

**MEETING OF THE
FINANCE COMMITTEE**

Board of Regents for Higher Education
Tuesday, October 8, 2013, at 10:30 am
Community Room
61 Woodland Street, Hartford CT

Minutes

REGENTS PRESENT

Matt Fleury, Chair, Finance Committee
Richard Balducci
Gary Holloway
Rene Lerer (Telephonic)
Tom Failla

REGENTS ABSENT

Catherine Smith

CONNSCU REPRESENTATIVES

Jack Miller, President, CCSU; James Blake, Executive Vice President, SCSU; Greg Crearar, Vice President for Institutional Advancement, SCSU; Richard Bachoo, Chief Administration Officer; Charlene Casamento, Chief Financial Officer, CCSU; Paul Reis, Vice President for Finance & Administration, WCSU

CONNSCU STAFF

Jim Howarth, Interim Chief Financial Officer; Elaine Clark, Vice President for Facilities & Infrastructure Planning; Juliet Manalan, Director of Public Relations & Marketing; Karen Stone, Director of Internal Audit; Keith Epstein, Director of Capital Projects; Kyle Thomas, Legislative Program Manager; Ernestine Weaver, Counsel; Melentina Puszta, Interim Budget Director; Erin Fitzgerald, BOR Secretary; Rosalie Butler, Administrative Assistant

GUESTS

Kerry Kelley, OPM; Thomas Maziarz, DOT; Jacqueline Rabe Thomas, CT Mirror

With a quorum present, Chairman Fleury called the meeting to order at 10:30 am. He called for a motion to add to the agenda "A Request from Connecticut Department of Transportation to transfer custody and control of approximately 17.75 acres of unimproved land at Central Connecticut State University to DOT". Motion: Balducci; Second: Holloway. Motion carried unanimously.

1. APPROVAL OF MINUTES FROM THE SEPTEMBER 10, 2013 MEETING

The minutes of the September 10, 2013 meeting were unanimously approved, as written.

2. INFORMATION ITEMS**A. CHEFA Series N Bond Sale Update**

Chairman Fleury turned to CFO Casamento for an update on Central's new residence hall bond sale. She indicated that the winning bidder on October 2nd was Barclay's. The sale yielded a more favorable interest rate than had been projected, which should result in debt service savings for students. The document signing is anticipated October 17 and should formally close on October 22nd.

Chairman Fleury commented that a year-to-date budget update would be provided at the November Finance Committee meeting. CFO Howarth added that previous projections had revealed a \$6.5 million loss and anticipated they would stay in that range, although projections might be slightly better at the universities. Enrollments are down across the System 1.8-2.0% from the prior year. He reiterated that actuals and new projections would be provided to Regents next month.

3. ACTION ITEMS**A. Use of CSUS 2020 Funds to Purchase Property at 156 Windham Street, 160 Windham Street and 393 Prospect Street, Willimantic for Eastern Connecticut State University**

Chairman Fleury turned to VP Clark for explanation. She provided background on Eastern's Master Plan goals to acquire properties strategically located on the boundaries of its campus. Three such properties had come on the market. Eastern expressed interest to DAS, which subsequently performed appraisals and negotiated with the sellers. Funding is available for such a purchase, leaving approximately \$2.85 million for future university acquisitions. Regent Balducci requested the resolution be amended to reflect the remaining amount.

The resolution was unanimously approved, as amended.

B. Naming of the Werth Center for Coastal and Marine Studies at Southern Connecticut State University

Chairman Fleury congratulated Southern and turned to EVP Blake and AVP Crerar for further explanation. The Werth Family Foundation is a private, charitable family foundation based in Woodbrige, Connecticut and has had a longstanding relationship with the Center for Coastal and Marine Studies at Southern Connecticut State University.

Since 2006, the Foundation has already contributed nearly \$380,000 to Southern Students and their environmental research projects. The Werth Family Foundation has pledged 3 million dollars over the course of the next ten years in support of the Center. Of the \$3 million, \$2,325,000 will go to support the center itself, with an additional \$675,000 to support two new pilot programs: The Industry Academic Fellowship Program and the Southern Summer Science Business Institute.

The Resolution was approved on a motion by Regent Balducci, seconded by Regent Holloway.

C. Request from the Connecticut Department of Transportation to Transfer Custody and Control of Approximately 17.75 acres of unimproved land at Central Connecticut State University to DOT

VP Clark reported that The Connecticut Department of Transportation (“DOT”) has requested the Board of Regents, on behalf of Central Connecticut State University, donate custody and control of land along Ella Grasso Boulevard to the DOT. The land comprises approximately 17.75 acres according to DOT’s calculations, although it is shown in municipal records as 18.32 acres. The request is one of nine real estate transfers triggered by a Costco facility proposed for the City of New Britain.

Staff members have been advised by the City that it intends to transfer a portion of the Stanley golf course to Costco in exchange for \$4.1 million. Because the proposed facility will consume a portion of the municipal golf course in New Britain, the City wishes to replace the land and lost golf course links. The DOT, which owns land adjacent to the golf course, received legislative approval to transfer 15.5 acres to the City in exchange for 68 acres of land and 23 acres of conservation land. Because DOT’s 15.5 acres is in “preservation” status under an Army Corps of Engineers permit, the ACOE has required DOT to replace the preserved land with land in the same watershed.

DOT identified property along Ella Grasso Boulevard at Central as a possible preservation site. The land has been assessed by engineers and is almost completely in a 100-year flood plain. It also has steep slopes in areas and is bifurcated by a stream. One area is theoretically developable, but the expense of securing FEMA approval and building in a 100-year floodplain would be prohibitive and not a wise investment. The site also contains an apple orchard that is used sporadically for academic purposes. Central’s master plan does not call for any development in this area now or in the future. It was and is intended to be preserved as open space. The terms and condition of the transfer support Central’s intent to preserve the land in perpetuity and in fact advance the campus’ sustainability principles.

In accordance with statute, DOT presented a petition to the Office of Policy and Management (OPM) requesting transfer of custody and control of the 17.75 acre parcel for highway purposes. OPM presented the petition to the President of the Board of Regents and staff. OPM has agreed to address the consideration, if any, that may be required in this interagency transfer.

The Resolution was approved on a motion by Regent Balducci, seconded by Regent Holloway.

The meeting was adjourned at 11:10 a.m., on a motion by Regent Balducci, seconded by Regent Holloway.