



**MEETING
OF THE
FINANCE, BUDGET AND INVESTMENT COMMITTEE
11:00 A.M.
MAY 12, 2017
JAMES CABELL LIBRARY
901 PARK AVENUE, ROOM 303, RICHMOND, VIRGINIA**

MINUTES

COMMITTEE MEMBERS PRESENT

Mr. William M. Ginther, chair
Ms. Phoebe Hall, vice rector
Mr. Keith Parker
Honorable John W. Snow
Ms. Jacquelyn Stone
Dr. Shantaram Talegaonkar
Mr. Steve L. Worley

COMMITTEE MEMBER ABSENT

Mr. Alexander B. McMurtrie, Jr., Vice Chair

BOARD MEMBERS PRESENT

Mr. John A. Luke Jr., rector

OTHERS PRESENT

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 M. Ginther, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:17 a.m.

APPROVAL OF MINUTES

Mr. Ginther asked for a motion to approve the minutes of the March 22, 2017 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and

seconded the Minutes of the March 22, 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

PROPOSED 2017-18 TUITION AND FEES AND UNIVERSITY BUDGET PLAN

Ms. Karol Kain Gray, Vice President for Finance and Budget, explained the need to approve the proposed tuition rate for FY18 as well as approve the Education and General (E&G) as well as the all funds portions of the University Budget. As a follow-up to the April 6 Budget Workshop meeting, the Committee discussed the proposed budget and the associated tuition and fees rates.

After questions on unavoidable expenses and initiatives that will not be funded due to state budget cuts of \$3.8 million, Mr. Ginther asked for a motion to recommend approval to the full board the proposed 2017-187 tuition and fees rate of 3.8% and the all funds university budget plan.

2018-2024 SIX YEAR CAPITAL PLAN

Dr. Meredith Weiss reviewed the capital outlay priorities for the next three biennia. The projects are segregated into those requesting state funding support and those funded with University funds. The projects will be revised in 2019 based on the new academic strategic plan and the new master site plan.

AMENDMENTS TO PREVIOUS SIX YEAR CAPITAL PLANS

- i. Raleigh Building Renovation – budget amendment to add \$845,768 (university funded) related to unforeseen conditions encountered during construction.
- ii. Scott House Renovation – Renovation of 1910 historic building for antiquated building systems to create usable meeting and office space . Total project cost = \$7 million with University sharing half those costs along with state support.

After discussion, Mr. Ginther asked for a motion to recommend approval to the full board. . After motion duly made and seconded, the committee unanimously approved the University moving forward with the 2018-2024 Capital Plan and the two capital amendments to previous plans.

REPORT FROM VICE PRESIDENT OF ADMINISTRATION

Dr. Weiss provided notification of the contract award for the Allied Health Professions Building. This new building will be located on the southwest corner of the block bounded by Leigh Street, 9th Street, Turpin Street and 10th Street. In order to construct the School of Allied Health

Professions building on this site, the low rise dormitories; Bear Hall, Warner Hall, Rudd Hall and McRae Hall, located at 600 North 10th Street on the MCV Campus, were demolished.

The contract was awarded to The Whiting-Turner Contracting Company, Richmond, Virginia. The Guaranteed Maximum Price Contract is \$61,494,549 and the total budget for this project is \$80,331,549 from State Supported Debt, University Supported Debt, and Auxiliary Enterprise.

REPORT FROM VICE PRESIDENT OF FINANCE AND BUDGET

Ms. Gray provided an update on the new budget model reporting that the model is ready for 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 Revenue and Expense Summary as of March 31, 2017; the VCU Health System and Financial Operations as of March 31, 2017; Capital Projects Update; and the Finance, Budget & Investment Committee Dashboards.

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. John A. Luke, Jr., Rector	X	
Mr. William Ginther	X	
Ms. Phoebe B. Hall, Vice Rector	X	
Mr. Keith Parker	X	
Ms. Jacquelyn E. Stone	X	
Dr. Shantaram Talegaonkar	X	
Mr. Steve L. Worley	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, with Mr. Ginther and Ms. Hall recusing themselves from the vote citing conflict of interest reasons.

ADJOURNMENT

There being no further business Mr. Ginther, Chair, adjourned the meeting at 11:54 a.m.