

**MINUTES OF THE MEETING OF THE  
UNIVERSITY OF MASSACHUSETTS BUILDING AUTHORITY**

**Tuesday, April 6, 2021; 1:00 p.m.**

**REMOTE MEETING**

**PUBLIC LINK (Via Zoom)**

<https://umassp.zoom.us/j/95085673661>

**DIAL-IN INFORMATION**

646-876-9923 or 312-626-6799

Webinar ID: 950 8567 3661

This meeting is being conducted remotely pursuant to the Governor's Order Suspending Certain Provisions of the Open Meeting Law, G.L. c.30A, §20 dated March 12, 2020.

**Members Present:** Chairman, Victor Woolridge; Vice Chair, Gerry-Lynn Darcy, Members, Mary Burns, James McGaugh, Michael O'Brien, Kelly O'Neill, John Smolak and Charles Wu.

**Building Authority Personnel:** Barbara Kroncke, Executive Director; David P. Mullen, Deputy Director/General Counsel; Aaron D'Elia, Chief Financial Officer; and Patti Vantine, Manager of Administrative Affairs.

In total, including all individuals mentioned above, there were 44 participants logged into this meeting.

Chairman Woolridge convened the meeting at 11:30 a.m.

Chairman Woolridge wished every a good afternoon and asked Mr. Mullen to review the Technology Usage for remote meetings.

Mr. Mullen, reviewed the Technology Usage stating that the meeting was being conducted through the suspension of certain provisions of Massachusetts General Law c.30A, Sec 20, (The Commonwealth's Open Meeting law), through an executive order by Governor Baker, which shall remain in effect until it is rescinded. It was also stated that once Chairman Woolridge declared the open meeting adjourned the Zoom Webinar will be closed by the Host.

Mr. Mullen turned the meeting back over to Chairman Woolridge.

**Report of the Chairman:**

Chairman Woolridge thanked Dave Mullen for reviewing the Technology Usage.

Chairman Woolridge started the meeting with a roll call of members participating remotely. The vote was called and unanimously recorded.

Chairman Woolridge said that all votes taken during the meeting would be done pursuant to a roll call vote.

Chairman Woolridge said that Executive Director Kroncke would give an update on general matters at the Building Authority. Chairman Woolridge said that an update on the Building

Authority's insurance program would be provided by Dave Mullen, Barbara Kroncke and Michael Norek from KFDA.

Chairman Woolridge said that Aaron D'Elia, Chief Financial Officer, would review the results of last month's bond sale, the second quarter financial report and review next year's proposed budget.

Chairman Woolridge noted that after the open session portion of the meeting, the Board would be holding an Executive Session and would not be returning to open session following the Executive Session.

Chairman Woolridge turned the meeting over to Executive Director Kroncke for her remarks.

**Report of the Executive Director:**

Executive Director Kroncke gave a general update and noted that the one-year anniversary of the cessation of normal operations of the world has passed. Executive Director Kroncke said that she was proud of the Building Authority for their work during this time.

Chairman Woolridge thanked the entire team for all that they are doing.

Chairman Woolridge asked for a motion to approve the minutes of the December 8, 2020 meeting.

A roll-call vote was taken and it was moved, seconded and unanimously

**VOTED:** To approve the minutes from the December 8, 2020 Board Meeting.

Chairman Woolridge asked for a motion to approve the minutes of the February 17, 2021 meeting.

A roll-call vote was taken and it was moved, seconded and unanimously

**VOTED:** To approve the minutes from the February 17, 2021 Board Meeting.

Dave Mullen gave an update on Risk Management and the efforts for UMBA's 2021-2022 insurance renewal.

Mr. Mullen introduced Michal Norek, President of KFDA Risk Advisors, UMBA's risk advisor, to discuss the reinsurance effort for the Building Authority. Michael Norek said that the Building Authority's insurance renewal is with FM Global. He noted that it has been the worst insurance market seen in many people's careers. He noted that it is largely due to the number of claims, longer claim settlement time and increased litigation claims. Mr. Norek said that the increase in prices has been happening for the last three years. He noted that the Building Authority's largest portfolio challenge consists of the fact that 81% is property insurance. Mr. Norek stated that based on all the work that UMBA has done FM Global agreed to offer a renewal quote and developed two-year risk improvement plan which includes fire, natural hazards and equipment recommendations for each of the campuses.

Chairman Woolridge turned the meeting back over to Mr. Mullen to present two votes. One vote was concerning the UMass Club resolution and the other vote was concerning the MBE/WBE resolution.

Mr. Mullen noted that the UMass Club filed its request to renew its liquor license for 2021. As part of the renewal, the UMass Club also sought to update and change its manager. As part of the manager change, the Alcohol Beverage and Control Commission (ABCC) requested a vote from the club owner, the Building Authority, authorizing the change in manager.

A roll-call vote was taken and it was moved, seconded and unanimously

**VOTED:** To approve the UMass Club resolution.

Mr. Mullen noted that as a result of the disparity study conducted in 2017, the Commonwealth's new MBE/WBE participation goals came into effect on July 1, 2021. These goals have not increased since 2011. Also noted was that all Building Authority design and construction contracts executed after July 1, 2021 had the new goals incorporated. This vote will ensure that the Building Authority is in compliance with the Commonwealth's newly established goals.

Mr. Mullen stated that Maggie Drouineaud, the Building Authority's Compliance Analyst, is continuously working with its vendors, including CMs and OPMs, to recruit and find ways to access the minority community for Building Authority capital projects.

Chairman Woolridge stated that Ms. Drouineaud is doing a phenomenal job.

A roll-call vote was taken and it was moved, seconded and unanimously

**VOTED:** To approve the MBE/WBE resolution.

Chairman Woolridge asked CFO, Aaron D'Elia for his results of the 2021 bond sale and FY 2022 proposed budget.

Mr. D'Elia gave a summary of the Building Authority's bond deal that closed on March 25, 2021. Mr. D'Elia stated that the Building Authority went to the market to refund its entire variable rate debt portfolio and terminate its swaps.

The Building Authority priced \$359 million tax-exempt and taxable refunding bonds. Rates stayed stable and Citi, UMBA's consultant, worked extremely hard to ensure that the Building Authority had outstanding investor reception for its bonds.

Mr. D'Elia noted that the Building Authority negotiated discounts with its two largest swap counterparts. .

Mr. D'Elia gave a brief overview of how the Building Authority is trending in FY21 and a proposed budget recommendation for FY22. Mr. D'Elia said that FY21 spending is projected to come in \$436,000 or 4.5% below the approved budget. This is primarily due to FTE attrition, decreased utility usage, and lower projected expenditures in other categories.

Mr. D'Elia stated that debt service is trending below the FY21 budget primarily due to the October bond deal which reduced debt service approximately \$94 million versus the approved budget.

Mr. D'Elia stated that the FY22 proposed budget recommendation assumes a 0% growth except for the following categories:

- In Compensation & Benefits, there is a placeholder for a 1% increase for a potential cost of living adjustment. This mirrors what the University currently has as a placeholder in their FY22 budget.
- Rent increases \$678,000 or approximately 25% as a result of the Building Authority assuming the lease for the entire 31<sup>st</sup> floor of One Beacon Street.
  - Even though on an accounting basis the Building Authority's rent increases - overall, the rent changes are budget positive for the Building Authority, since they will be collecting revenue from the President's Office.

Mr. D'Elia stated that the FY22 budget proposal also assumes a \$930,000 or 39% increase based on the recent insurance renewal. The Building Authority's FY22 budget on an accounting basis increases by \$1.6 million; however, if you back out the rent changes, which overall are budget positive, since the Building Authority will be collecting revenue from the President's Office.

Mr. D'Elia stated that the Building Authority's budget proposal recommends an increase of \$959,000 from FY21 to FY22 primarily due to insurance increasing. Mr. D'Elia also stated that the Building Authority will ask the Board for final approval of the FY22 budget at the June meeting.

Chairman Woolridge thanked Mr. D'Elia

With no further business to discuss in open session, Chairman Woolridge adjourned the meeting at 12:30 p.m.

Deputy Director/General Counsel Mullen took a roll-call vote.

**VOTED:** To unanimously end the meeting.