remain open over winter break;
- Refresh the Cougar Village I Lounge and Calhoun Loft floor Lounges;
- Provide new online room change process for faster real time resident room changes;
- Increase student staff hourly wages;
- Create a student leader programming resource room requested by the Resident Hall Association; and
- Increase the number of learning community options such as International House and a Service Learning Community.

Comparison slides of semester room rates for air-conditioned residence halls and apartments for Fall 2016 for other Texas universities; semester apartment rates to off-campus apartments; as well as the University of Houston housing rates were presented to the committee for reference.

Mr. McShan stated the second issue addressed for the committee's consideration was the UH-Clear Lake ("UHCL") housing rates. It was noted that when UHCL opens its new student housing in Fall 2018 (FY2019), the following rates would become effective. Approval of these rates were needed at this time for marketing and recruiting purposes as students will begin applying for housing in FY2018. The housing rates were consistent with the business plan that had been presented to the Board in August 2016 when the Freshman Housing project had been approved as follows:

- \$8,605 for single occupancy (total for Fall and Spring)
- \$6,834 for double occupancy (total for Fall and Spring)

These rates were established based on the 2016 Student Housing Demand Study conducted by Brailsford & Dunlavey. A \$200 housing deposit would be applied to attending students' housing costs.

The third issue addressed in this item was the voluntary and optional fees for the UH FY18 and FY19 parking rates. Mr. McShan stated there had been a committee comprised of faculty, staff and students and their plan had been presented to and approved by the Transportation and Parking Advisory Committee ("TPAC"). He briefly outlined the current affordable parking and transportation options for UH students which were comprised of the following:

- Free METRO rides to and from campus for local METRO bus and rail riders;
- Discounts on METRO fares for Park-and-Ride riders;
- Zipcar membership and driving credits for on-campus residents;
- Permit discounts of 50-75% for carpools of 3+;
- Increased parking supply in Campus Remote Parking by 1,000 spaces;

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- Enhanced quality of surface lots for student parking;
- Increased shuttle service frequency by adding two (2) additional buses to Campus Remote Parking;
- Provide shuttle service to Eastwood Transit Center; and
- Pro-rated refunds to graduating students.

Mr. McShan also stated that they had compared UH's rates to six (6) area universities and twelve (12) downtown Houston properties as well as to four (4) Texas universities outside of the Houston area. A brief discussion followed.

The last issue in this item was the UH student service fee for FY18. Mr. McShan stated there was a UH Student Fees Advisory Committee ("SFAC") which was comprised of students, faculty and one (1) ex officio member. The SFAC had reviewed requests from 34 fee-funded units; they had conducted budget hearings for each request in October and November 2016 (34 hearings over four (4) days); deliberated and developed recommendations; and then a final report and recommendations were given to UH Administration on November 22, 2016. Below was the outcome for the FY18 recommendations:

- \$255 Student Service Fee, which represents no change compared to FY17. Approval of this fee is required each year per Texas Education Code, Sections 54.5061(f) and 54.5062(f);
- This fee will be used to meet the continuing needs of the UH student population, support student success, enhance student engagement, and address the psychological health needs of students which include the following:
 - Counseling and Psychological Services
 - Career Counseling and Career Fairs
 - Veteran Services
 - Center for Student Involvement Programming.

On motion of Regent Taaffe, seconded by Regent McElvy, and by a unanimous vote of the regents in attendance, the request for changes to FY2018-FY2019 voluntary and optional fees at the UH System universities and approval of the FY2018 Student Service Fee at the University of Houston was approved.

The next four (4) items were presented together to the committee by Mr. McShan before the vote was taken. They were as follows:

2. Item C, Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction for Parking Garage #5 located at the University of Houston;
3. Item D, Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the UH System;
4. Item E, Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the UH System; and

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5. Item F, Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policies for Fiscal Year 2017 – UH System.

Mr. McShan discussed Item C, the request to delegate authority to the Chancellor to negotiate and execute contracts for an amount not to exceed \$61 million for the design and construction of Parking Garage #5 with associated tenant space. This parking garage will be located at the southeast corner of Entrance 18 and Elgin Street in the Arts District at UH. This project includes the construction of approximately 2,500 parking spaces (which will net around 1,700 spaces) with approximately 43,000 GSF of tenant space which would include the Parking and Transportation Office, Public Art Office Suite, School of Art Student and Exhibition spaces and Food Service space. If approved by the Board, the construction of this project would begin in July 2018, with occupancy taking place in Fall 2019.

Mr. McShan addressed the next item, Item D, the request to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the UH System. Board policy 55.01.01 states that the Board must approve any contract, including any amendment, extension, or renewal thereto, that results in the value of the contract exceeding \$1 million throughout the term of the contract.

The first project addressed in Item D was for a Request for Proposal (“RFP”) for a 5-year custodial service contract at UH-Downtown in the amount not to exceed \$8.0 million. This new contract would replace the current contract which will expire on June 30, 2017.

The next project discussed in this item was for a RFP for a Water Systems Chemistry, Distribution and Maintenance contract at the University of Houston. This would be a 3-year contract, with a 2-year option in the amount not to exceed \$2,250,000. The university currently has a number of water system-type services of approximately \$400,000 per year that we incur. The university proposes that we combine these services from multi contracts into one (1) company performing these services. By doing so, the university would save approximately 10% per year.

Mr. McShan addressed the next project which was the Network Cabling Infrastructure Design and Installation contracts for the UH System. This was a RFP to identify two (2) cable infrastructure providers for a 5-year contract not to exceed \$5.0 million. It was mentioned that in December 2016, the Board had approved an item extending the current contract for the cable installers through November 2017. This would be selecting the two (2) contracts that would replace them at the end of that time period.

Mr. McShan identified the next project, the Licensing Agreement for UH Athletics, and asked Mr. Hunter Yurachek, Vice President for Intercollegiate Athletics to present this project.

Mr. Yurachek stated that IMG was the multi-media rights holder which means they own the rights to all of the marketing assets within the university’s Athletic venue. This includes any signs within the Athletic venues, when listening and hearing advertisements to a radio broadcasts, game programs, title sponsorships to events, etc. and IMG has the rights to sell all of those marketing assets. In return for those assets, IMG affords the university an annual financial guarantee; they make themselves whole; and then there is a 50-50 revenue share after they have covered their expenses and pay their guarantee

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back to the university. Currently, we are in the middle (4th year) of a 7-year agreement with IMG. We have been partners with the IMG entity since 2002 when they were ISP. ISP was purchased within the last 3-4 years from IMG when they took over all of their assets and assumed all of their contracts. The university approached IMG this past Fall requesting the expansion of the LED Ribbon Boards at the TDECU Stadium. This would be comprised of adding 720 additional feet of LED Ribbon Boards to the TDECU Stadium as well as two (2) additional Field-Level End Zone LED Boards.

This would be a benefit to IMG because it would provide them with more inventory to sell thus pushing the revenue threshold up; and it would also benefit the university from a fan experience standpoint to have a 360 degree LED Board at the Football Stadium. The university had also approached IMG to add the same thing in the new Fertitta Center. Within the university's project budget for the Fertitta Center, the university does have Video Boards at each End Zone but they do not have the resources within this budget for the LED Boards for this facility.

In order to renegotiate our contract with IMG, they would front us \$2.3 million to pay for the electronic and LED Boards at both the TDECU Stadium and the Fertitta Center under the terms that we extend our contract by seven (7) additional years for 10 more years. We have grown as a property. We are currently operating under a 7-year agreement for a little under \$12 million for a per-year average of approximately \$1.7 million. The proposed agreement would be a new 10-year agreement with a total guaranteed revenue of approximately \$27.8 million for an average over this 10-year period of approximately \$2.75 million. A lengthy discussion followed. Mr. Yurachek also requested the approval for IMG to give the university the funds to purchase the Boards for a tax benefit.

The last project listed under this item was for an amendment to a current 2-year Outside Legal Counsel contract in the amount of \$800,000, to be increased by \$400,000 due to the increase of legal activity, for a total cap in the amount of \$1.2 million.

Mr. McShan moved to the next item listed on the agenda, Item E, the request to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System.

Mr. McShan stated that the first project listed in this item, the Agnes Arnold Hall Sprinkler System Installment contract would be delayed until a possible time extension could be determined.

The next project in this item was the Hilton Roof Replacement contract in the amount of \$2.4 million. This would be a complete replacement of the roof on the Hilton Hotel Building on the UH campus.

The Multi-Disciplinary Research and Engineering Building (MREB) Phase II Build-Out Construction contract was the next item listed for discussion. This contract was for construction services for Phase II build-out of labs on the 4th floor of the MREB on the UH campus in the amount not to exceed \$7.8 million and would be totally funded by Research.

The next project addressed was the Third Ward Advancing Community Engagement Institute Construction contract. This item was tabled until the site and program has been determined.

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The last project in this item was the UH-Clear Lake (“UHCL”) Police Department Portable Building Construction contract. This project had been originally approved on April 23, 2014 in the amount of \$1.25 million for the structure with no site work. Unfortunately, this was for the building only. Once the furniture, fixtures and equipment of \$250,000, fiber optics of \$33,000, A/E work, and elevation work are completed, the total construction costs will be approximately \$1.8 million.

Mr. McShan moved to the fourth item presented in this group, Item F, the request to delegate authority to the Chancellor to negotiate and execute insurance policies for Fiscal Year 2017. The State Office of Risk Management (“SORM”) administers the Property, Directors’ & Officers’ / Employment Practices / Educators Legal Liability and Automobile insurance programs; and the UH Risk Management Department administrators the other policies. The majority of the UH System insurance policies renew on March 1, 2017, and others renew over periods ranging from August 2016 to September 2017. The FY2016 annualized insurance expense was \$4.6 million. In FY2017, the estimated annual expense will be \$4.797 million System-wide. Regent Armour pointed out to the committee that Administration and Finance had taken advantage of legislation that had taken place in order to reduce the costs for the university. Mr. McShan stated that the university has legislation going forward that would give the University the option to use/or not use SORM in the future.

Following the presentation of these four action items, Regent Armour called for committee approval of Item C through Item F as presented.

On motion of Regent McElvy, seconded by Regent Taaffe and by a unanimous vote of the committee members in attendance, the following four (4) items were approved as follows:

2. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction for Parking Garage #5 located at the University of Houston;
3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System;
4. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System; and
5. Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policies for Fiscal Year 2017 – UH System.

The following two (2) action items were presented together before the vote was called. They are listed as follows:

6. Item G, Approval is requested to write-off Accounts and Notes Receivable for FY2016 – UH System; and
7. Item H, Approval is requested for the University of Houston System Fiscal Year 2018 Holiday Schedule – UH System.

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Mr. McShan stated that Item G was the request to write-off accounts and notes receivable. Statutorily, the University is required to provide an installment plan to all students who request it which basically means they pay one-third upfront of their tuition and fee bill per semester; and they are then billed two (2) times throughout the semester for the remainder of their balance. This plan is done without any credit checks performed. The University does have internal collection procedures in place, as well as external collector procedures involved. As a reminder to the committee, this is purely an accounting statement write-off so it does not appear on our balance sheet and misrepresent our assets. In the Student System, the university does retain the records of those who do owe the university money. The requested write-off totaled \$7,686,638 (9,415 accounts) for FY2016 for the University of Houston, UH System, UH-Clear Lake, UH-Downtown, and UH-Victoria.

The next item addressed was Item H, the request for the UH System FY2018 Holiday Schedule. General academic institutions can schedule 14 holidays per the State of Texas. The 14 holidays identified for FY2018 were as follows:

- Labor Day – Monday, September 4, 2017
- Thanksgiving – Thursday and Friday, November 23-24, 2017
- Winter Break – Monday, December 25, 2017 thru Tuesday, January 2, 2018
- Martin Luther King Jr. Day – Monday, January 15, 2018
- Spring Break – Friday, March 16, 2018
- Memorial Day – Monday, May 28, 2018
- Independence Day – Wednesday, July 4, 2018

Following the presentation of the last two (2) action items, Regent Armour called for the vote.

On motion of Regent McElvy, seconded by Regent Taaffe, and by a unanimous vote of the committee members in attendance, the following two (2) action items were approved by the committee as follows:

6. Item G, Approval is requested to write-off Accounts and Notes Receivable for FY2016 – UH System; and
7. Item H, Approval is requested for the University of Houston System Fiscal Year 2018 Holiday Schedule – UH System.

At the conclusion of the approval of the last two (2) action items, Regent Armour called for a motion to place all action items presented to the committee on the Board of Regents' Consent Docket Agenda for final Board approval.

On motion of Regent McElvy, seconded by Regent Taaffe, and by a unanimous vote of the committee members in attendance, the following seven (7) action items were placed on the Board of Regents' Consent Docket Agenda for final approval at the February 23, 2017, Board of Regents meeting held later in the day as follows:

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1. Approval is requested for changes to FY2018-FY2019 voluntary and optional fees at University of Houston System universities and approval of the FY2018 Student Service Fee at the University of Houston;
2. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for design and construction for Parking Garage #5 located at the University of Houston;
3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts exceeding \$1 million for the purchase of goods or services, excluding construction contracts, at the University of Houston System;
4. Approval is requested to delegate authority to the Chancellor to negotiate and execute construction contracts exceeding \$1 million for projects at the University of Houston System;
5. Approval is requested to delegate authority to the Chancellor to negotiate and execute insurance policies for Fiscal Year 2017 – UH System;
6. Approval is requested to write-off Accounts and Notes Receivable for FY2016 – UH System;
7. Approval is requested for the University of Houston System Fiscal Year 2018 Holiday Schedule;

Regent Armour asked Mr. McShan to introduce the next two (2) items that were presented for information only as follows:

1. Item I, a Report on the Sale of the Board of Regents of the University of Houston System Consolidated Revenue and Refunding Bonds, Series 2017A and Consolidated Revenue Bonds, Series 2017B – University of Houston System; and
2. Item J, a Presentation of the Fiscal Year 2016 University of Houston System Annual Financial Report Summary – University of Houston System.

Mr. McShan stated that the first item would be presented by the Senior Associate Vice Chancellor for Finance, Mr. Raymond Bartlett.

Mr. Bartlett stated he was pleased to report that after meeting with Moody's and Standard & Poors in December 2016, their ratings were Aa2/AA, respectively, with a stable outlook. The UH System had sold \$379.5 million of series 2017A bonds and the \$11.6 million of series 2017B bonds on January 19, 2017 via a competitive bid.

The Series 2017A bonds were tax-exempt and received six bids. Bank of America Merrill Lynch was awarded the series 2017A bonds with the lowest bid of 3.41%. Included in the Series 2017A sale was the refunding of \$102.3 million of debt which generated present value savings of \$10 million (\$7.5 million of PV savings accrues to UHS and \$2.5 million accrues to the State of Texas [TRBs].) The

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Series 2017B bonds were taxable and received 11 bids. Robert W. Baird & Co., Inc. was awarded the Series 2017B bonds with the lowest bid of 3.62%.

Mr. Bartlett stated they intend to take the bond proceeds and invest them in a Flexible Repurchase Agreement which was consistent with the UH System's Non-Endowed Investment Policy and approved by the State of Texas.

Mr. Bartlett presented a brief summary of the breakdown of outstanding bonds as of February 15, 2017. The TRB vs. Non-TRB was \$422M (34%) versus \$813M (66%) = Total Bonds of \$1.235B. This total includes the 2017 A and B bond issue. A summary by UH System universities was shown as follows: \$882M (71%) – University of Houston; \$76M (6%) – UH-Clear Lake; \$116M (10%) – UH-Downtown; \$106M (9%) – UH-Victoria; and \$54M (4%) – UH System. The total debt service to maturity = \$1.76B; and 55% of the debt service will be paid off in 10 years.

This item was presented as information only and no committee action was required.

Mr. McShan introduced the last item on the committee agenda, Item J, a Presentation of the Fiscal Year 2016 University of Houston System Annual Financial Report Summary, and asked Mr. David Ellis, Executive Director for Financial Reporting to present this item.

Mr. Ellis presented the Board with the UH System Overview of the Results of Operations, Annual Financial Report (“AFR”) for FY2016. Below is a brief summary of Mr. Ellis' remarks:

- The FY2016 Annual Financial Report Timeline was addressed.
- The methodology used for data analysis was given, such as:
 - AFR was prepared using Oracle (Hyperion) data warehouse;
 - Data analysis and review employed data warehouse tools;
 - Budget to Actual comparison of data;
 - Use categories consistent with those previously presented to the Board; and
 - Quarterly budget to actual reviews and quarterly division reports use the same comparison structure.
- UHS Combined FY2016 Results of Operations Actual Revenues / Actual Expenses were summarized as noted below:

Actual Revenues

- Actual Total - \$1,561.3 million (Total Budget - \$1,523.7 million)
- Tuition and Fees – 41%
- State Appropriations – 19%
- Contracts and Grants – 19%
- Other Operating – 11%
- Endowment / Gifts – 6%
- HEAF / NRUF – 4%

Actual Expenses

- Actual Total - \$1,461.9 million (Total Budget - \$1523.7 million)
- Note: Expenses exclude construction spending.
- Student Access and Success - 70%
- Infrastructure and Administration – 15%
- National Competitiveness – 12%
- Community Advancement – 3%

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• UHS Combined Analysis of Revenues – FY2013 – FY2016 (\$ Million):

	<u>History Years</u>			<u>AFR Year</u>	<u>FY Budget*</u>
	2013	2014	2015	2016	2016
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
1. State Appropriations	\$ 259.5	\$ 279.6	\$ 280.7	\$ 301.7	\$ 301.0
2. HEAF / NRUF	59.4	59.7	59.9	60.2	59.8
3. Tuition and Fees	540.1	561.2	606.5	642.0	645.8
4. Other Operating	132.9	157.9	161.0	182.0	200.3
5. Contracts and Grants	270.2	276.8	267.7	286.1	253.8
6. Endowment / Gifts	72.2	76.8	87.6	89.3	63.0
7. Total	\$ 1,334.3	\$ 1,412.0	\$ 1,463.4	\$ 1,561.3	\$ 1,523.7

*FY 2016 Budget as adopted on 8/20/15

• UHS Combined Analysis of Operating Expenses – FY2013 – FY2016 (\$ Million):

	<u>History Years</u>			<u>AFR Year</u>	<u>FY Budget*</u>
	2013	2014	2015	2016	2016
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
1. Student Access & Success	\$ 846.2	\$ 936.0	\$ 952.9	\$ 1,019.2	\$ 1,013.9
2. National Competitiveness	142.3	157.4	161.7	173.9	196.6
3. Infrastructure & Admin.	185.6	204.6	208.9	218.4	270.4
4. Community Advancement	44.3	48.0	48.2	50.4	42.8
5. Total	\$ 1,218.4	\$ 1,346.0	\$ 1,371.7	\$ 1,461.9	\$ 1,523.7

*FY 2016 Budget as adopted on 8/20/15

• UHS Combined Analysis of Asset Balances – FY2013 – FY2016 - On August 31, 2016 (\$ Millions)

	<u>History Years</u>			<u>AFR Year</u>
	2013	2014	2015	2016
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Assets				
1. Cash, Appropriations & Investments	\$ 1,258.3	\$ 1,328.3	\$ 1,296.8	\$ 1,508.3
Consisting of:				
2. Cash & Appropriation Balances	92.7	129.1	163.1	206.6
3. Investments (includes Endowment)	1,165.5	1,199.2	1,133.7	1,301.7
4. Capital Assets, Net of Depreciation	\$ 1,225.0	\$ 1,332.4	\$ 1,365.6	\$ 1,425.2
Consisting of:				
5. Land	\$ 101.9	108.7	108.4	120.6
6. Construction in progress	201.3	175.6	135.0	147.6
7. Buildings, Facilities, Infrastructure	757.1	895.0	980.1	1,024.4
8. Equipment, Software, Art, Books	164.7	153.1	142.1	132.6
9. Other Assets	\$ 1,129.0	\$ 1,117.5	\$ 1,156.1	\$ 1,318.8
Consisting of:				
10. Receivables (student, loans, & gifts)	205.2	210.4	248.9	224.4
11. Prepaid expenses	33.3	37.0	43.4	43.5
12. Assets held by other UHS components	823.1	866.4	826.6	1,012.9

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- UHS Combined Analysis of Asset Balances – FY2013–FY2016 - On August 31, 2016 (\$ Millions)
(cont'd)

	<u>History Years</u>		<u>AFR Year</u>	
	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Actual</u>
13. Inventories, Deferred Charges	67.4	3.7	4.0	5.4
14. Deferred Resources (TRS pensions)	-	-	33.2	32.6
15. Total Assets	\$ 3,612.3	\$ 3,778.2	\$ 3,818.5	\$ 4,252.3

- UHS Combined Analysis of Liability Balances & Equity Balances – FY2013 – FY2016
On August 31, 2016 (\$ Million)

	<u>History Years</u>		<u>AFR Year</u>	
	2013 <u>Actual</u>	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Actual</u>
Liabilities				
1. Payables & Accrued Liabilities	\$ 103.3	\$ 93.5	\$ 113.9	\$ 130.5
Consisting of:				
2. Accounts Payable & Accruals	34.8	18.0	33.3	38.5
3. Payroll Payable	68.5	75.5	80.6	92.0
4. Bonds & Long Term Obligations	\$ 901.4	\$ 978.0	\$ 952.8	\$ 1,117.1
5. Other Liabilities	\$ 1,072.4	\$ 1,122.5	\$ 1,296.6	\$ 1,497.1
Consisting of:				
6. Deferred Revenue	\$ 194.4	\$ 209.4	\$ 226.2	\$ 239.2
7. Deposits held for others	14.6	21.9	27.9	26.6
8. Asset held for UHS components	823.1	866.4	826.6	1,012.9
9. Other Commitments & Defer charges	40.2	24.8	18.7	13.4
10. Pension Liabilities (TRS)	-	-	197.2	205.0
11. Total Liabilities	\$ 2,077.0	\$ 2,194.0	\$ 2,363.3	\$ 2,744.7
12. Total Equity Balance	\$ 1,535.3	\$ 1,584.2	\$ 1,455.2	\$ 1,507.6

- UHS Combined Revenues by UHS Component – FY2016 (Final) (\$ Millions)

	A State Appropriations	B HEAF / NRUF	C Tuition & Fees	D Other Operating	E Contracts & Grants	F Endow / Gifts	G Actual 2016 Total
1. Univ. of Houston	\$ 190.2	\$ 44.2	\$ 460.5	\$ 160.5	\$ 223.3	\$ 80.2	\$ 1,158.9
2. UH-Clear Lake	36.4	5.3	70.5	3.0	15.7	1.1	132.0
3. UH-Downtown	30.4	7.8	86.5	6.7	36.3	1.9	169.6
4. UH-Victoria	19.7	2.9	24.5	4.9	9.3	1.3	62.6
5. UH System Admin.	25.0	-	-	6.9	1.5	4.8	38.2
6. UH System Total	\$ 301.7	\$ 60.2	\$ 642.0	\$ 182.0	\$ 286.1	\$ 89.3	\$ 1,561.3

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- UHS Combined Expenses by UHS Component – FY2016 (Final) (\$ Millions)

	A	B	C	D	E
	Student Access & Success	National Competitiveness	Infrastructure & Administration	Community Advancement	Actual 2016 Total
1. Univ. of Houston	\$ 738.4	\$ 168.1	\$ 124.8	\$ 44.5	\$ 1,075.8
2. UH-Clear Lake	98.0	1.9	23.8	0.8	124.5
3. UH-Downtown	130.4	2.5	28.1	4.1	165.1
4. UH-Victoria	51.0	0.4	8.3	1.0	60.7
5. UH System Admin.	1.4	1.0	33.4	-	35.8
6. UH System Total	<u>\$ 1,019.2</u>	<u>\$ 173.9</u>	<u>\$ 218.4</u>	<u>\$ 50.4</u>	<u>\$ 1,461.9</u>

- UHS Combined Analysis of Asset, Liability, & Equity Balances by UHS Component – FY2016 (Final) On August 31, 2016 (\$ Millions)

	Univ. of Houston	UHCL	UHD	UHV	UHS Admin.	UHS '16 Total
Assets						
1. Cash, Appropriations & Investments	\$ 356.5	\$ 43.7	\$ 32.2	\$ 9.0	\$ 1,066.9	\$ 1,508.3
2. Capital Assets, Net of Depreciation	1,146.8	71.6	125.3	43.9	37.6	1,425.2
3. Other Assets	953.8	125.9	78.8	44.6	82.9	1,286.0
4. Total Assets	<u>\$ 2,457.1</u>	<u>\$ 241.2</u>	<u>\$ 236.3</u>	<u>\$ 97.5</u>	<u>\$ 1,187.4</u>	<u>\$ 4,219.5</u>
Liabilities						
5. Payables & Accrued Liabilities	\$ 59.2	\$ 8.0	\$ 7.9	\$ 3.4	\$ 52.0	\$ 130.5
6. Bonds & Long Term Obligations	862.1	93.0	38.3	53.2	70.5	1,117.1
7. Other Liabilities	240.5	35.9	52.6	15.8	947.5	1,292.3
8. Total Liabilities	<u>\$ 1,161.8</u>	<u>\$ 136.9</u>	<u>\$ 98.8</u>	<u>\$ 72.4</u>	<u>\$ 1,070.0</u>	<u>\$ 2,539.9</u>
9. Total Equity Balance	<u>\$ 1,295.3</u>	<u>\$ 104.3</u>	<u>\$ 137.5</u>	<u>\$ 25.1</u>	<u>\$ 117.4</u>	<u>\$ 1,679.6</u>

Note: Resources and obligations related to TRS pensions are not included in the above display.

- UHS Combined Analysis of Asset, Liability, & Equity Balances by UHS Component – FY2016 (Final) On August 31, 2016 (\$ Millions)

	Univ. of Houston	UHCL	UHD	UHV	UHS Admin.	UHS '16 Total
Assets						
1. Cash, Appropriations & Investments	\$ 356.5	\$ 43.7	\$ 32.2	\$ 9.0	\$ 1,066.9	\$ 1,508.3
2. Capital Assets, net of depreciation	1,146.8	71.6	125.3	43.9	37.6	1,425.2
3. Other Assets	977.4	128.9	82.8	46.2	83.5	1,318.8
4. Total Assets	<u>\$ 2,480.7</u>	<u>\$ 244.2</u>	<u>\$ 240.3</u>	<u>\$ 99.1</u>	<u>\$ 1,188.0</u>	<u>\$ 4,252.3</u>

University of Houston System

- UHS Combined Analysis of Asset, Liability, & Equity Balances by UHS Component – FY2016 (Final) On August 31, 2016 (\$ Millions) (cont'd)

	Univ. of Houston	UHCL	UHD	UHV	UHS Admin.	UHS '16 Total
Liabilities						
5. Payables & Accrued Liabilities	\$ 59.2	\$ 8.0	\$ 7.9	\$ 3.4	\$ 52.0	\$ 130.5
6. Bonds & Long Term Obligations	862.1	93.0	38.3	53.2	70.5	1,117.1
7. Other Liabilities	388.9	54.1	77.7	26.2	950.2	1,497.1
8. Total Liabilities	<u>\$ 1,310.2</u>	<u>\$ 155.1</u>	<u>\$ 123.9</u>	<u>\$ 82.8</u>	<u>\$ 1,072.7</u>	<u>\$ 2,744.7</u>
9. Total Equity Balance	<u>\$ 1,170.5</u>	<u>\$ 89.1</u>	<u>\$ 116.4</u>	<u>\$ 16.3</u>	<u>\$ 115.3</u>	<u>\$ 1,507.6</u>

Note: Resources and obligations related to TRS pensions, as attributable to each component, have been included in the above display.

This item was presented for information only and no committee action was required.

It was noted that an Executive Session would not be held.

There being no further business to come before the committee, the meeting adjourned at 3:40 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:

Renu Khator	Raymond Bartlett	David Oliver
Jim McShan	Emily Messa	Mark Clarke
Dona Cornell	Shannon Harris	Jeff Collier
Eloise Dunn Brice	Sabrina Hassumani	Macie Kelly
Raman Krishnamoorti	Patricia Oliver	Wayne Beran
Richard Walker	Ryan Harrison	Rebecca Gentry
Raymond “Vic” Morgan	Oscar Gutierrez	Tomikia LeGrande
Michael Olivas	David Bradley	Mike Glisson
William Staples	Mark Yzaguirre	Esmeralda Valdez
Mike Johnson	Lisa Gossett	Dan Yackley
Lisa Holdeman	Matt Castillo	Pam Muscarello
Elwyn Lee	Lauri Ruiz	Mike Emery
Don Price	Ashley Ross	David Ellis
Terence Turner	Faiza Khoja	Carolyn Ashe
Jon Aldrich	Phil Booth	Mike Rosen
Ed Hugetz	Michael Britt	Joe Brueggman
Devonte Hilo	Marquette Hobbs	Brenda Robles
Gerry Mathisen		