



**Members**

Margo Cook '86, *Chair*

Michael D. Fascitelli '78

Charles Fogarty '80

Christine Heenan

Richard S. Humphrey

Matthew Lenz '11

Roby Luna '04

David Martirano '91

Michael F. McNally '81, *Vice Chair*

Dr. Karina Montilla Edmonds '92

Cortney M. Nicolato '01

Vahid Ownjazayeri

Susan Petrovas '92

Yahaira "Jay" Placencia '01

Cecilia Rouse

Thomas Ryan '75

Armand E. Sabitoni '73

**The University of Rhode Island Board of Trustees  
Finance and Facilities Committee Meeting  
Thursday September 10, 2020 • 10:45 a.m.**

***Pursuant to Governor Raimondo's Executive Order, this meeting was held virtually using the WebEx platform (Board only) and Facebook Livestream (public viewing)***

**MINUTES**

Chair Fascitelli thanked all members of the committee as well as University of Rhode Island staff present at the meeting. After a roll call, and noting that a quorum was present, Chair Fascitelli called the meeting to order at 10:46 a.m.

Attendees present for this virtual meeting:

The URI Board of Trustees Finance and Facilities Committee voting members:

- Mr. Michael Fascitelli, Chair (remote)
- Mr. Vahid Ownjazayeri, Vice Chair (remote)
- Mr. Matthew Lenz (remote)
- Mr. David J. Martirano (remote)
- Ms. Susan Petrovas (remote)
- Mr. Armand Sabitoni (remote)

The URI Board of Trustees Finance and Facilities Committee ex-officio member:

- Mr. Tim DelGiudice (ex-officio; remote)

Other Board of Trustee Members:

- Ms. Margo Cook, Chair of URI Board of Trustees (remote)

The University of Rhode Island Staff:

- Anne Marie Coleman, Assistant Vice President for Human Resources (remote)
- Michelle Curreri, Chief of Staff and Board Liaison (remote)
- Karlis Kaugars, Chief Information Officer (remote)
- Cynthia Mace, Interim Controller (remote)
- Daniel Moos, Assistant to the VP for Administration and Finance (remote)
- Abigail Rider, Vice President for Administration and Finance (remote)
- Louis Saccoccio, General Counsel for the University of Rhode Island (remote)

## 1. ACCEPTANCE OF THE AGENDA

Chair Fascitelli called for a motion that The University of Rhode Island Board of Trustees Finance and Facilities Committee accept the Agenda for the meeting of September 10, 2020.

On a motion duly made by Mr. Lenz and seconded by Ms. Petrovas it was

VOTED: THAT The URI Board of Trustees Finance and Facilities Committee accept the Agenda for the meeting of September 10, 2020.

VOTE: 6 members voted in the affirmative and 0 members voted in the negative.

YEAS: Michael Fascitelli, Matthew Lenz, David J. Martirano, Vahid Ownjazayeri, Susan Petrovas, and Armand Sabitoni

NAYS: 0

ABSTAINS: 0

## 2. APPROVAL OF THE MINUTES

Chair Fascitelli called for a motion that The University of Rhode Island Board of Trustees Finance and Facilities Committee accept the Minutes for the meeting of September 10, 2020.

On a motion duly made by Mr. Martirano and seconded by Ms. Petrovas it was,

VOTED: THAT The URI Board of Trustees Finance and Facilities Committee accept the minutes for the meeting of September 10, 2020.

VOTE: 6 members voted in the affirmative and 0 members voted in the negative.

YEAS: Michael Fascitelli, Matthew Lenz, David J. Martirano, Vahid Ownjazayeri, Susan Petrovas, and Armand Sabitoni

NAYS: 0

ABSTAINS: 0

## 3. DISCUSSION ITEMS

### a. University Financial Update

Vice President Abigail Rider made a presentation to the Committee entitled, *Financial Update*. [Enclosure 3a](#)

At the close of the presentation, Mr. Lenz asked, with respect to the loss of RICAP funds, about the University's plan to replace or otherwise manage the RICAP reduction. VP Rider noted that the University is bridging basic asset protection needs with contingency funds. She also stated that there are limitations in the University's existing bond indentures regarding the issuance of new bonds. In addition, certain capital projects have been postponed.

Chair Fascitelli asked for clarification regarding the term “Capital Budget” used in this discussion since it appears that this budget includes maintenance items. VP Rider noted that the RICAP funding is a hybrid of traditional “repairs and maintenance” expenditures and true capital expenditures as defined by the Government Accounting Standards Board (GASB). Chair Fascitelli noted that it is difficult for the committee to understand this financial split. VP Rider said that her office will present a crosswalk between the University budget and its financial statements to see these adjustments.

Ms. Cook thanked VP Rider for the report and asked her about options for financing, especially with regards to auxiliaries. Additionally, Ms. Cook asked if VP Rider believed that bond rating agencies will be thinking differently about universities under the current circumstances.

Mr. Ownjazayeri asked if there has been any consideration for privatization of certain projects.

VP Rider responded that the overall rating agency outlook for the higher education sector is negative. She hopes that the University can maintain its current rating because it has reserves to assist until the University returns to normal operations. She noted that rating agencies may be concerned that auxiliaries did not meet their debt-service coverage ratios. She also noted that the primary factor limiting the University’s ability to issue bonds for the auxiliaries is bond covenants that prohibit further debt issuance if certain ratios are not achieved. She also noted that requesting relief from these covenants is generally difficult and expensive. Regarding the privatization of projects, VP Rider discussed the possibility of a public-private partnership for the construction of the Health Services Center and the Memorial Union since both entities have income streams. VP Rider said that if such transactions are not fully arm’s length, the rating agencies are likely to consider the project as being “on credit”, defeating the purpose of the arrangement, and said that several public-private partnerships at similar institutions had been reclassified as being “on credit” by the rating agencies.

Mr. Ownjazayeri discussed the privatization of certain infrastructure functions in higher education and suggested that the University seek more information regarding these possibilities. Vice President Rider informed the committee that if the University sells real property, the proceeds of the sale go to the state IT Fund. Ms. Cook said that pursuing the options noted by Mr. Ownjazayeri is worthwhile. Mr. Ownjazayeri asked if long-term leases are options. VP Rider replied that this would require legislative approval.

Mr. DelGiudice asked for clarification regarding enrollment figures from VP Rider’s presentation. VP Rider noted that the original budget anticipated a decline due to demographics, with an additional decline due to COVID-19. However, the actual enrollment seems better than anticipated, though the enrollment period is still open. VP Rider noted that the University budgeted for a 3% decline in enrollment, which is anticipated, with possible additional loss of revenues in Housing and Dining due to the de-densification of campus residential facilities.

Mr. DelGiudice asked for clarification on the University’s contingency fund. VP Rider noted that the contingency shows up in the Net Position of the University.

Mr. DelGiudice asked about the loss of revenue in Athletics and its budgetary effects. Ms. Mace noted that this revenue is located in “Other Sources” and is not large enough to warrant representation as a specific line item.

Chair Fascitelli asked about the proposed content of the October committee meeting since FY21 budgets will not be available until November at the earliest. VP Rider replied that

the University expects to present the FY21 Allocation and the FY22 Budget Request. Additionally, proposed FY22 Tuition and Fees and the FY22-26 Capital Improvement Plan will be presented. She believes the University will present the enacted FY21 budget to the Committee in January, as the General Assembly is expected to pass the budget after the election. Chair Fascitelli requested the presentation of additional clarity on the enrollment and tuition figures for the October committee meeting as well as the breakout of capital funds (within RICAP).

Chair Fascitelli asked about surplus revenue in auxiliaries. VP Rider explained that the surplus is often used as the equity portion of auxiliary capital projects.

Chair Fascitelli asked for any additional questions from the Committee members.

Ms. Cook asked VP Rider to provide a condensed version of her presentation to the Board on September 18, 2020.

Vice President Rider thanked the Committee and expressed her interest in partnering with the Committee in taking the University forward.

#### **4. ADJOURN**

Chair Fascitelli thanked Committee members and called for a motion to adjourn the meeting of September 10, 2020.

On a motion duly made by Mr. Ownjazayeri and seconded by Mr. Lentz,

VOTED:	THAT	The URI Board of Trustees Finance and Facilities Committee adjourn the meeting of September 10, 2020.
	VOTE:	6 members voted in the affirmative and 0 members voted in the negative.
	YEAS:	Michael Fascitelli, Matthew Lenz, David J. Martirano, Vahid Ownjazayeri, Susan Petrovas, and Armand Sabitoni
	NAYS:	0
	ABSTAINS:	0

The meeting adjourned at 11:51 a.m.

The next meeting of The University of Rhode Island Board of Trustees Finance and Facilities Committee is October 23, 2020.