



Enclosure 2.
August 24, 2016

Minutes of the Council on Postsecondary Education Meeting
Wednesday, August 10, 2016 5:30 p.m.
University of Rhode Island
Alumni Center
73 Upper College Road
Kingston, RI 02881

The Finance/Facilities Committee of the Council on Postsecondary Education met on Wednesday, August 10, 2016, at the Alumni Center at 73 Upper College Road, Kingston, RI. At 5:34 p.m., Chair Heather Crosby welcomed everyone. She then took roll call.

Present: Michael Bernstein, Heather Crosby, and Dennis Duffy.

Absent: Dr. Jeffery Williams

1. ACCEPTANCE OF THE AGENDA

Chair Crosby entertained a motion to accept the agenda. On a motion duly made by Mr. Bernstein and seconded by Mr. Duffy, it was

VOTED: **THAT** The Finance/Facilities Committee of the Council on Postsecondary Education accept the agenda for the meeting of August 10, 2016 as presented.

VOTE: 3 members voted in the affirmative and no members voted in the negative as follows:

YEAS: Michael Bernstein, Heather Crosby, and Dennis Duffy.

NAYS: 0

ABSTAIN: 0

2. APPROVAL OF THE MINUTES

Minutes of the Facilities Committee of the Council on Postsecondary Education's July 13, 2016 Meeting.

Mr. Duffy requested a correction to the draft minutes in which Dr. Dooley was credited with a motion to accept the agenda for the meeting of July 13, 2016. Dr. LaPanne will note that correction on the final minutes.

On a motion duly made by Mr. Duffy and seconded by Mr. Bernstein, it was

VOTED: **THAT** *The Finance/Facilities Committee of the
Council on Postsecondary Education accept
the minutes of the Finance/Facilities
Committee meeting of July 13, 2016.*

VOTE: 3 members voted in the affirmative and 0
members voted in the negative as follows:

YEAS: Michael Bernstein, Heather Crosby, and
Dennis Duffy.

NAYS: 0

ABSTAIN: 0

3. CHAIR'S REPORT

Chair Crosby commented that it was good to see the physical plant during this afternoon's tour of the University campus and facilities. She reminded the Committee members that the CCRI tour will be conducted on August 17, 2016 at 3:00 p.m. and that the Rhode Island College tour will take place on September 7, 2016 also at 3:00. The objective of the tours is to give a sense of place and see the campus from the students' perspective. Chair Crosby thanked Dr. Dooley and his staff for the coordination of the tour and the meetings of the Committee and the Council.

4. DISCUSSION/ACTION ITEMS.

- 4a) **Presentation and discussion of Risk Management Plan for the system of public postsecondary education.**

Dr. LaPanne introduced Sean Donaghey from the Rhode Island Association of Insurance Agents (RIAIA). Mr. Donaghey and Mr. William Austin who serves as an independent consultant to RIAIA presented information about the risk management portfolio of the system of postsecondary education. He provided the Committee with a report on the recommendations with respect to Property and Casualty insurance. RIAIA provides coverage for the Council on Postsecondary Education and the Council on Elementary and Secondary Education as well as the full Board of Education. The Directors and Officers Liability coverage limits have been increased to \$10m from the previous \$4m limit. The University, however, determined that they enjoyed adequate coverage with the benefit of less premium expense at the \$4m level.

Mr. Duffy asked if the \$10m limit is appropriate and adequate. Mr. Austin indicated that overall limits have been increased to the \$10m with some institutions around the country increasing to \$20m. United Educator's reviewed our coverage and the recommendation to increase our limits to \$10m was the result.

Mr. Duffy requested a copy of the policies. Mr. Bernstein asked if legal costs were included in the \$10m limit and Mr. Austin indicated that they were. Ms. Crosby asked to have a premium vs. deductible cost structure reviewed and a matrix provided to the committee to compare the costs of this coverage at increased deductible levels. Mr. Donaghey will provide the Committee members with this information.

Mr. Austin indicated that the UE policy was a stronger, better coverage than others in the market and that the system enjoyed significant savings in comparison to the other bidder in this most recent year's proposals.

Mr. Duffy requested more choices and recommended increased coverage for the Council members. Mr. Donaghey will return to the Committee with proposals and recommendations.

4b.) Discussion and Recommendation for the approval of the Resolutions of the Council on Postsecondary Education in support of Rhode Island Health and Education Building Corporation (RIHEBC) Revenue Bond New Financing for the University of Rhode Island's Fraternity Circle Infrastructure Project Phase I and Refinancing of prior RIHEBC Revenue Bonds for the University and Rhode Island College.

Dr. LaPanne reported on the bond rating call with Moody's earlier on Wednesday, August 10th, and indicated that the presentations had gone well. There will be follow up questions from the ratings analysts at Moody's which will be received

in the upcoming few days. It is the aim of the bond workgroup to get the updated ratings reports from both Moody's and S&P within the next week.

Dr. LaPanne also reported that the continuing analysis of the prospective bond issuance was finding that the market continued to increase in favorability for the refinancing or refunding of the 2005 and 2008 bond series. However, as the group had continued working on the potential savings of a refunding on the 2009A and 2009B series, the group determined that certain unexpended funds still existed as construction on those projects funded is ongoing. Because of this, the bond workgroup had determined that refunding these series would not be a good option for the system at this time.

Adam Krea of First Southwest reviewed the refunding matrix and demonstrated the efficiency of the refunding of the 2005 A-G series bonds and the 2008A Series bonds. He provided the Committee members with the latest analyses related to the anticipated savings in the life of the refunding bonds.

Dr. LaPanne reminded the Committee that the full Council had charged them with determining the parameters under which the Chair was authorized to sign for the bond issuance. At that meeting, the Council was asked to approve up to \$140m in bond issuance which was approved with this request for guidance to the Chair. At this time, there is no longer a need for these parameters as the refunding amount is fully covered by the Council approval as it is anticipated that the Series 2005 and 2008 bonds as described will be refunded in the range of \$98m as originally requested.

4c.) Discussion of the Capital Improvement Plan - FY 2018-2022.

Dr. LaPanne reviewed the formatting of the prior year's Capital Improvement Plan for FY 2017-2021 with the Committee members as a prelude to the upcoming plan request document for the meeting of August 24th. She indicated that the upcoming plan document will mirror the format of those used in prior years.

She reviewed the capital budget review process as anticipated along with the individual sections of the prior year's report. Mr. Bernstein asked if the Committee had met twice to discuss the plan last year and Dr. LaPanne indicated that it had in the month of August and then in September prior to recommending the plan to the full Council.

5. ADJOURNMENT

On a motion duly made by Mr. Duffy and seconded by Mr. Bernstein, it was:

VOTED: **THAT** *The Finance/Facilities Committee of the Council
on Postsecondary Education adjourn its
meeting.*

VOTE: 3 members voted in the affirmative and 0
members voted in the negative as follows:

YEAS: Michael Bernstein, Heather Crosby, and Dennis
Duffy.

NAYS: 0

The meeting adjourned at 6:27 p.m.