

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

JANUARY 22, 2019

This meeting of the Audit, Budget, Finance, and Facilities Committee was held on Tuesday, January 22, 2019, at 3:00 p.m., in Room 414, Administrative Office Building, 1737 West Polk Street, Chicago, Illinois. Attendance via videoconference was available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana, Illinois; and the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield, Illinois.

Trustee Ramón Cepeda, chair of the committee, convened the meeting and asked the secretary to call the roll. The following committee members were present: Mr. Ramón Cepeda; Mr. Donald J. Edwards; Dr. Stuart C. King; Mr. Lester H. McKeever Jr., treasurer; Mr. Sanford E. Perl; Mr. Darius M. Newsome, student trustee, Chicago; Ms. Shaina Humphrey, voting student trustee, Springfield. Mr. Trayshawn M. W. Mitchell, student trustee, Urbana, was absent.

President Timothy L. Killeen was in attendance. Also present were: Dr. Barbara J. Wilson, executive vice president and vice president for academic affairs; Dr. Avijit Ghosh, comptroller (and vice president/chief financial officer); Mr. Thomas R. Bearrows, University counsel; Mr. Thomas P. Hardy, executive director for University relations; and Ms. Dedra M. Williams, secretary of the Board of Trustees and of the

University. President Killeen introduced Dr. Larry H. Danzinger, professor, Department of Pharmacy Practice, Chicago, and member of the University Senates Conference's Finance, Budget and Benefits Committee. Attached is a listing of other staff members and some members of the media in attendance at this meeting.

Mr. Cepeda asked if there were any comments or corrections to the minutes from the meeting held November 5, 2018. On motion of Mr. McKeever, seconded by Mr. Perl, the minutes were approved. There were no "nay" votes.

PRESENTATIONS AND REVIEW OF RECOMMENDED BOARD ITEMS
FOR THE MEETING OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF ILLINOIS ON JANUARY 31, 2019

Mr. Cepeda asked certain individuals in attendance to provide presentations and report on the items that will appear on the Board's agenda at its meeting on January 31, 2019. All proposed agenda items discussed at the meeting are on file with the secretary.

Capital and Real Estate Items

Mr. Cepeda asked Mr. Bass to report on capital and real estate items. Mr. Bass first commented on the recommendation to approve the project and name of the Illinois Field and Baseball Training Center in the Division of Intercollegiate Athletics at Urbana. He described aspects of the project and said that Susan A. Atkins donated \$3.0 million toward the design and construction of the baseball training center. Mr. Bass reported that it is being recommended to name the Illinois Field Baseball Training Center as the Susan and Clint Atkins Baseball Training Center in recognition of this gift and their

contributions to the University of Illinois athletics program. Mr. Bass indicated that substantial completion is expected in February 2022. Brief discussion followed regarding funding for the remainder of the project and the relationship between the Atkins family and the University of Illinois. President Killeen referred to the generous support of the Atkins family and noted that Fox/Atkins Development, LLC, is the developer of the University of Illinois Research Park.

Next, Mr. Bass commented on the recommendation to approve the project to replace the existing roofing and substrates at the Student Services Building at Chicago. He explained this is a comprehensive roof replacement that is needed in order for the interior spaces to function properly. Mr. Perl inquired about the cost, and discussion followed about the average cost of this type of work. Dr. Ghosh told the committee that this project was prioritized because of the condition of the roof.

Mr. Bass then discussed the recommendation to approve the project budget and award a construction contract for the upgrade and expansion of the Educational Laboratory at Talbot Laboratory, Urbana. He gave a history of the project, which has a budget of \$5.8 million, and said that additional funds are needed to support the award of construction contracts. Mr. Bass discussed the scope of work to be completed and said the increased cost reflects the upcharge related to the increase in construction projects throughout the area of Urbana-Champaign.

Next, Mr. Bass reported on the recommendation to award construction contracts for renovation at the Carle Illinois College of Medicine at the Medical Sciences Building at Urbana. He discussed the scope of work to be completed and told members

of the committee that a small typographical error on the second page of the agenda item will be corrected in advance of the Board meeting.

Mr. Bass reported on Minority and Female Business Enterprise (MAFBE) and Women-Owned Business (WBE) participation rates for the recommended contracts. Members of the committee discussed these participation rates and the status of efforts to improve participation of minority firms, and Mr. Bass commented on opportunities to aggressively pursue improvements in this area. President Killeen referred to potential legislative reforms that would have a positive impact on these efforts, and he also mentioned a task force on minority subcontracting that is being formed across all public universities in Illinois. He told the committee that an internal task force is also pursuing opportunities to increase the participation rates of minority subcontractors. Mr. Perl inquired about balancing the goals of increasing minority participation and cost efficiencies, and President Killeen referred to the University's adherence to the State procurement code and discussed the approach to increase participation rates of minority subcontractors. Mr. Bass also commented on options for making opportunities available to minority subcontractors, including the use of sheltered markets. He discussed the potential to simultaneously control costs while improving the participation rates of minority subcontractors, noting that it may occasionally result in a worthwhile upcharge. Committee members also briefly discussed the recommendation to approve construction contracts for the renovation at the Carle Illinois College of Medicine Medical Sciences Building at Urbana and inquired about the budget for the project.

Purchase Recommendations

Mr. Cepeda then asked Ms. Gloria Keeley, assistant vice president for administrative services, to report on purchase recommendations. Ms. Keeley first discussed the recommended purchase for the oral medication Tecfidera for the University of Illinois Hospital at Chicago. She said that this purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code and that no discounts were given for this purchase.

Ms. Keeley then reported on the recommended purchase of implantable spinal cord stimulators from Medtronic USA for the University of Illinois Hospital at Chicago. She described the use of spinal cord stimulators and said that the purchase is exempt from competitive selection procedures in accordance with the Illinois Procurement Code. Mr. Edwards asked if these are purchased as inventory, and Dr. Ghosh and others in attendance indicated that these are purchased as needed. Dr. King inquired about the cost and the possibility of purchasing spinal cord stimulators at a significant discount. Ms. Keeley said it is possible the physician wants to use this specific product and that the same vendor has been used for the past three or four years. Discussion followed, and Ms. Keely indicated she would investigate and would report back prior to the Board meeting.

There were no objections to the agenda items listed above going forward to the full Board for voting.

OLD BUSINESS

Dr. Ghosh told the committee that the Fiscal Year 2018 financial audit would be released soon and said he would give an update at the next meeting of this committee.

NEW BUSINESS

Mr. Cepeda announced that the next meeting of this committee is scheduled for Monday, March 4, 2019, at 3:00 p.m.

MEETING ADJOURNED

On motion of Mr. Perl, seconded by Mr. Edwards, the meeting adjourned at 3:34 p.m.

There were no “nay” votes.

Respectfully submitted,

DEDRA M. WILLIAMS
Secretary

RAMÓN CEPEDA
Chair

EILEEN B. CABLE
Special Assistant to the Secretary