**Minutes**

**The University of Toledo Board of Trustees**

**Finance and Audit Committee Meeting**

**November 16, 2015**

|  |  |
| --- | --- |
| Committee Chair Mr. Joseph H. Zerbey, IV was present with Committee members Mr. Steven M. Cavanaugh and Mr. Jeffrey C. Cole. Other Trustees attending included Dr. S. Amjad Hussain, Ms. Mary Ellen Pisanelli, Ms. Sharon Speyer, and Mr. Gary P. Thieman along with Student Trustee Ms. Anna L. Crisp. Other Committee members present were Ms. Brenda Lee, UT Foundation President, Faculty Representative Dr. Margaret Hopkins, and Community Member Mr. William Horst. Others attending the meeting were Mr. John Barrett, Ms. Meghan Cunningham, Mr. David Cutri, Mr. Bryan Dadey, Dr. Michael Dowd, Dr. Sharon Gaber, Dr. Kristen Keith, Mr. Chuck Lehnert, Ms. Vanessa McCray, Mr. William McCreary, Mr. Samuel McCrimmon, Dr. William Messer, Jr., Mr. David Morlock, Jr., Mr. Peter Papadimos, Ms. Patricia Peterson, Mr. Matthew Schroeder, Ms. Joan Stasa, Mr. Jon Strunk, Ms. Jovita Thomas-Williams, Mr. Christopher Thompson, Mr. Nickolas Vitale, Dr. Frederick Williams, and Ms. Rhonda Wingfield. | ATTENDANCE |
| The meeting was called to order at 1:00 p.m. by Trustee Zerbey in the Driscoll Alumni Center Schmakel room.  | **CALL TO ORDER** |
| Mr. Zerbey requested a motion to waive the reading of the minutes from the October 12, 2015 Finance and Audit Committee meeting and accept them as written. The motion was received by Trustee Cavanaugh, seconded by Trustee Cole and approved by the Committee.  | **APPROVAL OF MINUTES** |
| Mr. Peter Papadimos, VP and Chief Legal Counsel, presented Resolution No. 15-11-13: “Authorization to Grant Perpetual Right of Way Easements for Douglas Road/Dorr Street Roadway.” Mr. Papadimos stated that The City of Toledo intends to proceed with constructing certain roadway and pedestrian safety improvements to the Douglas Road/Dorr Street Intersection. In order to implement the objectives of this Safety Project, the City desires to obtain from UT perpetual right of way easements across portions of two parcels of land. This Resolution will authorize the President of the University to negotiate and execute any and all documents necessary or incidental to effectuate the grant of perpetual non-exclusive right of way easements for roadway purposes at this intersection. Trustee Zerbey requested a motion for approval and to forward the resolution to the Consent Agenda at the Board meeting following the conclusion of this meeting. A motion was received from Trustee Cole, seconded by Trustee Cavanaugh and approved by the Committee.  | **RESOLUTION****NO. 15-11-13** |
| Mr. Bryan Dadey, Associate VP of Finance, was invited to present an update to the Committee about the first quarter FY 2016 financials. Mr. Dadey summarized the first quarter FY 2016 results versus the prior year showing a difference of nearly $17 million ahead of last year. The majority of this difference is the affiliation agreement amount of $40 million which will be received in three installments of which we are required to book the full amount this year. Mr. Dadey outlined other contributing factors for this difference. In advance of the meeting, each Committee member was provided with a Combined Statement of Revenues, Expenses, and Changes in Net Position for the period ending September 30 showing FY 2016 vs. FY 2015 and a copy of Mr. Dadey’s presentation slide. | **FIRST QUARTER FY 2016 FINANCIAL UPDATE** |
| Mr. David Morlock, EVP Hospital Administration/CEO UTMC, provided the Committee with a copy of the presentation that was delivered to Moody’s and Standard & Poore’s rating agencies in October. Others who attended the meetings included President Gaber, Provost Barrett, Bryan Dadey, Chris Thompson, and Sam McCrimmon. Mr. Morlock indicated that the presentation is 60 pages long and he would only touch on a handful of slides, not the entire presentation. Mr. Morlock stated that the first six pages of the presentation includes an overview of the University including a number of programs where UT is recognized nationally. Highlights and lowlights were reviewed with the Committee. Other sections of the presentation that were discussed with the Committee included: Income Statement, Balance Sheet, Hospital Performance, Philanthropy Performance, Capital and Financial Plan, and Enrollment and Market Position. Mr. Morlock indicated that UT’s credit rating with Moody’s is A1 and Standard & Poore’s rating is A. | **RATING AGENCY PRESENTATION** |
| The Committee members received information on investment performance and received copies of the UT and UT Foundation Composite Performance Review Report and the UT Foundation Asset Allocation Report for the period ending September 30, 2015. | **INFORMATION ATTACHMENTS** |
| At 1:25 p.m., Trustee Zerbey requested a motion to enter Executive Session to discuss details related to security arrangements. The motion was received by Trustee Cavanaugh, seconded by Trustee Cole and a roll call vote was taken by Ms. Stasa – Mr. Cavanaugh, yes; Mr. Cole, yes; and, Mr. Zerbey, yes. After discussions, the Committee exited Executive Session with no action taken. | EXECUTIVE SESSION |
| With no further business before the Committee, Trustee Zerbey adjourned the meeting at 1:50 p.m. | ADJOURNMENT |