

VCU Board of Visitors

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

February 9, 2011 **Meeting of the Finance, Investment and** **Property Committee** *Minutes*

A meeting of the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University was held on Wednesday, February 9, 2011, at 11:15 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue.

Committee members present were: Messrs. Siegel (Chair), Jackson, Ginther, McMurtrie and Snead; Drs. Broaddus and Doswell; and Mesdames Lambert and Rhodes. Also present were Drs. Rao, Macrina, and Warren; Messrs. Bennett, Davenport, Jez, Litton, Ohlinger, Ross and Willis; and Mesdames Atkinson, Balmer, Currey, Lepley and Perkins.

Mr. Siegel called the meeting to order and the Report of the Senior Vice President for Finance and Administration was presented.

On motion made and seconded, the Committee approved the Minutes of a Meeting held November 10, 2010.

The VCU Operating Pool Investment Policy Amendments were presented. The Board's Investment Policy for Cash Balances requires that a review of the policy be undertaken periodically, and that suggested changes be reported to the Board for consideration. A review of the policy was conducted by VCU's financial advisor in Fall 2010, and several changes were recommended. The principal revisions are intended to improve controls. An additional proposal suggests further diversifying the portfolio to add the emerging market debt of sovereign ratios as an additional asset class. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the VCU Operating Pool Investment Policy Amendments.

The Amendments to the 2010-2016 Six-Year Capital Plan were presented. The amendments include the Siegel Center Club Seating and Office Renovations, the Student Commons HVAC Renovation/Improvements and One Capitol Square Renovations. The Siegel Center Club Seating and Office Renovations include the renovation of the 2nd floor athletics' office suite in the Siegel Center, upgrade the Founders Room to a Club Room, add club seating and renovate offices to relocate the Women's Basketball offices to the southwest side of the building. The renovations will be financed through private funding. The project will renovate approximately 4,600 square feet of office and assembly space and create approximately 200 seats as a balcony accessible from the second floor athletics' office area. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the authorization to

use \$3,000,000 in private funding to accomplish renovations to the Siegel Center and approval of the amendment to the University's Six-Year Capital Plan. The Student Commons HVAC Renovation/Improvements includes the replacement of the mechanical systems serving the University Student Commons. The improvements will be financed with \$2,150,000 of auxiliary enterprise revenues. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval to authorize the use of \$2,150,000 in auxiliary enterprise revenues to accomplish improvements to the mechanical systems in the University Student Commons, and the approval of the amendment to the University's Six-Year Capital Plan.

The Amendment to the 2010-2012 Six-Year Capital Plan for the One Capitol Square Renovations includes a request to increase the budget from the 2010-12 Six-Year Plan authorization of \$3 million to \$5 million. The renovation will be financed using University Funds. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the amended project total of \$5 million.

The Authorization of the Transfer of Metro Buy-Out Quasi-Endowment to Fund Planning for Siegel Center Club Seating and Office Renovations was presented. The Metro Buy-Out Fund is a quasi-endowment account established to temporarily invest the proceeds from the settlement payment from the Metro Conference to VCU Athletics upon the dissolution of that conference. Transfers to date have been used in the construction of the Siegel Center (\$1,000,000 transfer in May 1999) and for construction and equipping the VCU athletic weight room located in the Bowe Street Parking Deck (\$500,000 transfer in February 2002). The current balance of the fund is \$44,785. Athletics has requested the use of the balance of the quasi-endowment to fund engineering and architectural work for the club seating project in the Siegel Center. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the requested return of the quasi-endowment funds.

The Project Plans for the Student Commons HVAC Renovation/Improvements were presented. The project will replace outdated mechanical equipment in the Phase I portion of the University Student Commons, address ongoing operation problems with pump and piping systems in the Phase II portion of the building, and replace the obsolete pneumatic control system with modern electronic controls. The improvements will increase the overall efficiency and effectiveness of the building's mechanical system, while also improving the overall health of the indoor environment. The construction budget is \$1,795,000 with a total budget of \$2,150,000. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Projects Plans for the Student commons HVAC Renovation/Improvements.

A Request for Proposals (RFP) for the Audio Visual and Multimedia Equipment was presented. The purpose of the request is to establish contracts with multiple contractors who will provide audio-visual and multimedia equipment to the University. An RFP will be issued in compliance with all State and University procurement regulations, with a target date of April 1, 2011, and awarded by September 1, 2011. The completion date will ensure no lapse in the current contract which expires October 23, 2011. The

anticipated contract amount is \$4,000,000 over five years. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Request for Proposals for the Audio Visual and Multimedia Equipment.

A Request for Proposals (RFP) for the Monroe Park Campus Housekeeping Services was presented. VCU wishes to seek proposals from contractors to provide full custodial services in 83 buildings representing 1,940,815 square feet on the Monroe Park Campus. All University housekeeping services are privatized for academic, research and medical facilities. An RFP will be issued in compliance with all state procurement regulations. The RFP is to be issued on or around July 1, 2011. The awarded contract will commence on or about December 1, 2011. The anticipated contract amount is estimated at \$2,000,000 annually. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval to seek proposals from qualified firms to provide high quality, cost-effective housekeeping services to the University, at an estimated cost of \$2,000,000 annually.

The following items were presented for information:

- Capital Projects Status Report
- Notification of Contract Award: New School of Medicine
- Operating Pool Investment Report as of December 31, 2010
- University Quarterly Budget Performance Report through December 31, 2010
- University's Financial Statements for the Year Ended July 30, 2010
- Foundation Annual Reports
 - a. MCV Foundation
 - b. VCU Intellectual Property Foundation
 - c. VCU School of Business Foundation
 - d. VCU Foundation
- Virginia Commonwealth University Health System Financial Statement Summary
Fiscal Year 2010 – Six Months Ending December 31, 2010

On motion made and seconded, the Committee convened into closed session to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held real property, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU, including the acquisition of property on or adjacent to the Monroe Park Campus as authorized by Section 2.2-3711 A(3) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following Resolution was approved by roll call vote:

The Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed, or considered by the

Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart C. Siegel, Chair	X	
Mr. Brian K. Jackson, Vice Chair	X	
Dr. J. Alfred Broaddus, Jr.	X	
Dr. John C. Doswell II	X	
Mr. William M. Ginther	X	
Mrs. Lillian L. Lambert	X	
<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>

Mr. Alexander B. McMurtrie, Jr.	X
Mr. Thomas G. Snead, Jr.	X
Mrs. Anne J. G. Rhodes, Rector	X

Vote:

Ayes: 9

Nays: 0

Absent during meeting: 0

Absent during voting: 0

The Chair reported no action was taken.

The meeting was adjourned at 12:45 p.m.