

UNIVERSITY OF UTAH
BOARD OF TRUSTEES MEETING
JUNE 14, 2016

TRUSTEES PRESENT

Julie Barrett	Christian Gardner
Jack Bender	Michele Mattsson (Chair)
David Burton	Taft Price
Phillip W. Clinger (Vice Chair)	Steven Price
Lisa Eccles	

UNIVERSITY REPRESENTATIVES PRESENT

Cathy Anderson	Associate Vice President, Budget and Planning
Jonathon Bates	Director, Real Estate Administration
David Browdy	Chief Financial Officer, Health Science Center
Arnold B. Combe	Vice President, Administrative Services
Gordon Crabtree	Interim CEO, University of Utah Hospital and Clinics
Fred C. Esplin	Vice President, Institutional Advancement
Jeff Herring	Chief Human Resources Officer
Steve Hess	Chief Information Officer
Dan Lundergan	Executive Director, University Hospital Administration
Laura Marks	Liaison to the Board of Trustees
Karren Nichols	President, University of Utah Staff Council
John Nixon	Chief Business Officer
Maria O'Mara	Director, Communications
Ken Nye	Director, Business Services
Charlton Park	Interim Chief Financial Officer, University of Utah Hospital and Clinics
David W. Pershing	President
Patricia A. Ross	Chief Strategy Officer, Secretary to the University
Barbara H. Snyder	Vice President, Student Affairs
William J. Warren	Chief Marketing and Communications Officer
Ruth V. Watkins	Senior Vice President, Academic Affairs
Jeff West	Associate Vice President, Financial & Business Services
Karen West	Executive Assistant, Board of Trustees
Liz Winter	Interim Chief General Counsel

CALL TO ORDER

Information: 1.01 – Call to Order

The meeting of the Board of Trustees was called to order at 9:09 AM in the S. J. Quinney College of Law, John J. Flynn Faculty Workshop Room. Chair Michele Mattsson welcomed Trustees and others in attendance.

CHAIR'S REPORT

Information: 2.01 – Current Events and Announcements

Chair Michele Mattsson noted the many accomplishments, openings, closings, and transitions, throughout the year and thanked the Board for their service to the University.

The Board of Regents will hold their annual Trustee session on July 14 in Cedar City. Michele encouraged Trustees to attend.

PRESIDENT'S REPORT

Action: 3.01 – Honors and Awards to Members of the University Community, Distinguished Visitors and Research

President Pershing noted the written report in the agenda materials. The President mentioned that University of Utah Hospital has been named to the 2016 edition of the Becker's Hospital Review list of "100 Great Hospitals in America." Nubia Pena, recent graduate of the University of Utah's S.J. Quinney College of Law, was named as one of the top 25 law students in the country by *National Jurist* magazine for her commitment to social justice, empowering marginalized communities and developing new young leaders of color. President Pershing recognized the students from the Mechanical Engineering and School of Computing departments who took third place in 2016 RASC-AL Robo-Ops robotic competition in Houston, Texas. The College of Pharmacy was recognized by the President for its NIH Funding ranking of #5 in 2015. This is the 41st consecutive year ranking among the top ten colleges of pharmacy.

The President highlighted the upcoming visit of the Dalai Lama on June 21.

A copy of the report is included as Appendix I with the official minutes of this meeting and is on file in the office of the Secretary to the University.

SENIOR VICE PRESIDENTS' REPORTS

Report: 4.01 – Academic Affairs Report

Senior Vice President Ruth Watkins noted on Friday, June 17 the University will celebrate Frank Brown's 25 years of service as Dean of the College of Mines and Earth Sciences at a reception in the Sutton Building. Watkins also highlighted this as the season of orientations. Vice President Bard Snyder's team has a key role in welcoming our new students to campus and helping to ensure they have a good experience here on campus. During orientation they hear about different opportunities available to them and as well as the functional things such as enrolling in classes and making a plan for their future. A big physical change is coming to our campus. As you all know Orson Spenser Hall is being prepared to be demolished. This will take place over the summer and into early fall. The new building that will come behind Orson Spencer Hall is progressing well. There will be a ground breaking event probably in October.

ACADEMIC SENATE

Report: 5.01 – Academic Senate Report

Academic Senate did not meet in the month of June and there is nothing new to report.

GENERAL CONSENT

Action (Consent): 6.01 – Minutes of the May 10 Meeting of the Board of Trustees

Action (Consent): 6.02 – Staff Matters (Appendix II)

Action (Consent): 6.03 – Sponsored Projects Report (Appendix III)

Action (Consent): 6.04 – Monthly Comparison (Gifts) Report (Appendix IV)

Action (Consent): 6.05 – Disposition of Donated or Gifted Property (Appendix V)

Action (Consent): 6.06 – Naming of Facilities in the Wall Mansion (Appendix VI)

Action (Consent): 6.07 – Report of Investments Portfolio – for the Month of March 2016 (Appendix VII)

Action (Consent): 6.08 – Administrative Reports from the University of Utah to the State Building Board (Appendix VIII)

Action (Consent): 6.09 – Capital Facilities Projects – Approval to Renovate Basement Space in the Film and Media Arts Building. (Appendix IX)

Action (Consent): 6.10 – Capital Facilities Projects – Approval to Remodel Space in the Merrill Engineering Building (Appendix X)

Action (Consent): 6.11 – Capital Facilities Projects – Approval to Remodel Laboratory Space in the Skaggs Research Building (Appendix XI)

Chair Mattsson introduced the General Consent Calendar and asked for questions or comments. There were no questions or concerns raised by the Trustees.

Motion to approve the Consent Calendar by David Burton, second by Julie Barrett. Final Resolution: Motion Approved. Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Michele Mattsson, Taft Price and Steve Price

Background materials are included in the Appendix (as noted above) and are on file in the office of the Secretary to the University.

ACTION

Note – Items 7.01 and 7.02 were voted on as group with the results noted under item 7.02

Action: 7.01 – Naming in the Lasonde Studios

Vice President Fred Esplin introduced the naming of the facilities in the Lasonde Studios.

Lasonde Studios: Pierre Lasonde has committed to \$25,000,000 in support of the Lasonde Institute, and the University would like to name the studio building in his honor.

Neeleman Hangar: Stephen Dale Neeleman has donated \$2,000,000 toward the studio building, on behalf of his brother David Neeleman, and the University would like to name an incubator space in his honor.

Miller Café: The Larry H. and Gail Miller Family Foundation made a generous donation of \$1,000,000 to the Living and Learning Building, and the University would like to name the café in their honor.

A copy of the report is included as Appendix XII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Action: 7.02 – Naming of Facilities in the Wall Mansion

Vice President Fred Esplin introduced the naming of the facilities in the Wall Mansion.

Roger and Sara Boyer Carriage House: Roger and Sara Boyer have contributed \$1,000,000 to the Wall Mansion restoration, and the University would like to name the carriage house in their honor.

The Ivory Ballroom: The Clark and Christine Ivory Foundation has donated \$1,000,000 to the Wall Mansion restoration, and the University would like to name the Ballroom in their honor.

Zions Bank Classroom: Zions bank has committed \$150,000 to the Wall Mansion restoration, and the University would like to name a classroom in their honor.

George S. and Dolores Doré Eccles Room: The George S. and Dolores Doré Eccles Foundation has made a generous donation of \$350,000 to the Wall Mansion Restoration, and the University would like to name a meeting room in their honor.

A copy of the report is included as Appendix XIII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Motion to approve items 7.01 – 7.02 by Taft Price, second by Lisa Eccles. Final Resolution: Motion Approved.

Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Michele Mattsson, Taft Price and Steve Price

Action: 7.03 – Capital Facilities Projects – Approval to Renovate Space in the Williams Building

Ken Nye, Director of Business Services introduced the renovation project.

The proposed project will renovate conference rooms (Rooms 223 and 238) on Level 2 of the Williams Building. This work will upgrade the interior finishes, AV equipment and furnishings, and increase the size of the conference rooms. Mechanical and electrical upgrades will provide the modifications necessary to meet current HVAC requirements. The lobby, corridor and cafeteria will also be upgraded as part of this project. All furnishings and equipment costs are included in the total cost of this project which will address 13,500 square feet.

The proposed total project budget is \$1,294,832 and will be funded by Department funds.

Approval is requested to authorize the University to design, bid, and award a construction contract to complete this project.

Fiscal Note: No additional operating budget or personnel will be required.

A copy of the report is included as Appendix XIV with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Motion to approve item 7.03 by Julie Barret, second by David Burton. Final Resolution: Motion Approved.

Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Michele Mattsson, Taft Price and Steve Price

Action: 7.04 – Real Estate Acquisition – Approval to Close on the Purchase of Vacant Land Located NE of Pioneer Crossing and Market Street in Saratoga Springs

David Browdy, Chief Financial Officer, Health Science Center, introduced the real estate acquisition in Saratoga Springs.

As presented and approved by the Executive Committee of the Board of Trustees during their meeting on January 27, 2015, the University entered into a Purchase & Sale Agreement for the potential acquisition of ~15.3 acres of vacant land located in northeast of the intersection of Pioneer Crossing and Market Street in Saratoga Springs, Utah on behalf of the University Hospital (UUHC). The land is a strategic acquisition in line with the ambulatory strategy of UUHC. The purchase price has been set at ~\$3,998,808.00 or \$6.00 per square foot.

Over the last sixty (60) days the following due diligence items have been successfully completed on the property:

- Appraisal (market value conclusion of \$4,000,000)
- Title Report and Insurance Commitment
- Phase I Environmental
- ALTA Survey
- Geotechnical/Soil Analysis
- Architectural Feasibility Study

A copy of the report is included as Appendix XV with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Motion to approve item 7.04 by Phil Clinger, second by Lisa Eccles. Final Resolution: Motion Approved. Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Michele Mattsson, Taft Price and Steve Price

Action: 7.05 – FY17 UUHC Operations Budget

Gordon Crabtree, Interim CEO of the University of Utah Hospitals and Clinics (UUHC), discussed the review process for the budget and noted the budget was approved by the Hospital Board. Phil Clinger, Trustee representative on the Hospital board noted agreement.

Crabtree reviewed the UUHC budget development process, which begins in September and goes through multiple levels of approval. The consolidated operating budget for fiscal year 2017 is \$105M with a projected 6.4% operating margin. Crabtree noted the 6.4 % operating margin is not a surplus but represents dollars committed to debt and capital. UUHC has grown its cash on-hand to 70-75 days. Crabtree discussed a few risks and opportunities for revenue improvements for this next fiscal year.

Risks

- Government and commercial payor rate increases moderating to a 1% to 3% level
- Compliance expectations
- Facility replacement and expansion

Opportunities

- Revenue improvement with Medicaid expansion and further improvement of uncompensated care
- Demand increasing with UUHC emphasis on patient satisfaction and focus on high quality
- Strategic growth – meeting patients expectation and convenience – building centers where they live

A copy of the report is included as Appendix XVI with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Motion to approve item 7.05 by Taft Price, second by Phil Clinger. Final Resolution: Motion Approved. Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Michele Mattsson, Taft Price and Steve Price

Action: 7.06 – Resolution

President Pershing recognized Michele Mattsson, chair of the Board of Trustees, for her service to the University. Trustee Lisa Eccles read the resolution of appreciation, noting the accomplishments during her tenure. President Pershing commented on what a privilege it has been to work with Chair Mattsson these past years and commended her on her great work.

A copy of the resolution is included as Appendix XVII with the official minutes of this meeting and is on file in the office of the Secretary to the University.

Motion to approve item 7.06 by Lisa Eccles, second by Phil Clinger. Final Resolution: Motion Approved. Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Christian Gardner, Michele Mattsson, Cristina Ortega, Taft Price and Steve Price

ADJOURN

Resolution: Chair Michele Mattsson recommended approval to adjourn the open meeting of the Board of Trustees.

At 10:20 a.m. the June 14, 2016 adjourned.

The next scheduled meeting will be held August 9, 2016.

Motion to approve by David Burton, second by Julie Barrett. Final Resolution: Motion Approved. Aye: Julie Barrett, Jack Bender, David Burton, Philip W. Clinger, Lisa Eccles, Christian Gardner, Michele Mattsson, Taft Price and Steve Price

Signed by: Laura Marks

Date approved: 9 August 2016