

BOARD OF GOVERNORS
Rutgers, The State University of New Jersey

October 2, 2019

12:00 p.m. - open session / 12:05 p.m. - closed session / 1:00 p.m. - open session
Rutgers–Camden Campus Center, 326 Penn Street, Camden, New Jersey

Tentative Agenda

1. CALL TO ORDER (Mr. Angelson, Chair)
2. STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETINGS ACT
3. ROLL CALL (taken while meeting continues)
4. RESOLUTION TO CONDUCT CLOSED SESSION – October 2, 2019
5. CLOSED SESSION
6. RESUMPTION OF OPEN SESSION
7. MEMORIAL RESOLUTION – DUDLEY H. RIVERS JR.
8. MATTERS PRESENTED BY THE PRESIDENT
9. REPORT OF THE RUTGERS UNIVERSITY–CAMDEN CHANCELLOR
10. COMMITTEE ON ACADEMIC AND STUDENT AFFAIRS – September 17, 2019
11. COMMITTEE ON FINANCE AND FACILITIES – September 17, 2019
 - a. Proposed Resolution Approving Reallocation of a Portion of the Tax Exempt 2013 Series L Bonds
 - b. Proposed Resolution of the Board of Governors Action Authorizing Rutgers, The State University of New Jersey, to Enter Into a Supplemental Indenture of Trust and Certain Other Agreements in Connection with the Issuance by the University of General Obligation Refunding Bonds (Federally Taxable) and to Take Other Action in Connection Therewith
12. COMMITTEE ON AUDIT – September 18, 2019
13. COMMITTEE ON HEALTH AFFAIRS – September 19, 2019
14. COMMITTEE ON INTERCOLLEGIATE ATHLETICS – September 23, 2019
15. CONSENT AGENDA
 - a. Approval of Minutes of the Board of Governors – July 23, 2019
 - b. Proposed Recommendations to Membership on the School of Management and Labor Relations State Advisory Council
 - c. Executive Committee
 - (1) Election of Officer of the University Corporation – Associate Treasurer
 - d. Committee on Academic and Student Affairs – September 17, 2019
 - (1) Faculty Tenure Appointment Recommendation
 - (2) Proposed Resolution on the Creation of the Helen E. Chaney Endowed Chair in Alcohol Studies
 - (3) Proposed Resolution on the Appointment of a University Professor
 - e. Committee on Finance and Facilities – September 17, 2019
 - (1) Proposed Resolution Amending the Project Resolution Approving Upgrades to the Co-Generation Plant on the Newark Health Sciences Campus
 - (2) Proposed Resolution Approving University Policy 40.2.23: Policy Governing Century Bonds
 - f. Committee on Health Affairs – September 19, 2019
 - (1) Minutes of the University Behavioral Health Care Leadership Meetings of April 23, 2019, May 21, 2019, June 18, 2019 and July 23, 2019
 - (2) Proposed University Behavioral Health Care Staff Appointments, Reappointments and Clinical Privileges of May 21, 2019, June 18, 2019, July 23, 2019 and August 27, 2019
 - (3) Proposed University Behavioral Health Care Quality Improvement Quarterly Report – Second Quarter 2019
16. REPORT OF THE EXECUTIVE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION AND UNIVERSITY TREASURER
 - a. Joint Committee on Investments – September 20, 2019
17. REPORT OF THE UNIVERSITY SENATE
18. OLD BUSINESS
19. NEW BUSINESS
20. ADJOURNMENT



**PROPOSED RESOLUTION
APPROVING THE REALLOCATION OF A PORTION
OF THE TAX EXEMPT 2013 SERIES L BONDS**

WHEREAS, on April 11, 2013, the Board of Governors of Rutgers, The State University of New Jersey ("Rutgers" or "University") adopted a resolution authorizing, among other things, the issuance of tax-exempt general obligation bonds to provide funds for the financing and/or refinancing of several capital projects of the University that were more particularly described in the April 11, 2013 resolution (referred to as the "2013 Projects") and the Board of Trustees of the University consented to and approved such bond issuance on April 25, 2013; and

WHEREAS, pursuant to and in accordance with the April 11, 2013 resolution, on July 1, 2013 the University issued, among other bonds, a principal amount of \$352.07 million of tax exempt bonds designated as the "2013 Series L Bonds;" and

WHEREAS, one of the 2013 Projects designated to use proceeds from the 2013 Series L Bonds was the renovation of the Institute for Food Nutrition and Health (the "IFNH Project"); and

WHEREAS, the IFNH Project was recently completed and total costs were lower than the originally budgeted amount by approximately \$5.3 million, approximately \$3.741 million of which was scheduled to use 2013 Series L Bond proceeds; and

WHEREAS, the University now desires to reallocate the proceeds of the 2013 Series L Bonds originally intended for the IFNH Project to the Rutgers University–New Brunswick Student Services One-Stop Project which was approved by the Board on October 4, 2018; and

WHEREAS, on September 17, 2019, the University administration reviewed the above-described reallocation of the 2013 Series L Bond proceeds with the Committee on Finance and Facilities (the "Committee"), and the Committee agreed to recommend approval of the reallocation to the Board of Governors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of Rutgers, The State University of New Jersey, upon recommendation of the Committee on Finance and Facilities and subject to the consent of the Board of Trustees of Rutgers, The State University of New Jersey, as follows:

Section 1. The forgoing recitals are hereby incorporated by reference into this Section 1 as if fully restated herein and are hereby ratified and confirmed.

Section 2. The reallocation of \$3.741 million of proceeds from the 2013 Series L Bonds originally intended for the IFNH Project to the Rutgers University–New Brunswick Student Services One-Stop Project is hereby approved.

Section 3. The Executive Vice President for Finance and Administration and Treasurer is hereby authorized and directed to enter into and execute one or more amended arbitrage and use of proceeds

certificates, supplemental indentures or amended supplemental indentures, certificates of determination and any additional documents, instruments, certificates or letters as may be necessary and appropriate to carry out the reallocation of \$3.741 million of 2013 Series L Bond proceeds as described herein, in the name and on behalf of the University, in the form or forms approved by the Executive Vice President for Finance and Administration and Treasurer, with advice of counsel, as conclusively evidenced by such officer's execution thereof, to be advisable and in the best interests of the University.

Section 4. In addition to and without limiting the generality of the foregoing, the Authorized Officers of the University (as that term is defined in that certain Indenture of Trust dated February 1, 2002 between the University and First Union National Bank) are, and each of them hereby is, authorized and directed to (i) take such further action in connection with the entering into and execution by the Executive Vice President for Finance and Administration and Treasurer of the above-referenced documents and the reallocation of proceeds from the 2013 Series L Bonds, and (ii) execute and deliver such other instruments and documents as such officers, with advice of counsel, may deem appropriate to carry out the purpose of this resolution; and the taking of such action or execution of such instruments shall be deemed conclusive evidence of the determination of such executing officer that such action or execution was appropriate and in the best interests of the University.

Section 5. Because the Board of Trustees has met prior to this meeting of the Board of Governors and has given its consent, in advance, this resolution shall take effect immediately.

Board of Governors
Rutgers, The State University
of New Jersey
October 2, 2019



**PROPOSED RESOLUTION
OF THE BOARD OF GOVERNORS AUTHORIZING
RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY, TO
ENTER INTO A SUPPLEMENTAL INDENTURE OF TRUST
AND CERTAIN OTHER AGREEMENTS IN CONNECTION
WITH THE ISSUANCE BY THE UNIVERSITY OF GENERAL
OBLIGATION REFUNDING BONDS (FEDERALLY
TAXABLE) AND TO TAKE OTHER ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, in furtherance of the capital planning goals and debt management policies of Rutgers, The State University of New Jersey (“Rutgers” or “University”), and considering taxable bond interest rates are currently significantly lower than rates were when certain outstanding bonds of, or for the benefit of, the University were issued, the University desires to advance refund and redeem all or a portion of the outstanding bonds of the University and the New Jersey Economic Development Authority issued on behalf of the University described in Exhibit A annexed hereto (the “Bonds to be Refunded”) with taxable bonds and to finance premiums, discounts and the costs of issuance with respect to the foregoing all as more particularly described and authorized in this Resolution; and

WHEREAS, the University expects to issue one or more series bonds to be designated “General Obligation Refunding Bonds” (the “Refunding Bonds”), with such appropriate series designations, to provide funds for the purpose described above under and pursuant to the Indenture of Trust by and between the University and U.S. Bank National Association (successor to First Union National Bank) as Trustee (the “Trustee”), dated as of February 1, 2002, as previously supplemented and amended (the “Indenture”); and

WHEREAS, the Board of Governors desires to authorize the execution and delivery of one or more supplemental indentures of trust, by and between the University and the Trustee to supplement the Indenture and establish the final terms and conditions of the Refunding Bonds; and

WHEREAS, the details of the above described advance refunding of the Bonds to be Refunded were presented to and discussed during the Board of Governors’ Committee on Facilities and Finance (the “Committee”) meeting on September 17, 2019 and the Committee agreed to recommend approval of the refunding, including the issuance of the Refunding Bonds, to the Board of Governors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of Rutgers, The State University of New Jersey, upon the recommendation of the Committee, and subject to the consent of the Board of Trustees, as follows:

Section 1. The Board of Governors hereby authorizes the Executive Vice President for Finance and Administration and University Treasurer, his designee or such other Authorized

Officers of the University (as defined in the Indenture) (“Authorized Officers”) to proceed with the issuance of the Refunding Bonds as taxable bonds in the amount necessary to effect the advance refunding the Bonds to be Refunded, including the financing of premiums, discounts and costs of issuance thereof, in accordance with, and subject to the terms, conditions and limitations established in this Resolution, including (i) that the Refunding Bonds shall bear interest at a fixed rate with a maximum true interest cost not exceeding 5.0%, (ii) that the final maturity of the Refunding Bonds shall not be later than June 15, 2046, and (iii) that the transaction shall achieve a minimum net present value savings of at least 5% as a percentage of the Bonds to be Refunded.

Section 2. The Board of Governors hereby authorizes and directs an Authorized Officer to enter into and execute, acknowledge and deliver one or more supplemental indentures (each a “Supplemental Indenture”) in connection with the issuance of the Refunding Bonds, between the University and the Trustee, in the name and on behalf of the University, any such Supplemental Indenture to be substantially in the form approved by the Board of Governors for prior financings, with such changes as counsel shall advise; the execution and delivery of any such Supplemental Indenture by the Authorized Officer shall be conclusive evidence of due authorization and approval.

Section 3. The Board of Governors hereby authorizes an Authorized Officer to execute, acknowledge and deliver one or more bond purchase agreements (each a “Bond Purchase Agreement”) with a member of the authorized underwriting pool as designated by the Executive Vice President for Finance and Administration and University Treasurer, in the name and on behalf of the University, any such Bond Purchase Agreement being substantially in the form approved by the Board of Governors for prior financings, with such changes as counsel shall advise; the execution and delivery of any such Bond Purchase Agreement by the Authorized Officer shall be conclusive evidence of due authorization and approval.

Section 4. The Board of Governors hereby authorizes an Authorized Officer to execute, acknowledge and deliver one or more escrow trust agreements and/or letters of instruction (the “Escrow Trust Agreement”) with any escrow trust agent or agents for the Bonds to be Refunded, in the name and on behalf of the University, in the form or forms approved by an Authorized Officer with advice of counsel; the execution and delivery of any such Escrow Trust Agreement by the Authorized Officer shall be conclusive evidence of due authorization and approval.

Section 5. The Board of Governors hereby authorizes and directs an Authorized Officer to enter into and execute one or more Certificates of Determination with respect to the Refunding Bonds, in the name and on behalf of the University, in the form or forms approved by the Authorized Officer with advice of counsel, to be advisable and in the best interests of the University.

Section 6. The Board of Governors hereby authorizes and directs an Authorized Officer to execute and deliver such additional documents as may be necessary and appropriate in connection with the issuance of the Refunding Bonds, in the name and on behalf of the University, in each case in the respective form approved by the Authorized Officer, with advice of counsel, as conclusively evidenced by the Authorized Officer’s execution thereof, to be advisable and in the best interests of the University.

Section 7. In addition to and without limiting the generality of the foregoing, the Authorized Officers or their designees are, and each of them hereby is, authorized and directed to take such further action in connection with (i) the entering into, execution and performance by the University of the above-referenced documents, (ii) the issuance of the Refunding Bonds, (iii) the redemption of the Bonds to be Refunded, and (iv) the execution, delivery and filing of such instruments and documents as such officers, in the name and on behalf of the University, with advice of counsel, may deem appropriate to carry out the issuance of the Refunding Bonds and the redemption of the Bonds to be Refunded; and the taking of such action or execution and performance of such instruments shall be deemed conclusive evidence of the determination of such executing officer that such action or execution was appropriate and in the best interests of the University.

Section 8. Capitalized terms that are used as defined terms herein shall, unless specifically defined herein, have the meanings that are assigned to such terms in the Indenture.

Section 9. Because the Board of Trustees has met prior to this meeting of the Board of Governors and has given its consent, in advance, this Resolution shall take effect immediately.

Attachments: Exhibit A – List of Outstanding Bonds

Board of Governors
Rutgers, The State University
of New Jersey
October 2, 2019



**PROPOSED RESOLUTION
CREATING THE HELEN E. CHANEY CHAIR
IN ALCOHOL STUDIES**

WHEREAS, the quality of the faculty is the most enduring hallmark of a great institution, and an endowed chair provides a singular opportunity to recognize and sustain innovative intellectual work; and

WHEREAS, a generous gift has been given by the estate of Helen E. Chaney to create an endowed chair in alcohol studies; and

WHEREAS, the Helen E. Chaney Chair in Alcohol Studies is designed to honor, retain, or recruit eminent scholars in the field of alcohol studies for service on the faculty of the University; and

WHEREAS, the creation of the Helen E. Chaney Chair in Alcohol Studies has been recommended by Dr. Francine Conway, Dean of the Rutgers Graduate School of Applied and Professional Psychology; Dr. Christopher J. Molloy, Chancellor of Rutgers University–New Brunswick; Dr. Barbara A. Lee, Senior Vice President for Academic Affairs; and Dr. Robert L. Barchi, the President of the University; and

WHEREAS, on September 17, 2019, the Committee on Academic and Student Affairs of the Board of Governors endorsed the establishment of the Helen E. Chaney Chair in Alcohol Studies and recommended approval by the full Board of Governors.

NOW, THEREFORE, BE IT RESOLVED that, upon the recommendation of the Committee on Academic and Student Affairs, the Board of Governors of Rutgers, The State University of New Jersey, approves the creation of the Helen E. Chaney Chair in Alcohol Studies; and

BE IT FURTHER RESOLVED that the Board of Governors of Rutgers, The State University of New Jersey, expresses its deep appreciation to the estate of Helen E. Chaney for the establishment of this chair.

Board of Governors
Rutgers, The State University
of New Jersey
October 2, 2019



**PROPOSED RESOLUTION
AMENDING THE PROJECT RESOLUTION APPROVING UPGRADES
TO THE CO-GENERATION PLANT ON
THE NEWARK HEALTH SCIENCES CAMPUS**

WHEREAS, the Co-Generation plant on Rutgers' Newark Health Sciences Campus provides electric power, heat and cooling to over thirteen buildings as well as to University Hospital ("UH") (for which utilities UH reimburses Rutgers) including significant clinical/patient care space, classrooms, and administrative space; and

WHEREAS, the Co-Generation Plant's three natural gas turbines were installed in 1987, are well beyond the end of their useful lives, use nitrogen oxide reduction technology that is disallowed under current regulations, require excessive maintenance and repair, and only operate at approximately 60% capacity; and

WHEREAS, Rutgers' Department of Institutional Planning and Operations has, in conjunction with UH, investigated replacing the three turbines and finds that new turbines would increase electrical output by approximately 2.8 megawatts, improve reliability and efficiency, reduce energy costs, reduce emissions, and produce energy credits all of which furthers Rutgers' and UH's sustainability goals; and

WHEREAS, on April 6, 2017, the Board of Governors of Rutgers, the State University of New Jersey adopted a resolution approving upgrades to the Co-Generation Plant to provide for resilient operations and continuous "island-mode" functionality (the "Project") at a cost of \$44.5 million that were expected to be paid through the proceeds of a grant from the New Jersey Economic Development Authority's ("EDA") Energy Resiliency Bank ("ERB") program, low interest loans from the ERB program, the New Jersey Infrastructure Bank ("I-Bank"), and Public Service Electric & Gas ("PSE&G"), such funding to be provided to UH for the Project, as well as contributions from UH and Rutgers; and

WHEREAS, Rutgers and UH have entered into certain agreements to further the Project, including an Operation and Services Agreement (the "OSA") and Sublease Agreement ("Sublease") each dated as of February 15, 2018, subject to obtaining the necessary financing for the project; and

WHEREAS, pursuant to the Sublease, Rutgers has agreed to sublet a portion (the "Subleased Premises") of the Rutgers' Premises to UH, which Subleased Premises shall include the Project; and

WHEREAS, on April 9, 2019 the Board of Governors adopted an amendatory resolution revising certain project costs, and, in addition and based on requirements of the grantors and lenders, on August 20, 2019 UH adopted the attached resolution (the "UH Resolution") which

further clarifies the legal structure of the project, including the issuance of a guaranty by Rutgers concerning the I-Bank loan to UH, as well as the sources and uses of funds and confirms that the Project budget will now be \$48.0 million; and

WHEREAS, the Board of Governors now wishes to adopt this resolution to confirm that the University agrees with the legal structure, sources and uses of funds, and overall project budget as described in the attached UH Resolution; and

WHEREAS, the Committee on Finance and Facilities reviewed and discussed this amendatory resolution, as well as the UH Resolution, at its meeting on September 17, 2019 and recommended approval by the Board of Governors.

NOW, THEREFORE, BE IT RESOLVED that, upon the recommendation of the Committee on Finance and Facilities, the Board of Governors of Rutgers, The State University of New Jersey, hereby approves upgrading the Co-Generation plant on the Newark Health Sciences Campus as described in the Board of Governor's prior resolutions, in the attached UH Resolution, and herein, including, among other things, the issuance of a guaranty agreement wherein Rutgers will guarantee UH's portion of the payment obligations of the I-Bank loan to UH, with spending authority for the project up to \$48.0 million; and

BE IT FURTHER RESOLVED that the University administration, acting through the Executive Vice President for Strategic Planning and Operations and Chief Operating Officer, in consultation with the Executive Vice President for Finance and Administration, and University Treasurer, and the Senior Vice President and General Counsel, is hereby authorized and directed to take such actions and execute and perform such other contracts, certificates, or documents as may be necessary to accomplish the project; and

BE IT FINALLY RESOLVED that this Resolution shall take effect immediately.

Attachment: University Hospital Resolution dated August 20, 2019

Board of Governors
Rutgers, The State University
of New Jersey
October 2, 2019



**PROPOSED RESOLUTION
APPROVING UNIVERSITY POLICY 40.2.23
POLICY GOVERNING CENTURY BONDS**

WHEREAS, Rutgers, The State University of New Jersey, issued its first Century Bond, Series 2019P, in calendar year 2019 in order to capitalize the University's Internal Bank to fund new capital projects and deferred maintenance on both an immediate and ongoing basis through the recycling of Internal Bank loans and to convert \$100 million of outstanding Commercial Paper utilized to fund capital construction expenses into long-term, fixed-rate debt to be included as a permanent part of the University's capital structure; and

WHEREAS, it is now necessary to implement a policy that will ensure the proper use of proceeds of the University's Century Bonds and the University's ability to repay the principal balance due after one hundred years; and

WHEREAS, University Policy 40.2.23: Policy on Century Bonds will assist future generations of University leadership in the management of Century Bonds issued within the context of the Internal Bank policies and procedures; and

WHEREAS, on September 17, 2019, the Committee on Finance and Facilities reviewed the proposed University Policy 40.2.23 and recommended its approval by the Board of Governors.

NOW, THEREFORE, BE IT RESOLVED, upon the recommendation of the Committee on Finance and Facilities, that the Board of Governors of Rutgers, The State University of New Jersey, approves University Policy 40.2.23: Policy on Century Bonds.

Attachment: University Policy 40.2.23: Policy on Century Bonds

Board of Governors
Rutgers, The State University
of New Jersey
October 2, 2019