


APPROVED BY THE  
COMMITTEE

MAY 21 2012

  
SECRETARY OF THE BOARD

MEETING OF THE AUDIT, BUDGET, FINANCE, AND FACILITIES COMMITTEE  
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

March 5, 2012

This meeting of the Audit, Budget, Finance, and Facilities Committee was held on Monday, March 5, 2012, beginning at 3:06 p.m. via videoconference in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana; Room 414, Administrative Office Building, 1737 West Polk Street, Chicago; and the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield. Trustee Edward L. McMillan, chair of the committee, convened the meeting and asked the clerk to call the roll. The following committee members were present: Mr. Edward L. McMillan, Mr. James D. Montgomery, and Ms. Pamela B. Strobel. Mr. Lawrence Oliver and Mr. John W. Tienken, student trustee from the Springfield campus, were absent.

Also present were Mr. Lester H. McKeever, Jr., treasurer; President Michael J. Hogan; Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Christophe Pierre, vice president for academic affairs; Dr. Lawrence B. Schook, vice president for research; Mr. Thomas P. Hardy, executive director for University relations; Dr. Avijit Ghosh, special assistant to the president; Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University.

Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Mr. McMillan welcomed everyone to the meeting and asked if there were any comments or corrections to the minutes from the meeting that was held on January 9, 2012. On motion of Mr. Montgomery, seconded by Ms. Strobel, the minutes were approved. There were no nay votes.

#### REPORTS AND PRESENTATIONS TO THE COMMITTEE

Due to the late start of the meeting, Mr. Knorr suggested that this meeting focus on reports and presentations pertaining to recommended items on the Board's agenda for its meeting on March 15, 2012 that are within the purview of the committee. There was no disagreement with this suggestion.

#### Mile Square Health Center Design, Chicago

Mr. Knorr introduced Mr. Curt Moody, president and chief operating officer of Moody-Nolan, Inc., and Mr. Renauld Mitchell, director of Chicago operations at Moody-Nolan, Inc., to provide a design presentation for the Mile Square Health Center at Chicago (materials on file with the clerk). Mr. Moody and Mr. Mitchell provided an overview of the project and described its fit within the campus master plan. They also provided information regarding plans for each floor of the building, noting that the fifth and sixth floors are currently speculative, and described the proposed design for the building. They stated that the building would be designed to draw attention from all sides and would suggest a new statement for the campus, while also fitting well within the campus and neighborhood buildings. Ms. Strobel commented on the goal of LEED silver certification for the building, which was followed by a brief discussion regarding energy efficiency and initial plans to achieve gold LEED certification. There were no objections to forwarding the design plan to the full Board.

REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD  
OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON MARCH 15, 2012

Capital Items and Real Estate

Mr. McMillan then asked Mr. Michael Bass, senior associate vice president for business and finance and deputy comptroller, to report on items related to capital projects and real estate that will be on the agenda for the Board meeting on March 15, 2012 (materials on file with the clerk). Mr. Bass provided information regarding the following items requesting approval: Educational Space Renovation, College of Medicine, Chicago; Ikenberry Commons Residence Hall #3, Urbana; and Job Order Contract, Fiscal Year 2013, Urbana. There were no questions about these recommendations and no opposition to any of these recommendations being advanced to the Board as a whole.

Purchase Recommendations

Next, Mr. McMillan asked Dr. Heather Haberaecker, executive assistant vice president for business and finance, to review the purchase recommendations that will be on the agenda for the meeting of the Board of Trustees on March 15, 2012 (materials on file with the clerk). Dr. Haberaecker provided information regarding a contract for the recommended purchase of Centrex-based telephony services at Urbana; a contract for the recommended purchase of coding services at the University of Illinois Hospital and Health Sciences System; and a contract for the recommended purchase of transfusion medicine and blood bank services at the University of Illinois Hospital and Health Sciences System. She also provided information regarding a recommended renewal of a contract for the purchase of pacemakers, leads, cardioverter defibrillators, and ancillary items. There were no questions about these recommendations and no opposition to any of these recommendations being advanced to the Board as a whole.

### Purchase Delegation for Commercial Insurance

Mr. McMillan then asked Ms. P.J. Kale, executive director for risk management, to provide information regarding a recommendation for delegation of authority for the purchase of commercial insurance (materials on file with the clerk). Ms. Kale described the insurance renewal process and explained that expiration and negotiations often fall between formal meetings of the Board of Trustees. She stated that this recommended action would grant the comptroller the authority to receive and approve insurance quotes and bind coverage to ensure continuity of commercial insurance coverage. Mr. Knorr added that this is needed because the renewal dates for this insurance are not aligned with dates for meetings of the Board.

### REPORTS AND PRESENTATIONS, CONTINUED

#### State Financial Update and Pension Legislation Status

Mr. Knorr provided a brief report on State finances. He stated that while the governor's proposed budget includes flat funding for education, reductions are possible. He reported that pensions are a topic of much discussion and that some legislation regarding pensions may be passed in this calendar year, and he also reported that tuition waivers for employees and their dependents are under review by the State. Brief discussion regarding tuition waivers and its financial impact followed, and Dr. W. Randall Kangas, associate vice president for planning and budgeting, confirmed that the tuition waivers have no impact on admission decisions.

Mr. Knorr also referred to forums that had been provided by the Institute of Government and Public Affairs that focused on the impact of potential pension legislation.

### OLD BUSINESS

There was no business presented under this aegis.

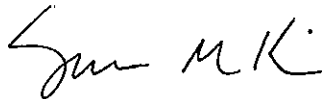
NEW BUSINESS

Mr. McMillan announced that the next meeting of this committee is scheduled for Monday, May 21, 2012, at 1:00 p.m.

MEETING ADJOURNED

Mr. McMillan requested a motion to adjourn the meeting. On motion of Mr. Montgomery, seconded by Ms. Strobel, the meeting adjourned at 3:39 p.m. There were no nay votes.

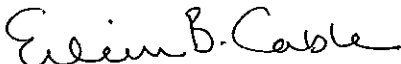
Respectfully submitted,



Susan M. Kies  
*Clerk*



Edward L. McMillan  
*Chair*



Eileen B. Cable  
*Assistant Clerk*