



**BOARD OF VISITORS
FINANCE, BUDGET AND INVESTMENT COMMITTEE
11:00 A.M.
DECEMBER 7, 2018
JAMES CABELL LIBRARY
901 PARK AVENUE, ROOM 303, RICHMOND, VIRGINIA**

MINUTES

DRAFT

COMMITTEE MEMBERS PRESENT

Mr. Benson Dendy, chair
Mr. Stuart Siegel, vice chair
Dr. Gopinath Jadhav
Mr. John Luke, Jr.
Mr. Keith Parker
Ms. Jacquelyn Stone
Dr. Shantaram Talegaonkar

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

CALL TO ORDER

Mr. Ben Dendy, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:13 a.m.

APPROVAL OF AGENDA

Mr. Dendy asked for a motion to approve the agenda for the December 7, 2018 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded, the agenda for the Finance, Budget and Investment Committee meeting was approved.

APPROVAL OF MINUTES

Mr. Dendy asked for a motion to approve the minutes of the May 11, 2018 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the Minutes of the May 11, 2018 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 as needed. There were no changes in either the charter or the planner this year.

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

PROJECT PLANS FOR STEM: CLASS LABORATORY BUILDING

Dr. Weiss presented the architectural project plans for the capital project originally approved in May 2013 as part of the BOV approved the 2014-2020 Six Year Capital Plan, which included plans for two STEM structures on the site of the Franklin Street Gym. In May 2015, the BOV approved the architect and engineering firm selection, Ballinger. After a thorough cost-benefit analysis, VCU decided to build one STEM structure on the site instead of two. Building only one structure is more cost effective, improves the building's functionality, and decreases construction time and disruption. VCU seeks approval of the project plan.

Mr. Dendy asked for a motion to recommend Board approval of the project plans. After motion duly made and seconded the recommendation to the Board to approve the project plans for STEM: Class Laboratory Building was approved.

AMENDMENT TO THE SIX YEAR CAPITAL OUTLAY PLAN FOR TRANI LIFE SCIENCES ROOF AND HVAC REPLACEMENT

Dr. Weiss presented a request for a \$2 million dollar amendment to the University's 2016-2022 Six Year Capital Plan due to increased costs for replacement of roofing and major mechanical equipment in the Trani Life Sciences building. The Board approved \$6 million in December 2017 for this project; however, the architect increased construction estimates an additional \$2 million due to a sudden rise in labor costs and mechanical equipment supply.

Mr. Dendy asked for a motion to recommend the Board approve the amendment for the Trani Life Sciences Roof and HVAC Replacement. After motion duly made and seconded recommendation for the Board to approve the \$2 million amendment for the Trani Life Sciences Roof and HVAC project was approved.

REPORT FROM SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Ms. Gray provided an update on the University's cash position for 2016, 2017, and 2018 which shows approximately \$500 million for each year without increases as the University continues to spend any additional dollars earned each year.

Ms. Gray updated the committee on the procurement activities featuring Small, Women-owned

and Minorities (SWAM) vendors. Several board members had asked about the statistics related to the University's overall procurement expenditures and the percentages related to these SWAM vendors. VCU Procurement is working to increase SWAM participation by hosting SWAM focused events and the 2019 SWAMfest in Richmond.

Ms. Gray also provided an updated report on enrollment as it relates to projected revenue using the most recent data gathered from the FY19 Fall Census.

Ms. Gray then asked Ms. Nancy Everett of the VCU investment management company (VCIMCO) to provide an investment update to the committee. Ms. Everett reviewed current assets under management by VCIMCO and how the investment portfolio was built. Over the last two years, VCIMCO has slowly added asset management to the portfolio. The majority of the strategic asset categorization is either venture capital or buy out. The VCU Health System chart of liquidity is very similar to the University's chart. The VCU and Glasgow Endowment funds are in two accounts (Ram and Ram Private Asset) where assets are co-mingled for maximum benefit. Ms. Everett reported that the VCIMCO portfolio was comprised to expect to focus on capital preservation for better terms in the long run. Ms. Gray also reminded the committee of the newly created Quasi endowment that has grown from \$90 million to \$97 million in just two years.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Dendy noted that there were several reports provided to the committee for informational purposes, specifically, the Sources and Uses funding for FY19, the Revenue and Expense Quarterly Summary, the VCU Health System and Financial Operations; Capital Projects Update; the State Audit Report, the Finance, Budget & Investment Committee Dashboards, and, the Treasurer's 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) and (A) (29) 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 and the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract 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. Dendy, 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. Ben Dendy, Chair	X	
Mr. Stuart Siegel, Vice Chair	X	
Mr. John Luke	X	
Dr. Gopinath Jadhav	X	
Mr. Keith Parker	X	
Ms. Jacquelyn E. Stone	X	
Dr. Shantaram Talegaonkar	X	

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

Mr. Dendy 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 designee the authority to execute a Master Service Agreement and other related agreements as the University deems prudent to establish an online education partnership as discussed in closed session.

After motion duly made and seconded the Committee approved the motion.

ADJOURNMENT

There being no further business Mr. Dendy, Chair, adjourned the meeting at 11:53 a.m.