

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FACILITIES, CONSTRUCTION AND MASTER PLANNING COMMITTEE

Friday, November 14, 2014 – The members of the Facilities, Construction and Master Planning Committee (“FCMP”) of The University of Houston System Board of Regents convened at 12:45 p.m. on Friday, November 14, 2014, at the University of Houston, Athletics/Alumni Center, Melcher Board Room 100B, 3100 Cullen Boulevard, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Welcome W. Wilson, Jr., Chair
Jarvis V. Hollingsworth, Vice Chair
Spencer D. Armour III, Member
Beth Madison, Member
Asit R. Shah, Student Regent
Tilman J. Fertitta, Ex Officio

Non-Member(s) Present

Paula M. Mendoza, Regent
Peter K. Taaffe, Regent
Roger F. Welder, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chair of the Committee, Welcome W. Wilson, Jr. called the meeting to order.

AGENDA ITEMS

Action Items:

1. Approval of Minutes – Item B

On motion of Regent Madison, seconded by Regent Armour, and by a unanimous vote of the members in attendance, the following minutes from the meetings listed below were approved.

- May 6, 2014, Facilities, Construction and Master Planning Committee Meeting
- August 20, 2014, Facilities, Construction and Master Planning Committee Meeting

Following the approval of the minutes, Regent Wilson, Jr. stated there would be two (2) action items presented to the committee for their consideration.

2. Approval is requested for the UH System Board of Regents’ Facilities Construction and Master Planning Standing Committee Charter - University of Houston System, Item C – FCMP-C

University of Houston System

Dr. Carlucci introduced and presented this item requesting committee approval for the UH System Board of Regents' Facilities, Construction and Master Planning Standing Committee (FCMP) Charter. Dr. Carlucci stated that this item was being presented as a housekeeping item. It is required by the Board's bylaws and it confirms what the committee is currently doing. The document submitted was drawn directly from the Board's bylaws 5.6 related to construction and master planning and the committee's oversight. Each one of the specific items in the charter is related back to either a bylaw or a Board policy and they were taken exactly as they are written in the bylaw or Board policy.

On motion of Regent Hollingsworth, seconded by Regent Armour, and by a unanimous vote of the members in attendance, the request for the UH System Board of Regents' Facilities, Construction and Master Planning Standing Committee Charter was approved.

Following the approval of this item, Regent Wilson, Jr. called for a motion to place this item on the Board's Consent Docket Agenda for final Board approval.

On motion of Regent Hollingsworth, seconded by Regent Madison, and by a unanimous vote of the members in attendance, the item listed below will be placed on the Board's Consent Docket Agenda for final Board approval at the Board of Regents meeting being held later today, November 14, 2014.

1. Approval is requested for the UH System Board of Regents' Facilities, Construction and Master Planning Standing Committee Charter – University of Houston System.

Regent Wilson, Jr. moved to the next item listed on the agenda, Item D – Update on Proposed Tuition Revenue Bond Projects – University of Houston System.

Dr. Carlucci presented this information item and stated that over the past couple of years, the university has gone over a master planning exercise at which the System campuses produced a list of projects that they were planning to undertake. Following this exercise, a MP1 was produced which is a list of projects that were drawn from the master plans that had to go to the Coordinating Board. The next step in the process was reflected with the Tuition Revenue Bonds (TRBs) that had been requested from the Legislature in the Legislative Appropriations Request (LAR).

Dr. Carlucci reviewed and presented to the committee an update on where the Board's prior decisions and approvals have now taken the university because it had been filled out, completed and submitted based on those prior approvals. This document tracked the status of the projects that went into the LAR and what has been happening with them in the Legislature.

Dr. Carlucci asked Tom Ehardt, Associate Vice Chancellor for Finance to explain to the committee what had been displayed in each of the columns reflected in the UH System TRB Request Summary of Projects. Mr. Ehardt stated that each System campus had a list of projects that have been submitted as part of the Legislative Appropriations Request (LAR) process for consideration as TRB in the upcoming Texas Legislative Session.

University of Houston System

Mr. Ehardt stated this document described the location of each of the projects listed by campus which have gone through the LAR; the name of the project was described (whether it was new construction or new construction land or renovation); the square footage of each of the projects; and the project cost. The chart also addressed the LAR submitted to the Legislative Budget Board (LBB) and the projects that were the TRBs. Thus far, from the Legislative-side, two Senate Bills (SBs) have been proposed – SB150 by Senator Seliger and SB21 by Senator Zaffirini.

Regarding SB150, the university has been working with Senator Seliger's staff on this bill for the past several months. There have been a number of reiterations done in terms of what they are doing on a state-wide basis. Basically, what they have done was taken the LAR numbers; placed a cap of \$90.0 million on each of the allowable requests; and then any components within them that was left that was land had to be removed; and then they reduced it by 25 percent.

Senator Zaffirini's SB21 takes at face value the numbers the University had in the LAR with the exception being the University of Houston's West Houston/Katy region Building which had been dropped from the list.

A bill is expected from the House Appropriations Committee but has not yet arrived. The University has been working with their staff and it appears that they have not made a recommendation to date. The University did compare the LAR requests to the unfunded SB16 which was from the prior Legislative session two (2) years ago. The House is looking very closely at this bill from two (2) years ago, weighing those same projects, and then asking the University to submit additional information on what has changed over the last two (2) years; and then there would likely be an amended version of SB16 from the House Committee. Following Mr. Ehardt's presentation, the committee had a lengthy discussion on the issues raised.

Regent Hollingsworth did raise a question stating that last year a study had been commissioned to determine what the university's outstanding maintenance costs would be if the university, basically, brought every building on campus up to a certain point. Regent Hollingsworth stated that he would like to see such a report done annually in terms of where the university was and the progress being made based on priorities that have been set by the administration. Dr. Carlucci did state that each campus has done a Condition Audit Assessment and each campus knows what their priorities are. Regent Hollingsworth stated he would like something included in the Board's policy that the Board receives an annual report on the status of System-wide maintenance projects.

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

There was no Executive Session held.

There being no further business to come before the committee, the meeting adjourned at 1:20 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
Elwyn Lee
Richard Walker
William Flores
Vic Morgan
William Staples
Don Guyton
Brian Thomas
Sacha Ryder
Brenda Robles

Emily Messa
Tom Ehardt
Raymond Bartlett
Carl Stockton
Dick Phillips
Erin O’Keefe
Dana Rooks
Dan Wells
Ed Hugetz
Don Price
Joe Brueggman
Jon Aldrich
Gerry Mathisen

Mara Alfri
Wayne Beran
Richard Bonnin
Dan Maxwell
Oscar Gutierrez
Jeffrey Cass
Mike Emery
Jeffrey Cass
Brian Alexander
Phil Booth
Branda Lumpkin
Marquette Hobbs