

**MINUTES**  
**MEETING OF THE FINANCIAL AFFAIRS COMMITTEE**  
**ANNUAL BUDGET WORKSHOP**

University of Connecticut  
Teleconference  
June 26, 2022

COMMITTEE TRUSTEES: Andy Bessette, Shari Cantor, Noah Frank, Kevin O'Connor, Philip Rubin

OTHER TRUSTEES: Chuck Bunnell, Sanford Cloud, Jr., Justin Fang, Marilda Gandara, Bryan Pollard, Thomas Ritter, Daniel Toscano

UNIVERSITY SENATE REPRESENTATIVES: Robert Bird, Carol Polifroni

UNIVERSITY STAFF: Lloyd Blanchard, Patricia Casey, Christopher Cipriani, Peter Diplock, Nicole Gelston, Jeffrey Geoghegan, Jonathan Heinlein, George Karsanow, Michael Kirk, David Koehler, Eric Kruger, Nathan LaVallee, Bruce Liang, Joann Lombardo, Radenka Maric, Kylene Perras, Stephanie Reitz, Rachel Rubin, Marie Schweitzer, Joseph Thompson, Kristen Wirtanen, Reka Wrynn

TRUSTEES-ELECT: Damani Douglas, Joshua Crow

Vice-Chair Bessette convened the meeting of the Financial Affairs Committee at 4:00 p.m.

No members of the public addressed the Committee.

Vice-Chair Bessette directed the Committee to agenda ***Item #2, Approval of the Minutes of the Financial Affairs Committee Meeting of April 26, 2022.*** On a motion by Trustee Cantor and seconded by Trustee Frank, the minutes were approved.

Lloyd Blanchard, Interim Vice President for Finance and Chief Financial Officer, presented agenda ***Item #3, Contracts and Agreements for Approval.*** On a motion by Trustee Rubin and seconded by Trustee Cantor, the Contracts and Agreements presented for approval were recommended to the full Board for approval.

Dr. Blanchard introduced agenda ***Item #4, FY23 Budget Presentation.*** He discussed budget risks, the FY23 proposed balanced operating budget, including FY23 revenues and expenses, and increased costs for Storrs-based programs. He detailed generous State support along with concerns about future funding for increased anticipated costs in FY24/FY25 related to the recent SEBAC agreements. Dr. Blanchard addressed questions and clarifications sought by Trustees regarding the Waterbury Campus initiative, tuition and fee rates, and the impact of financial aid related to COVID.

Reka Wrynn, Interim Associate Vice President for Budget, Planning & Institutional Research, detailed the FY23 capital budget, noting that 93% of the Storrs and Regional Campuses capital budget provide funding for active construction projects. New State General Obligation bonds for UConn Health will support critical deferred maintenance. The Faculty Innovators Program funds, along with \$40M for UConn Health's deferred maintenance program, are contingent upon anticipated State Bond Commission allotment.

Jeffrey Geoghegan, Chief Financial Officer of UConn Health, noted that the UConn Health Board of Directors met on June 13 and reviewed the same information, and the Board of Directors has recommended approval to the full Board. He provided a financial overview for UConn Health including an update on FY23 operating budget risks, highlighting the challenges with employee turnover and staffing shortages, the increase in state employee retirements, and increased inflationary pressures and supply chain shortages. The FY22 forecasted budget and the proposed FY23 operating budget show a slight positive variance for each year, and State support increased for the SEBAC agreements for block grant employees and non-block grant employees. In addition, UCH received State support for legacy costs. He reviewed the FY23 expenses, which are driven by the increase in salaries and fringe benefits from the SEBAC agreements and other factors, such as supply challenges. The State has provided \$20M for the malpractice trust fund, as these funds had previously been swept in 2010 and 2011 to balance the State budget. The Committee discussed financial improvement planning for upcoming years.

On a motion by Trustee Cantor and seconded by Trustee Rubin, agenda ***Item #5, Fiscal Year 2023 Budget for the University of Connecticut, Storrs and Regional Campuses*** was recommended to the full Board for approval.

On a motion by Trustee Cantor and seconded by Trustee Rubin, agenda ***Item #6, Fiscal Year 2023 Budget for UConn Health*** was recommended to the full Board for approval.

On a motion by Trustee Cantor and seconded by Trustee Rubin, agenda ***Item #7, Fiscal Year 2023 Capital Budget for the University of Connecticut***; agenda ***Item #8, Twenty-Ninth Supplemental Indenture Authorizing University of Connecticut General Obligation Bonds***; agenda ***Item #9, Revised Allocation of Bond Authorizations as set forth in the Twenty-Third Supplemental Indenture (University of Connecticut General Obligation Bonds)***; and agenda ***Item #10, Revised Allocation of Bond Authorizations as set forth in the Twenty-Sixth Supplemental Indenture (University of Connecticut General Obligation Bonds)*** were recommended to the full Board for approval.

On a motion by Trustee Rubin and seconded by Trustee Frank agenda ***Item #11, Proposed Statement of Work for the UConn Foundation for Fiscal Year 2023*** was recommended to the full Board for approval. Trustee Cantor abstained from the vote.

On a motion by Trustee Rubin and seconded by Trustee Cantor, agenda ***Item #12, Option Agreement concerning future development of a Connected and Autonomous Vehicle Test Track at the UConn Depot Campus*** was recommended to the full Board for approval.

Dr. Blanchard briefed the Trustees on the capital project budgets for the Storrs-based programs presented for approval; Mr. Geoghegan, briefed the Trustees on the capital budgets for UConn Health presented for approval. On a motion by Trustee Rubin and seconded by Trustee O'Connor agenda **Items 13-32, Public Safety Building Improvements (Revised Final: \$7,750,000); B4 Steam Vault and Line Exigent Repair (Revised Final: \$7,700,000); South Campus Infrastructure (Design: \$1,750,000); Residential Life Facilities: Mansfield Apartments Redevelopment (Part One/Final: \$12,000,000); Field House – Old Rec Center Renovation (Revised Planning: \$3,000,000); Main Campus Substation Switchgear Relay Replacement – AET5P-14G SCADA (Revised Final: \$640,000); Atwater Laboratory Emergency Power Installation (Revised Final: \$682,000); School of Engineering Backfill Project (Final: \$1,777,410); George C. White Building Roof & Drainage System (Revised Final: \$945,800); Wired Access Layer Infrastructure Refresh – Phase IV (Final: \$2,000,000); UCH 16 Munson Road Parking Lot Paving (Design: \$1,445,000); UCH Buildings D & N Roof Replacement (Design: \$2,565,000); UCH Buildings E & K Roof Replacement (Design: \$2,160,000); UCH Main Building Lab Area Renovations – 2<sup>nd</sup> floor (Design: \$8,972,000); UCH Cardio Catheterization (Cath) & Electro Physiology (EP) Lab Renovation (Design: \$6,166,000); UCH 5 Munson Road Clinical Fit-Out (Final: \$8,380,000); UCH Canzonetti (F) Building Wound Care Center Renovation (Design: \$850,000); UCH Psychiatry Seclusion Suite & Nurse Station Security Renovation (Design: \$790,000); UCH Central Sterile Washer & Sterilizer Replacement (Planning: \$1,905,000); and UCH New England Sickle Cell Institute Renovation (Planning: \$3,000,000)** were recommended to the full Board for approval.

The Committee was directed to review the Information Items listed on the agenda at their convenience.

On a motion by Trustee Rubin and seconded by Trustee Cantor, the Committee voted to go into Executive Session at 5:26 p.m. pursuant to Connecticut General Statutes, Section 210(b)(1); and Connecticut General Statutes Section 1-200(6)(D).

Trustees participating in the entire Executive Session included: Andy Bessette, Chuck Bunnell, Shari Cantor, Sanford Cloud, Justin Fang, Noah Frank, Marilda Gandara, Kevin O'Connor, Bryan Pollard, Thomas Ritter, Philip Rubin, and Daniel Toscano.

University staff participating in the entire Executive Session included: Interim President Maric, Anne D'Alleva, Rachel Rubin, Lloyd Blanchard, Nicole Gelston, Mike Kirk, Joann Lombardo, Reka Wrynn, Jonathan Heinlein, Nathan LaVallee, Kristin Wirtanen, and Debbie Carone.

The Executive Session ended at 5:52 p.m., and the Committee returned to Open Session at 5:53 p.m. On a motion by Trustee Rubin and seconded by Vice-Chair Bessette, the Committee voted unanimously to adjourn the meeting at 5:53 p.m.

Respectfully submitted,

*Debbie L. Carone*

Debbie L. Carone  
Secretary to the Committee