



Minutes

Date: September 15, 2016

Time: 1:00 p.m. – 4:00 p.m.

Location: James Branch Cabell Library, 901 Park Avenue, Richmond, VA, Room 303

Present: Mr. John A. Luke Jr., Rector
Ms. Phoebe P. Hall, vice rector
Mr. H. Benson Dendy III
Mr. William M. Ginther
Dr. Robert D. Holsworth
Ms. Colette W. McEachin
Mr. Ronald McFarlane
Mr. Alexander McMurtrie, Jr.,
Mr. Tyrone E. Nelson
Mr. Keith T. Parker
Dr. Carol S. Shapiro, secretary
Dr. John W. Snow
Ms. Jacquelyn E. Stone
Dr. Shantaram Talegaonkar
Mr. Steve L. Worley
Dr. Michael Rao
Ms. Madelyn Wessel
Mr. Matthew A. Conrad
Ms. Laurie J. Carter
Staff and students from VCU and VCUHS

Members of the press

Unavailable: Ms. Jacquelyn E. Stone

Mr. G. Richard Wagoner

The meeting was called to order at 12:59 p.m. by Mr. Luke and Mr. Luke presented his Rector's report and Dr. Rao presented his Presidential report to the board. On motion made and seconded, the Strategic Priorities and Performance Measure for 2016-17 as presented by President Rao were approved.

On motion made and seconded, minutes for the Board of Visitors from meetings held on May 13, 2016 and August 18, 2016 were approved.

Dr. Shapiro reported for the Academic and Health Affairs Committee the following information items were presented and the committee had general discussion regarding each item.

Dr. Hackett presented the committee dashboard and continued a discussion on how the dashboard will evolve for the next academic year.

Ms. Halloran presented the strategic enrollment management report.

Dr. Allison provided an updated from Inclusive Excellence.

Ms. Howard and Ms. DeShazo provided an updated on the community-engaged partnership map.

Dr. Hackett provided a strategic planning update.

The Faculty Senate report was presented.

The Staff Senate report was presented

The Student Representatives reported on recent activities.

Mr. Worley reported for the Audit, Integrity and Compliance Committee and on motion made and seconded the board approved the following action item:

- Audit and Compliance Services Charter – Annual Update

Additionally, Mr. Worley reported the following items were presented to the Audit, Integrity and Compliance Committee for information and after general discussion follow-up requests were made:

- Committee Goals FY17 were presented by Mr. Cole
- Committee Dashboard Measures Status was presented by Mr. Cole with all indicators being green except Data Security and Compliance Oversight being yellow.

- Audit and Compliance Services – Staff Credentials and Department Budget was presented by Mr. Cole.
- Audit and Compliance Services – Goals, Objectives, and Accomplishments were presented by Mr. Cole

Mr. Ginther reported for the Finance, Budget and Investment Committee and on motion made and seconded the board approved the following action items:

- Committee Charter and Planner
- Financial Assumptions in Six-Year Plan
- Resolutions:

Authorizing Certain Officers to Execute Financing Documents

RESOLUTION OF THE BOARD OF VISITORS OF

VIRGINIA COMMONWEALTH UNIVERSITY

AUTHORITY OF CERTAIN OFFICERS

TO EXECUTE FINANCING DOCUMENTS

WHEREAS, Chapter 6.1, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code") establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

WHEREAS, Title 23 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

WHEREAS, by Chapter 4.10, Title 23 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes;

WHEREAS, the Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from any one or more of the following sources: (i) its

revenues generally; (ii) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds, notes, or other obligations; (iii) funds realized from the enforcement of security interests or other liens or obligations securing such bonds, notes, or other obligations; (iv) proceeds from the sale of bonds, notes, or other obligations; (v) payments under letters of credit, policies of municipal bond insurance, guarantees, or other credit enhancements; (vi) any reserve or sinking funds created to secure such payment; (vii) accounts receivable of the University; or (viii) other available funds of the University;

WHEREAS, the University's Management Agreement allows the Board, consistent with the its full and ultimate accountability and pursuant to its legally permissible procedures, to specifically delegate by Board resolution the duties and responsibilities pertaining to financial operations and management to a person or persons within the University, who, while continuing to be fully accountable for such duties and responsibilities, may further delegate the implementation of those duties and responsibilities pursuant to the University's usual delegation policies and procedures.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

The Board directs the President or his designee to continue to bring before the Board any future proposed debt transactions for approval in keeping with historical practice and the terms of the Management Agreement.

The President, the Vice President for Finance and Budget, the University Treasurer, or any other individual designated by the President are each hereby authorized to serve as "Authorized Officers" for the purpose of executing any documents related to:

the issuance of bonds, notes, or other obligations for any purpose that is consistent with the University's mission, including, without limitation, to finance or refinance any project (as defined in Virginia Code § 23-38.89),

appropriately managing operational cash flows,

providing for short term financing

refunding bonds, notes or other obligations issued by or on behalf of the University, or otherwise, including bonds, notes, or other obligations or obligations not then subject to redemption, and

any guarantee, assumption or agreement to pay, in whole or in part, indebtedness issued by such institution or any affiliated entity for managing operational cash flows or resulting in the acquisition or construction of facilities for the benefit of such institution, or the refinancing thereof.

The Board's delegation of the authority herein to the President, the Vice President for Finance and Budget, and the University Treasurer extends to any successor to such office, whether holding such title or not, so long as the duties of such office are substantially similar to that of the President, the Vice President for Finance and Budget, and the University Treasurer.

The Board hereby ratifies all documents executed by the President, the Vice President for Finance and Budget, and the University Treasurer (or any predecessor to such office, whether holding such title or not), or any individual specifically designated by the President to execute documents related to the financial operations and debt management described herein.

Authorizing Use of the Line of Credit for the Engineering Building
RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY

CAPITAL PROJECT DETAILED PLANNING AUTHORIZATION AND
CONFIRMATION OF AUTHORIZATION OF THE LINE OF CREDIT FOR THE
SCHOOL OF ENGINEERING RESEARCH EXPANSION PROJECT

WHEREAS, under the 2008 Management Agreement between the Commonwealth of Virginia (the "Commonwealth") and Virginia Commonwealth University (the "University"), the Board of Visitors (the "Board") is required to authorize the initiation of each major capital project by approving its size, scope, budget, and funding;

WHEREAS, the University desires to develop detailed plans to construct, equip and furnish an approximately 125,000 gross square foot School of Engineering Research Expansion project, (the "Project");

WHEREAS, the cost to develop detailed plans for the Project is approximately \$5,600,000;

WHEREAS, under the 2008 Management Agreement between the Commonwealth and the University, major capital projects may be submitted to the Board for authorization at any time but must include a statement of urgency if not part of the approved Six Year Capital Plan;

WHEREAS, the Project is a part of the Six Year Capital Plan approved by the Board on May 8, 2015;

WHEREAS, under the 2008 Management Agreement between the Commonwealth and the University, the University has the authority to issue bonds, notes or other obligations that do not constitute state tax supported debt;

WHEREAS, on March 4, 2014, the Executive Committee of the Board (the "Executive Committee") adopted a resolution (the "Authorizing Resolution") that authorized the entering into of a revolving line of credit (the "Line of Credit") for purposes of providing short term financing for, among other projects, the construction, equipping and furnishing of three initial capital projects (collectively the "Initial Projects");

WHEREAS, in addition to the Initial Projects, the Executive Committee authorized the use of the Line of Credit to provide short term financing for (i) any other capital projects that have been authorized by the Board and (ii) any other capital projects which are below the then threshold (currently \$2,000,000) for requiring Board approval as set forth in the University's "Authority to Execute Contracts and Other Documents" policy;

WHEREAS, the Board desires to confirm that the University is authorized to use proceeds of the Line of Credit for purposes of providing short term financing for the Project;

WHEREAS, the Board will further review and approve a financing resolution prior to securing permanent financing for the University's portion of the debt component of the Project, plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; and,

WHEREAS, the University may address minor cost variances provided sufficient funds are available to support the full project costs;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

The University is authorized to move forward with a \$5,600,000 detailed planning authorization for the School of Engineering Research Expansion project in an aggregate principal amount not to exceed \$5,600,000, plus related issuance costs and financing expenses.

The Board hereby confirms that up to \$5,600,000 of the proceeds of the Line of Credit (or any other borrowing mechanism that prior to such borrowing has been approved by the Board) is authorized pursuant to the Authorizing Resolution to be used for purposes of providing short

term financing for the School of Engineering Research Expansion project, plus related issuance costs and financing expenses.

Any Authorized Officer (as defined in the Authorizing Resolution) and any other officers that the University has duly authorized through subsequent resolution of the Board, and their delegates, are each hereby authorized to take such actions and to execute and deliver on behalf of the University any and all agreements, certificates or other documents, which they deem necessary or desirable in order to carry out the foregoing resolutions or the Authorizing Resolution and any and all actions heretofore taken by them consistent with the foregoing resolutions or the Authorizing Resolution are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

**Authorizing Use of the Line of Credit for the School of Allied Health Professions
Building**

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY**

**CAPITAL PROJECT CONSTRUCTION AUTHORIZATION AND
CONFIRMATION OF AUTHORIZATION OF THE LINE OF CREDIT FOR THE
SCHOOL OF ALLIED HEALTH PROFESSIONS BUILDING PROJECT**

WHEREAS, under the 2008 Management Agreement between the Commonwealth of Virginia (the "Commonwealth") and Virginia Commonwealth University (the "University"), the Board of Visitors (the "Board") is required to authorize the initiation of each major capital project by approving its size, scope, budget, and funding;

WHEREAS, the University has developed detailed plans to construct, equip and furnish an approximately 155,000 gross square foot, \$87,300,000 School of Allied Health Professions Building project (the "Project");

WHEREAS, under the 2008 Management Agreement between the Commonwealth and the University, major capital projects may be submitted to the Board for authorization at any time but must include a statement of urgency if not part of the approved Six Year Capital Plan;

WHEREAS, the Project is a part of the Six Year Capital Plan approved by the Board on May 8, 2015;

WHEREAS, under the 2008 Management Agreement between the Commonwealth and the University, major capital projects that are to be funded entirely or in part by a general fund appropriation of the General Assembly or proceeds from state tax supported debt, shall require both Board approval and those pre-appropriation approvals of the state's governmental agencies then applicable, and shall follow the state's process for capital budget requests;

WHEREAS, the Project is to be funded in part with approximately \$76,500,000 of proceeds from state tax supported debt and the Project has followed the state's process for capital budget requests and has obtained all necessary pre-appropriation approvals of the state's governmental agencies;

WHEREAS, the Project, in addition to being funded in part with approximately \$76,500,000 of proceeds from state tax supported debt, is to be funded in part with approximately \$10,800,000 of University bonds, notes or other obligations that do not constitute state tax supported debt (plus related issuance costs and financing expenses);

WHEREAS, under the 2008 Management Agreement between the Commonwealth and the University, the University has the authority to issue bonds, notes or other obligations that do not constitute state tax supported debt;

WHEREAS, on March 4, 2014, the Executive Committee of the Board (the "Executive Committee") adopted a resolution (the "Authorizing Resolution") that authorized the entering into of a revolving line of credit (the "Line of Credit") for purposes of providing short term financing for, among other projects, the construction, equipping and furnishing of three initial capital projects (collectively the "Initial Projects");

WHEREAS, in addition to the Initial Projects, the Executive Committee authorized the use of the Line of Credit to provide short term financing for (i) any other capital projects that have been authorized by the Board and (ii) any other capital projects which are below the then threshold (currently \$2,000,000) for requiring Board approval as set forth in the University's "Authority to Execute Contracts and Other Documents" policy;

WHEREAS, the Board desires to confirm that the University is authorized to use proceeds of the Line of Credit for purposes of providing short term financing for the Project;

WHEREAS, the Board will further review and approve a financing resolution prior to securing permanent financing for the University's portion of the debt component of the Project, plus amounts needed to fund issuance costs, reserve funds, and other financing expenses; and,

WHEREAS, the University may address minor cost variances provided sufficient funds are available to support the full project costs;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

The University is authorized to move forward with the construction, equipping, and furnishing of the School of Allied Health Professions Building project in an aggregate principal amount not to exceed \$87,300,000 in total project costs, plus related issuance costs and financing expenses.

The Board hereby confirms that up to \$10,800,000 of the proceeds of the Line of Credit (or any other borrowing mechanism that prior to such borrowing has been approved by the Board) is authorized pursuant to the Authorizing Resolution to be used for purposes of providing short term financing for the School of Allied Health Professions Building project, plus related issuance costs and financing expenses.

Any Authorized Officer (as defined in the Authorizing Resolution) and any other officers that the University has duly authorized through subsequent resolution of the Board, and their delegates, are each hereby authorized to take such actions and to execute and deliver on behalf of the University any and all agreements, certificates or other documents, which they deem necessary or desirable in order to carry out the foregoing resolutions or the Authorizing Resolution and any and all actions heretofore taken by them consistent with the foregoing resolutions or the Authorizing Resolution are hereby ratified and confirmed.

This Resolution shall take effect immediately upon its adoption.

- Alternative Construction Process
- Capital Amendments
 - West Hospital, 9th Floor
 - Rice Center Lodge
 - Sanger Hall Phase II, Part B

Additionally, Mr. Ginther reported the following items were presented to the Finance, Budget, and Investment Committee for information and after general discussion follow-up requests were made:

- Capital Projects Update by Dr. Weiss.
- June 30, 2016 Preliminary Cash Balance Position presented by Ms. Kain Gray.
- New Budget Model Update by Ms. Kain Gray
- Finance, Budget and Investment Committee Dashboard by Ms. Kain Gray
- Notification of Contract Awards by Dr. Weiss
 - Rhoads Hall Restroom Renovations
 - Raleigh Building Renovations
- Treasurer's Report Operating Pool, Long-Term Investment Portfolio and Glasgow Endowment Fund as of June 30, 2016, Compliance & Asset Allocation Review, and Cash, Debt & Monitoring Report as of September 9, 2016 by Ms. Kain Gray

The following information was included in the board materials but was not presented in the committee meeting:

- Update on Agency Risk Management and Internal Controls Standards (ARMICS)
- Board of Visitors Fund Annual Report as of June 30, 2016
- Revenue and Expense Summary as of June 30, 2016
- VCU Health System and Financial Operations as of December 31, 2015

Ms. Hall reported for the Governance and Compensation Committee and reported that they had no action items for approval. However, the following items were presented to the Governance and Compensation Committee for information and after general discussion follow-up requests were made:

- Committee dashboard, charter and calendar was reviewed and discussed. Mr. Conrad provided an overview and staff is going to continue to work to define goals and clearly identify measures for those goals.
- Board Assessment – process and too review was discussed. Mr. Conrad will coordinate with the Association of Governing Boards (AGB) in using their board assessment tool. Ms. Hall will follow up with individual members of the board at the conclusion of AGB board assessment. Mr. Conrad will provide an update at the December meeting.

Mr. Nelson reported for the University Resources Committee and on a motion made and seconded, the board approved the following resolution:

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY
ENDORSEMENT OF COMPREHENSIVE CAMPAIGN**

WHEREAS, Virginia Commonwealth University (VCU) has a comprehensive plan to engage and elevate all schools, departments and units through increased philanthropic investments during this eight-year period;

WHEREAS, the people who comprise all of VCU schools, departments, and units will benefit from this increase in philanthropic investments from alumni, friends, corporations, foundations, friends, the Greater Richmond Region, and beyond;

WHEREAS, such philanthropic investments provide important resources that will help assure student success, faculty recruitment and retention, high-quality patient care, transformational research activities and increased community engagement.

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY:**

1. The Board endorses an eight-year comprehensive philanthropic campaign to support all schools and units at the university.
2. The Make It Real Campaign for VCU will publicly launch on September 22, 2016 with a goal to be announced at that time.
3. The Board endorses a comprehensive campaign goal range between \$750,000,000 and \$800,000,000.
4. This Resolution shall take effect immediately upon its adoption.

Additionally, Mr. Nelson reported the following items were presented to the University Resources Committee and after general discussion follow-up requests were made:

- Introductions and Dashboard Review was presented by Mr. Nelson.
- Government Relations Report by Mr. Conrad and Ms. Gunther
- Public Relations and Marketing Communications Report Ms. Lepley
- Vice President's Report by Ms. Heil

The follow presentations were made and after general discussion follow up requests were made:

- Chief Venuti presented a campus safety update.

- Ms. Kain Grey presented a budget model update
- Dr. Hackett presented the career advising/services continuum.
- Ms. Rugless present the title IX FY16 data and program review.

On motion made and seconded, the Board into closed session to discuss certain confidential personnel matters, scholastic records, or the performance of specific individuals; 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; to consult with legal counsel regarding legal matters; and/or to discuss confidential matters relating to gifts, bequests, and fund-raising activities, including the Report of the Vice President, the Development Report, the consideration of the Named Funds and Spaces Report; the award of a public contract involving the expenditure of public funds and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU as authorized by Section 2.2-3711 A(1), A(2), A(3), A(7), A(8) and A(29) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following resolution was certified by a show of hands:

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 Board of Visitors of Virginia Commonwealth University.

<u>Member</u>	<u>Ayes</u>	<u>Nays</u>
Mr. John A. Luke Jr., Rector	x	
Ms. Phoebe P. Hall, vice rector	x	
Mr. H. Benson Dendy III	absent for voting	
Mr. William M. Ginther	x	
Dr. Robert D. Holsworth	x	
Ms. Colette W. McEachin	x	

Mr. Ronald McFarlane	x
Mr. Alexander B. McMurtrie, Jr.,	absent for voting
Mr. Tyrone E. Nelson	x
Mr. Keith T. Parker	x
Dr. Carol S. Shapiro, secretary	x
Ms. Jacquelyn Stone	absent
Dr. John W. Snow	absent for voting
Dr. Shantaram Talegaonkar	x
Mr. Steve L Worley	x
Mr. G. Richard Wagoner	absent

Vote:

Ayes: 11

Nays: 0

ABSENT DURING MEETING: 2

ABSENT DURING VOTING: 5

On motion made and seconded, the following items were approved from closed session:

- APPROVE personnel action as detailed in the Faculty Appointments and Changes in Status report; and
- APPROVE the Presidential Medallion, Edward A Wayne Medal, and Honorary Degree Nominations; and
- APPROVE the Named Funds and Spaces Report; and
- APPROVE the 2015-16 Incentive as discussed for the President; and
- ACCEPT closed session committee reports.

The meeting was adjourned at 4:43 p.m.