



**MEETING
OF THE
FINANCE, BUDGET AND INVESTMENT COMMITTEE
11:00 A.M.
SEPTEMBER 14, 2017
JAMES CABELL LIBRARY
901 PARK AVENUE, ROOM 303, RICHMOND, VIRGINIA**

MINUTES

COMMITTEE MEMBERS PRESENT

Mr. William Ginther, chair
Mr. Benson Dendy, vice chair
Mr. John Luke, Jr.
Mr. Keith Parker
Dr. Shantaram Talegaonkar

COMMITTEE MEMBER ABSENT

Mr. Alexander McMurtrie, Jr.
Ms. Jacquelyn Stone

BOARD MEMBERS PRESENT

Ms. Phoebe Hall, rector

OTHERS PRESENT

Dr. Michael Rao, President
Ms. Karol Kain Gray, Vice President for Finance and Budget
Dr. Meredith Weiss, Vice President of Administration

Staff and students from VCU and VCUHS

Members of the press

CALL TO ORDER

Mr. William Ginther, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:04 a.m.

APPROVAL OF AGENDA

Mr. Ginther asked for a motion to approve the agenda for the September 14, 2017 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the agenda for the September 14, 2017 meeting of the Finance, Budget and Investment Committee (AICC) meeting was approved.

APPROVAL OF MINUTES

Mr. Ginther asked for a motion to approve the minutes of the May 12, 2017 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the Minutes of the May 12, 2017 were approved. A copy of the minutes can be found at on the VCU website at the following webpage
<http://www.president.vcu.edu/board/committeeminutes.html>.

ACTION ITEMS:

COMMITTEE CHARTER AND PLANNER

Ms. Gray presented the committee charter which is updated annually in keeping with the Board's Bylaws and current operational practices by changing the requirement to review the qualifications of committee members and staff and to review the work of the Fiscal Integrity and Stewardship Committee from "annually" to "as needed."

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded the Finance Budget and Investment charter was approved.

FINANCIAL ASSUMPTIONS IN THE SIX YEAR PLAN

RESOLUTIONS

Ms. Gray reviewed three resolutions for financial purposes described as follows:

- 2015A General Revenue Pledge Bond – a revision to the \$27 million fund to include university-owned parking facilities located in or around campus. The original bond was adopted by the Board on May 8 and June 11, 2015.
- VCBA Bond - Virginia College Building Authority Debt Financing Resolution for \$10.8 million to construct the New Allied Health Professions Building. Debt service payments will be paid from a combination of the School of Allied Health Profession's ongoing tuition and fee revenues and increased enrollment.
- Administrative Fee for Endowments – a resolution authorizing VCU to charge an administrative fee to the Glasgow and Quasi Endowments. Currently, VCU administers the Glasgow true endowment as well as the \$90 million quasi-endowment. Foundations are currently assessing 100 basis points in administrative fees, with the exception of the School of Engineering foundation. The resolution includes a 100 basis point fee on endowments

administered by the University for the purpose of funding central finance and development budgets.

Mr. Ginther asked for a motion to approve all three resolutions. After motion duly made and seconded the Finance Budget and Investment Committee approved the resolutions.

ARCHITECT/ENGINEER SELECTIONS:

Dr. Weiss reviewed four architect selections as outlined below:

1. West Hospital Eighth Floor Renovation - KOP Architects, PC
2. West Main Street Parking Deck Restoration - Dunbar, Milby, Williams, Pittman & Vaughan
3. MCV Campus Steam Line Installation - Draper Aden, PC
4. Scott House Renovations – Glave Homes, PC

Mr. Ginther asked for a motion to approve the four selections as presented. After motion duly made and seconded, the Finance Budget and Investment Committee approved the architect selections.

AMENDMENT TO SIX YEAR CAPITAL PLAN

Dr. Weiss presented three amendments to the six year capital plan including the MCV Campus Steam Line Replacement, Engineering School including Project Plans, and the Energy Performance Contract.

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded, the Finance Budget and Investment Committee approved all three amendments.

APPROVAL OF PROCUREMENT PROCEDURES

Dr. Weiss presented two changes two construction procedures that required committee approval. The Construction Management at Risk and the Design-Building Construction procurement procedures require revision based on new code regulations at the State.

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded, the Finance Budget and Investment Committee approved the new procurement methods.

REPORT FROM VICE PRESIDENT OF ADMINISTRATION

Dr. Weiss presented an update on the University Master Site Planning process and the committee asked about having further updates on this project especially regarding the idea of a “front door” to the University as part of the suggested plan improvements. Mr. Ginther and other board members agreed that there needs to be new ideas regarding branding especially with the opening of the ICA Building as well as other campus entrances off of the interstates.

REPORT FROM VICE PRESIDENT OF FINANCE AND BUDGET

Ms. Gray provided an update on the new budget model reporting that the model is parallel reporting in FY2018 and that the Steering Committee approved allocation methods for E&G and Sponsored Research. The focus is now on reporting processes and infrastructure, and training for key personnel. Ms. Gray also presented the Treasurer's Report that was distributed to the Board for informational purposes.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Ginther noted that there were several reports provided to the committee for informational purposes, specifically, the Sources and Uses funding for FY18, the Revenue and Expense Summary as of June 30, 2017; the VCU Health System and Financial Operations as of June 30, 2017; Capital Projects Update; the Finance, Budget & Investment Committee Dashboards; Agency Risk Management and Internal Controls Standards Report; the Board of Visitors Fund Annual Report as of June 30, 2017, and the SWAM Report.

CLOSED SESSION

On motion made and seconded, the meeting of the Finance, Budget and Investment Committee convened into closed session pursuant to Sections 2.2-3711 (A) (3) of the Virginia Freedom of Information Act for the discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Ginther, Chair, called the meeting to order. On motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the joint meeting of the Finance, Budget and Audit Committee and the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee of the Board.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. William Ginther, chair	X	
Mr. Benson Dendy, vice chair	X	
Mr. John Luke, Jr.	X	
Mr. Keith Parker	X	
Dr. Shantaram Talegaonkar	X	

All members responding affirmatively, the resolution of certification was unanimously adopted.

Mr. Ginther asked for a motion to recommend to the full Board approval of the real estate item discussed in closed session and to authorize the President and/or his to negotiate and execute a commercial lease on the terms discussed in closed session. After motion duly made and seconded, the Committee approved the motion.

ADJOURNMENT

There being no further business Mr. Ginther, Chair, adjourned the meeting at 12:14 p.m.